



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

**August 20-21, 2025
Austin, Texas**

Wednesday, August 20, 2025

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE
SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551

1:00 p.m.

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

- 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); 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; including any interim appointments**
- b. U.T. Tyler: Consideration, discussion, and appropriate action regarding recommendation of Faculty Hearing Tribunal concerning termination of Mary Linehan, Ph.D., a tenured faculty member**

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

U.T. System 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, TO CONSIDER AGENDA ITEMS, AND TO
CONVENE COMMITTEE MEETINGS

1:45 p.m.

<u>Wednesday, August 20, 2025 (cont.)</u>	Page
1. U.T. System Board of Regents: Discussion and appropriate action related to the appointment of John M. Zerwas, M.D., as Chancellor	6
2. U.T. Austin: Discussion and appropriate action regarding the appointment of James E. Davis, J.D. as President	6
3. U.T. San Antonio and U.T. Health Science Center - San Antonio: Discussion and appropriate action regarding the appointment of Taylor Eighmy, Ph.D. as President of the realigned San Antonio entity	6
COMMITTEE MEETINGS	2:00 p.m. - 4:30 p.m.
RECESS	4:30 p.m.
<u>Thursday, August 21, 2025</u>	
RECONVENE 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.
4. U.T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board	7
5. U.T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' <i>Rules and Regulations</i> , Rule 10402 (Committees and Other Appointments), to add a new subsection 3.3, regarding University Lands Advisory Board	8
6. U.T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Regents' <i>Rules and Regulations</i> , Series 20000: Administration and Regents' Rule 80107 (Expenditures for the Maintenance of University Residences)	9
7. U.T. System: Annual Meeting with Officers of the U.T. System Employee Advisory Council	69
8. U.T. System Board of Regents: Appointment of Francie A. Frederick as General Counsel to the Board Emeritus	74
9. U.T. System Board of Regents: Approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' <i>Rules and Regulations</i> , Rule 10402, regarding Committees and Other Appointments)	75
10. U.T. System Board of Regents: Discussion and appropriate action concerning the appointment of members to the Higher Education Research Security Council	77
11. U.T. System Board of Regents: Discussion and appropriate action regarding maintaining tuition and fees for the U.T. general academic institutions for Academic Years 2026 and 2027	78

Thursday, August 21, 2025 (cont.)

Page

- 12. U.T. System: Discussion and appropriate action regarding allocation of Permanent University Fund (PUF) Bond Proceeds for capital projects addressing deferred maintenance at the academic and health institutions**

79

- 13. U.T. System Board of Regents: Discussion and appropriate action regarding faculty advisory groups**

81

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551

10:00 a.m.

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

- 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); 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; including any interim appointments**
- 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); 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; including any interim appointments; and related personnel aspects of the operating budget for Fiscal Year 2026**
- 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' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**

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

U.T. System 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**

Thursday, August 21, 2025 (cont.)

Page

- c. **U.T. San Antonio: Discussion and appropriate action regarding legal issues associated with the grant of an exclusive option to purchase real property and improvements comprised of approximately 13.59 acres located on the Hemisfair campus at 801 E César E. Chávez Boulevard, San Antonio, Bexar County, Texas, to the City of San Antonio for a potential downtown revitalization project**

- 4. **Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072**

U.T. San Antonio: Discussion and appropriate action regarding the grant of an exclusive option to purchase real property and improvements comprised of approximately 13.59 acres located on the Hemisfair campus at 801 E César E. Chávez Boulevard, San Antonio, Bexar County, Texas, to the City of San Antonio for a potential downtown revitalization project

- 5. **Deliberation Regarding Security Devices, Security Audits, or Cybersecurity Measures – Sections 551.076, 551.0761, 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, and cybersecurity measures, policies, or contracts intended to protect critical infrastructure facilities

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

*11:45 a.m.
approximately*

- 14. **U.T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2026, 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, b) appropriation of Available University Funds for the U.T. System self-insurance funds c) Institutional funds for Combat Casualty Care Research, and d) finding that expenditure of the Available University Fund is appropriate**

82

- 15. **U.T. System: Discussion and appropriate action regarding personnel aspects of the U.T. System Administration and institutional operating budgets for Fiscal Year 2026**

95

ADJOURN

*12:00 p.m.
approximately*

1. **U.T. System Board of Regents: Discussion and appropriate action related to the appointment of John M. Zerwas, M.D., as Chancellor**
2. **U.T. Austin: Discussion and appropriate action regarding the appointment of James E. Davis, J.D. as President**
3. **U.T. San Antonio and U.T. Health Science Center - San Antonio: Discussion and appropriate action regarding the appointment of Taylor Eighmy, Ph.D. as President of the realigned San Antonio entity**

4. **U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 244](#).

5. **U.T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' Rules and Regulations, Rule 10402 (Committees and Other Appointments), to add a new subsection 3.3, regarding University Lands Advisory Board**

RECOMMENDATION

The Chancellor *ad interim* and the General Counsel to the Board recommend that the U.T. System Board of Regents approve the following revisions to Regents' *Rules and Regulations*, Rule 10402 (Committees and Other Appointments) to add a new subsection 3.3:

Sec. 3.1 ULAB's duties include advising on the strategic direction and operations of University Lands and on oil and gas development terms and conditions to the Board for Lease.

Sec. 3.2 The Board of Regents will retain its statutory responsibility and authority to:

- (a) Approve budgets;
- (b) Appoint members of ULAB;
- (c) Purchase and sell any property;
- (d) Approve policy recommendations and set policy for University Lands;
- (e) Approve decisions critical to the mission of University Lands, including compensation parameters;
- (f) Modify delegations to ULAB; and
- (g) Approve the hiring and compensation of the University Lands Chief Executive Officer.

Sec. 3.3 The U.T. Board Chairman may appoint three regents to act as liaisons with University Lands and to coordinate with the Executive Vice Chancellor of Business Affairs to advise the Chancellor on topics under Section 3.2.

BACKGROUND INFORMATION

Regents' Rule 10402 sets forth committees and other potential appointments for Board members, including the University Lands Advisory Board, which advises the Board of Regents on topics related to University Lands. The proposed revision would enable the U.T. Board Chairman to also appoint up to three Regents to liaise with University Lands and advise U.T. System Administration leadership on topics under the authority of the Board of Regents.

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 Board of Regents: Discussion and appropriate action regarding proposed revisions to Regents' Rules and Regulations, Series 20000: Administration and Regents' Rule 80107 (Expenditures for the Maintenance of University Residences)**

RECOMMENDATION

The Chancellor *ad interim* and the General Counsel to the Board recommend that the U.T. System Board of Regents approve revised Regents' *Rules and Regulations*, Series 20000: Administration and Regents' Rule 80107 (Expenditures for the Maintenance of University Residences), as they appear on the following pages.

BACKGROUND INFORMATION

The U.T. System Board of Regents' Office is charged with maintaining the Regents' *Rules and Regulations*, including periodically reviewing the Rules for opportunities to improve efficacy and usability.

The proposed revised Regents' Rules Series 20000 were developed in collaboration with stakeholders throughout the U.T. System and are drafted to clarify and update policies and simplify and modernize language. Additionally, some revisions were made to comply with portions of Senate Bill 37 (SB 37), passed by the Texas Legislature 89th Regular Session, and effective January 1, 2026. Additional Regents' Rules changes needed to comply with SB 37 will be presented to the Board at a later date.

Significant proposed revisions to the Rules include:

- Rule 20102: Appointment of Institutional Administrative Officers
 - Added language regarding Board approval of provost titles and Board authority to overturn institutional hiring decisions to comply with SB 37. Included a special circumstances process that would allow a small committee to provisionally authorize provost hires if special circumstances require an appointment prior to a Board meeting.
- Rule 20201: Presidents
 - Changes to presidential search process to comply with SB 37.
 - Streamlined the process to select president candidates for Board interviews. Instead of holding a special called meeting for Board to select candidates, the Chairman will make selection following recommendations of the Advisory Committee Chairman and the Chancellor. This will eliminate one of the currently required Board meetings and expedite the process.
 - Incorporated content related to administration of an institution's intercollegiate athletics program (moved from Regents' Rule 20206).

- Rule 20204: Determining and Documenting the Reasonableness of Compensation
 - Streamlined references to use of IRS guidelines.
- Rule 20205: Expenditures for Travel and Entertainment by Chief Administrators
 - Raised threshold for travel and entertainment expenses requiring annual reporting from \$1,000 to \$2,500. Made parallel revision to Regents' Rule 80107 regarding reporting of expenditures for maintenance of university residences.
- Rule 20206: Intercollegiate Athletics
 - Deleted rule and incorporated content into discussion of presidents' responsibilities in Regents' Rule 20201.
- Rule 20501: Accounting, Operating Budgets, and Legislative Appropriation Requests
 - Consolidated delegations to the Executive Vice Chancellor level.
 - Added flexibility to the reappropriation process.
- Rule 20601: Aircraft Use
 - Reorganization of the rule to improve usability.
 - Broadened finding that spouses of U.T. employees at official functions may be in furtherance of U.T. business to include all U.T. employees and not just those specified.
 - Added flexibility to allow the Chancellor to assign use of U.T. aircraft at his or her discretion.
 - Changed official oversight of aircraft operations to Executive Vice Chancellor of Business Affairs instead of his direct reports.
 - Added flexibility to allow charges for use of aircraft to be up to actual cost.
 - Added prior approval requirement for use of chartered aircraft.
- Rule 20701: Use of Historically Underutilized Businesses
 - Removed restated definitions and adopted definitions as they are contained in the *Texas Administrative Code*.
- Rule 80107: Expenditures for the Maintenance of University Residences
 - Raised threshold for reporting expenditures for maintenance of university residences from \$1,000 to \$2,500, consistent with revision in Regents' Rule 20205.

The revisions are not expected to directly impact the U.T. System full-time equivalent (FTE) employee counts and budgets, but could contribute to an overall increased efficiency in operations. The proposed Rules were reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20101

1. Title

Chancellor

2. Rule and Regulation

Sec. 1 Role. The Chancellor is the chief executive officer of The University of Texas System. The Chancellor reports to and is responsible to the Board of Regents. The Chancellor heads the System Administration, which is used by the Board to exercise its powers and authorities in the governance of the U.T. System. The Chancellor has direct line responsibility for all aspects of the U.T. System's operations.

Sec. 2 Appointment. The Chancellor will be elected by the affirmative vote of a majority of the Regents in office and will hold office without fixed term, subject to the pleasure of the Board.

Sec. 3 Primary Duties and Responsibilities. The Chancellor, by delegation from the Board of Regents, is authorized to exercise the powers and authorities of the Board in the governance of the U.T. System. The Chancellor will normally act through the officers of the U.T. System regarding the matters delegated by the Regents' *Rules and Regulations* or other Board action. The Chancellor, however, is not precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and faculty or staff organizations. The major duties of the Chancellor include:

3.1 Counseling, Implementing, and Representing. Counseling the Board with respect to the policies, purposes, and goals of the System; acting as executive agent of the Board in implementing Board policies, purposes, and goals and a system of internal controls; representing the U.T. System in all other respects as deemed appropriate to carry out such policies, purposes, and goals, and interpreting and articulating the U.T. System's academic, administrative, and developmental policies, programs, needs, and concerns to the

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20101

general public and to other constituencies at the community, state, regional, and national levels.

- 3.2 Strategic Planning. In consultation with the Board of Regents, the Chancellor conducts an ongoing review of emerging trends and critical issues in higher education and, in collaboration with U.T. System and institutional leadership, recommends operational adjustments based on assessments of the internal and external environment; and recommendations for U.T. System goals, priorities, and benchmarks of progress in academic programs, service, capital expenditures, and the allocation of financial resources.
- 3.3 Directing. Directing the management and administration of System Administration and all institutions of the U.T. System.
- 3.4 Organizing. Reviewing periodically the organization of the System Administration and the institutions of the U.T. System and reporting to the Board recommendations for changes in organization, assignments, and procedures.
- 3.5 Recommending Board Action. Making appropriate recommendations to the Board of Regents along with any appropriate U.T. System officer or president of an institution.
- 3.6 Budgeting. Preparing and approving annual operating budgets for the System Administration and the institutions of the U.T. System and submitting recommendations to the Board of Regents in accordance with [Rule 20501](#).
- 3.7 Preparing Legislative Submissions. Preparing and approving biennial legislative submissions to the Legislative Budget Board and to the Governor for the System Administration and the institutions of the U.T. System for the consideration of the Board of Regents in accordance with [Rule 20501](#).

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20101

- 3.8 Fund Development. Serving as the chief executive officer for fund development and as the agent of the Board of Regents for the discharge of development responsibilities. Defining for the Board, at periodic intervals, descriptions of current and future needs, as determined by the presidents and System Administration, taking into account recommendations from institutional development boards.
- 3.9 Appointment of Officers. Appointing the Executive Vice Chancellors, Vice Chancellors, and the Chief Compliance and Risk Officer. Appointments shall be made after consultation with the Chairman of the Board and must comply with the Board's policy on the compensation of key executives as set forth in [Rule 20203](#). The Chancellor may also approve the payment of reasonable supplemental salary for an individual assuming additional duties including those of an interim appointment, following consultation with the Chairman.
- 3.10 Nominating Chief Audit Executive. Nominating candidates for the position of Chief Audit Executive for appointment by the Board of Regents, as outlined in [Rule 20401](#).
- 3.11 Oversight of UTIMCO. Serving, if appointed by the Board of Regents, on the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO). Generally overseeing the operations of UTIMCO and coordinating interaction between the U.T. System and UTIMCO. Ensuring that UTIMCO implements the core investment functions delegated by the Board of Regents in conformance with the Regents' *Rules and Regulations*, the Investment Management Services Agreement, and the Investment Policy Statements adopted by the Board. Directing UTIMCO in areas other than core investment functions such as relations with the media, intergovernmental relations, and public disclosure issues. Recommending to the Board of Regents, in its fiduciary role, an effective oversight system for the proper management of UTIMCO,

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20101

including, but not limited to clear procedures for the selection of UTIMCO directors; process for budget review; and periodic review of the Investment Management Services Agreement.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.353](#) – Responsibility of System Administration

Texas Education Code [Section 65.16](#) – System Central Administration Office; Executive Officer

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

Texas Government Code [Chapter 669](#) – Restrictions on Certain Actions Involving Executive Head of State Agency

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20401](#) – Audit and Compliance Programs

Regents' *Rules and Regulations*, [Rule 20501](#) – Accounting, Operating Budgets, and Legislative Appropriation Requests

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20102

1. Title

Appointment of Institutional Administrative Officers

2. Rule and Regulation

Sec. 1 Appointment.

1.1 Except as provided otherwise by these Rules or state law, the U.T. System Board of Regents delegates to the president of each institution the responsibility for the appointment and dismissal of all administrative officers of each institution, who serve without fixed terms and subject to the pleasure of the president.

1.2 The Board of Regents endorses the principle of reasonable consultation in the selection of administrative officers of the institutions and the primary operating units and expects the president, as he or she deems appropriate, to consult in the selection process with the representatives of the faculty, staff, and student body. However, the president of the institution is responsible for executing the duties of the office and consequently shall not be bound by nominations to administrative positions by campus selection committees, and the *Handbook of Operating Procedures* of each institution shall so state.

Sec. 2 Required Board Approval.

2.1 Board approval is necessary for each appointment for the position of provost or deputy, associate, assistant, or vice provost.

2.2 Appointments may be made by the President following consultation with the Chancellor, the appropriate Executive Vice Chancellor, the Vice Chancellor and General Counsel, and a member or members of the Board designated by the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an appointment be made prior to a scheduled meeting of the Board. Such special circumstance appointments must be

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20102

submitted to the Board for formal approval at the next appropriate meeting of the Board.

Sec. 3 Required Executive Vice Chancellor Approval. Prior approval by the appropriate Executive Vice Chancellor is necessary for each permanent, interim, or acting appointment and for each such dismissal whether from a permanent, interim, or acting appointment, for the positions of executive vice president, vice president, or dean.

Sec. 4 Board Authority to Overturn. The Board may overturn any hiring decision for the position of vice president or dean. Any such decision shall be implemented by an institution through appropriate action.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.352](#) – Responsibility of Governing Boards

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, [Rule 10402](#), Section 1.6 (b.iv.) – Committees and Other Appointments

Regents' Rules and Regulations, [Rule 20401](#), Section 1.2(c), (d) – Audit, Compliance, and Risk Management Programs

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

1. Title

Presidents

2. Rule and Regulation

Sec. 1 Presidential Selection. The Board of Regents selects the president of each institution.

1.1 Presidential Search Advisory Committee. When there is an imminent or actual vacancy in the office of a president, an Advisory Committee will be established to recommend candidates to the Board. No potential candidate for the vacancy may serve on the Advisory Committee. Committee membership is as follows:

- (a) At least two Regent appointed by the Chairman of the Board, one of which will be designated to serve as Chairman of the Advisory Committee.
- (b) Two presidents from U.T. System institutions appointed by the Chairman of the Board.
- (c) The Chancellor and the Executive Vice Chancellor for Academic or Health Affairs, as appropriate.
- (d) Three faculty members from the applicable institution following a method of selection determined by the institution's faculty governance body. At least two of the members must have the rank of associate professor or higher.
- (e) One Dean selected by the Deans' Council of the applicable institution for academic institutions. At health institutions, the member will be the Dean of the Medical School or in the absence of that position the member will be a senior representative of the teaching program of the institution selected by the Chairman of the Board.
- (f) One student, in good academic standing, from the applicable institution, following a method of

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

selection determined by the institution's student governance body or, if there is no student governance body, by the Chairman of the Board. If the institution does not have students, this category of representation may be omitted.

- (g) The President of the alumni association of the applicable institution. If the institution does not have an active alumni organization, an alumnus of the institution may be selected by the Chairman of the Board.
 - (h) One nonfaculty employee of the applicable institution following a method of selection determined by the institution's staff or employee council. If there is no staff or employee council, selection will be by the Chairman of the Board.
 - (i) At least two representatives of the institution's external constituency who have demonstrated a deep interest in and support of the institution, its programs, and its role in community activities, appointed by the Chairman of the Board.
- 1.2 Appointment of Members. Unless there are unusual delays in faculty, staff, or student representative selection that postpone initiation of the committee process, the Chairman of the Board will make his or her appointments to the Advisory Committee after the institutional selections set forth above. The Chairman's appointments to the Advisory Committee will be made following due consideration of input from members of the Board, the institutional leadership, and community leaders.
 - 1.3 Selection Criteria. Selection criteria for the president must relate to the needs of the individual institution and the U.T. System.
 - 1.4 Responsibilities of the Committee Chairman. The Committee Chairman will develop a timetable for the Committee's work, in consultation with the Chancellor and the Chairman of the Board, and initiate processes to develop an appropriate candidate pool.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

- 1.5 Review of Qualifications. Following an introduction and charge by the Committee Chairman, the Advisory Committee will assess the candidates' academic, administrative, and business qualifications.
- 1.6 Interviews. The Advisory Committee will interview candidates as a part of its selection process.
- 1.7 Selection of Finalists. The Board Chairman will select candidates to be further interviewed by the Board following recommendations from the Advisory Committee Chairman and the Chancellor. Following the Board interviews, the Board may select a finalist or finalists. If none of the candidates interviewed are satisfactory to the Board of Regents, the Board in its discretion may either name a new committee or proceed to select a president under such other procedures that in its discretion it may deem proper and appropriate.
- 1.8 Alternate Process. When the Board of Regents has candidates from recent searches at other institutions, from within the U.T. System, and/or of national prominence from outside the U.T. System to advance for consideration, the Chairman of the Board of Regents will appoint a Special Committee to provide the Board with advice and evaluation consistent with that usually provided by an Advisory Committee. The Special Committee will be composed as specified above for the Advisory Committee but will not include members of the Board of Regents. The Special Committee will not extend its consideration beyond those candidates referred to it by the Board of Regents without specific concurrence from the Board.
- 1.9 Confidentiality. The presidential selection process must be conducted in a manner that protects the identity of all candidates at all stages. Information about the process, other than statements or releases by the Chairman of the Board or the Chancellor, will be distributed only as required by the Texas Public Information Act (TPIA). Each individual participating in the search process,

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

including U.T. System employees, members of the Board, search firm representatives, members of a Presidential Search Advisory Committee, and individuals asked to meet with candidates, must sign a confidentiality agreement in a form approved by the General Counsel to the Board and the U.T. System Vice Chancellor and General Counsel prior to participation.

An individual found to have violated the confidentiality agreement may be removed from the search process. A U.T. System employee found to have violated the confidentiality agreement is subject to disciplinary action, up to and including termination.

- Sec. 2 Reporting. The president reports to and is responsible to the Chancellor. The president is expected to consult with the Chancellor and the appropriate Executive Vice Chancellor on significant issues as appropriate and as soon as is practicable.
- Sec. 3 Term and Removal from Office. The president serves at the pleasure of the Chancellor, subject to the approval of the Board of Regents. When circumstances warrant or require such action, the Chancellor may take interim action involving a president, including but not limited to suspension or leave of absence, in consultation with the Chairman of the Board.
- Sec. 4 Duties and Responsibilities. The president is the chief administrative officer of an institution. Within the policies and regulations of the Board of Regents and under the supervision and direction of the Chancellor and the appropriate Executive Vice Chancellor, the president has general authority and responsibility for the administration of that institution. Specifically, the president is expected, with the appropriate participation of or in consultation with the institution's administrative officers or other staff, to:
- 4.1 Develop and administer plans and policies for the programming, organization, and operation of the institution.
 - 4.2 Communicate and implement the System policies at the institution and promote the institution's programs

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

- and needs to the System Administration and to the public.
- 4.3 Develop and administer policies relating to students and, where applicable, to the proper management of services to patients.
 - 4.4 Recommend appropriate operating budgets and legislative appropriation requests and supervise expenditures under approved budgets.
 - 4.5 Appoint all members of the faculty and staff, except as provided in [Rule 31007](#), concerning the award of tenure, and maintain efficient personnel programs.
 - 4.6 Ensure efficient management of business affairs and physical property and recommend additions and alterations to the physical campus or facilities.
 - 4.7 Serve as presiding officer at official meetings of faculty and staff of the institution and as *ex officio* member of each college or school faculty, if any, within the institution.
 - 4.8 Appoint or establish procedures for the appointment of all faculty, staff, and student committees.
 - 4.9 Develop and administer the rules and regulations for the governance of the institution and any related amendments. Such rules and regulations will constitute the *Handbook of Operating Procedures* for the institution. Any rule or regulation in the institutional *Handbook of Operating Procedures* that is in conflict with the Regents' *Rules and Regulations* or Systemwide policies is void and has no effect.
 - (a) Input from the faculty, staff, and student governance bodies for the institution will be sought for all significant changes to an institution's *Handbook of Operating Procedures*. The institutional *Handbook of Operating Procedures* will include a policy for obtaining this input.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

- (b) Sections of the *Handbook of Operating Procedures* that pertain to the areas of faculty responsibility as defined in Regents' *Rules and Regulations*, [Rule 40101](#), Faculty Role in Educational Policy Formulation, will be explicitly designated in the *Handbook of Operating Procedures*. The president, with the faculty governance body of the institution, will develop procedures to assure formal review of these sections by the faculty governance body before such sections are finalized. The formal review should occur within 60 days or less.
 - (c) All rules and regulations or amendments in the *Handbook of Operating Procedures* must be approved by the president and by the institution's chief legal officer or the Vice Chancellor and General Counsel, as needed.
- 4.10 Assume initiative in developing long-range plans for the programs and physical facilities of the institution.
 - 4.11 Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established in the Regents' *Rules and Regulations*.
 - 4.12 Develop and implement plans and policies to ensure that the institution remains in compliance with any accreditation requirements appropriate to the institution or its programs, including, the accreditation of hospitals, clinics, and patient-care facilities, as appropriate.

For each institution of The University of Texas System that operates a hospital or clinic, the president will serve as the Health Care Governing Body, required by the Centers for Medicare and Medicaid Services, The Joint Commission, and/or other specialty accreditation standards or by other health care regulations (collectively, "Health Care Regulations") if appointed as the Health Care Governing Body by the Chancellor. The Health Care Governing Body will have legal responsibility to oversee, manage, and govern hospitals and clinics

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

in accordance with the Health Care Regulations and applicable laws, regulations, and Regents' *Rules*.

A U.T. institution that operates a hospital will also have an organized, self-governing medical staff (the "Medical Staff"). The Medical Staff will operate independently and in accordance with Medical Staff Bylaws approved by the Health Care Governing Body, perform certain responsibilities, and be accountable to the Health Care Governing Body for the quality of medical care in the hospitals, as required by the Health Care Regulations. The Medical Staff may include faculty members in accordance with the Medical Staff Bylaws recommended by the Medical Staff and approved by the Health Care Governing Body.

- 4.13 Assume ultimate responsibility and authority for the operation, fiscal integrity, and personnel of the institution's athletics program, including appointment and supervision of the athletics director(s), exercised in accordance with the oversight and broad policy guidelines provided by the Board. Each president is also responsible for ensuring that the institution's athletics program is in compliance with all applicable laws and regulations, including the General Appropriations Act and that the mission, values, and goals of the athletics program are compatible with those of the institution.

Sec. 5 Evaluation

- 5.1 Within 12 months of beginning service as president, the new president will provide the Board with a statement outlining a vision and plans for the future of the institution. The presentation may be deferred for six months, if deemed appropriate by the Chancellor and the appropriate Executive Vice Chancellor after consultation with the Chairman of the Board.
- 5.2 Each president will have an annual performance evaluation, conducted by the Chancellor and the appropriate Executive Vice Chancellor, and presented to the Board for discussion.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20201

- 5.3 Each president will receive a comprehensive performance review by the appropriate Executive Vice Chancellor, the Chancellor, and the Board at the conclusion of each five-year period, beginning after the first year of service as president. The review may include an interview with the Board in Executive Session during which the president will outline his or her renewed vision and plans for the future of the institution.

3. Definitions

Health Care Governing Body – an organized body or an individual that has legal responsibility for the operation of the hospital or clinic, as contemplated by Health Care Regulations, including [42 C.F.R. 482.12](#) or [42 C.F.R. 485.709](#).

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.16](#) – System Central Administration Office; Executive Officer

Texas Government Code [Section 552.123](#) – Exception: Name of Applicant for Chief Executive Officer of Institution of Higher Education (excepting applicant names and identifying information from public disclosure but requiring notice of name or names of finalists at least 21 days before meeting at which final action is to be taken)

Texas Education Code [Section 51.913](#) – Executive Search Committees

[General Appropriations Act](#)

5. Relevant System Policies, Procedures, and Forms

None

6. System Administration Office(s) Responsible for Rule

Office of the Chancellor
Office of Academic Affairs Office of Health Affairs

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20202

1. Title

Cash Compensation for Chief Administrative Officers

2. Rule and Regulation

Sec. 1 Purpose. This Rule sets forth the cash compensation structure authorized for the Chief Administrative Officers of The University of Texas System. It is prospective in nature and application and is not intended to be applied retroactively. It does not pertain to, nor affect, benefit programs such as insurance and retirement benefits, which may also be a part of a Chief Administrative Officer's overall compensation package.

Sec. 2 Elements of Compensation Structure. In order to attract and to retain effective, highly skilled, and committed Chief Administrative Officers, it is the policy of the U.T. System to offer competitive levels of cash compensation within a compensation structure consistently applied. This Rule establishes and defines the various elements for the cash compensation portion of a Chief Administrative Officer's compensation package. Compensation packages for the presidents are recommended by the appropriate Executive Vice Chancellor to the Chancellor, and then by the Chancellor to the Board of Regents for approval. The compensation package for the Chancellor is determined by the Board of Regents.

2.1 Base Salary. The base salary rate for each chief administrative officer will be set by the U.T. System Board of Regents following a review of for peer institutions.

2.2 Practice Plan Supplement. The bylaws of the physician practice plans provide that the compensation for the presidents of the health institutions may be supplemented by up to 30% of the president's salary from practice plan funds. The supplement is contingent on availability of funds in the practice plan. The practice plan salary supplement is not a part of the base salary and will be reported as a separate element of the health institution president's cash compensation because of the special nature of the source of funding.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20202

Practice plan supplements are not eligible for Teacher Retirement System and Optional Retirement Program retirement benefits or other retirement benefits and no employer matching contributions may be made with respect to practice plan supplements.

2.3 Deferred Compensation. Upon approval by the Board, deferred compensation may be paid pursuant to a Deferred Compensation Plan originally adopted effective September 1, 1996, for the benefit of a select group of employees. The purpose of the plan is to offer those employees an opportunity to elect to defer the receipt of compensation pursuant to [Section 457\(f\)](#) of the Internal Revenue Code of 1987, as amended. Deferred compensation is not part of the base salary and will be reported as a separate element of the Chief Administrative Officer's cash compensation. Deferred compensation is not eligible for Teacher Retirement System or Optional Retirement Program retirement benefits or other retirement benefits.

2.4 One-time Merit Awards. In instances where a Chief Administrative Officer has made a significant contribution in a particular year, the Board of Regents may elect to make a one-time merit award.

2.5 Other Elements of Compensation. A Chief Administrative Officer is also eligible to receive additional elements of compensation available to all Key Executives, as listed in Rule 20203, that are not specifically listed above.

Sec. 3 Prohibited Allowances or Adjustments. No allowances or adjustments will be provided for the following items.

3.1 Housing Allowance. No separate allowance for housing may be paid. Base salary includes compensation sufficient to purchase or lease a residence.

3.2 Housing Maintenance Allowance. No separate allowance for maintenance, utilities, landscaping, or other expenses attributable to a Chief Administrative

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20202

Officer's personal residence may be paid. All personal expenses associated with a chief administrative officer's residence are intended to be covered by the base salary. No U.T. System employee may be used to provide personal services related to repair or maintenance at a residence that is not owned by the University.

3.3 Car Allowance. No separate car allowance may be provided to a Chief Administrative Officer. Base salary includes compensation sufficient to purchase or lease a car. An institution may reimburse a Chief Administrative Officer for mileage associated with business use of a personal vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code*, [Chapter 660](#)), and applicable institutional policies. No vehicle may be purchased for or assigned to the Chief Administrative Officer for personal use.

Sec. 4 Other Compensation. This Rule covers compensation provided for service as a Chief Administrative Officer by the institution or an external organization that is established to support the mission of the institution. Compensation for other service, such as service on outside boards, must be pursuant to approval required by The University of Texas Systemwide [Policy UTS 180](#) (*Conflicts of Interest, Conflicts of Commitment, and Outside Activities*).

Sec. 5 University Residences. If the Board of Regents require the Chief Administrative Officer to reside in a University Residence, then such requirement will be detailed in the Chief Administrative Officer's offer of employment. In the absence of such requirements, each Chief Administrative Officer, for which a residence owned by the U.T. System is available, will have the option of leasing the residence from the U.T. System at the current fair market rental value of that portion of the residence that is used as the Chief Administrative Officer's private residence.

3. Definitions

Chief Administrative Officers – the Chancellor and the presidents of U.T. System institutions

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20202

University Residences are the following:

Bauer House – Residence of the Chancellor of the U.T. System,
located in Austin, Texas

Hoover House – Residence of the President of U.T. El Paso, located
in El Paso, Texas

Juanita Curry Boynton House – Residence of the President of
Stephen F. Austin State University in Nacogdoches, Texas

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.16](#) – System Central
Administration Office; Executive Officer

Texas Education Code [Section 65.31](#) – General Powers and Duties

Texas Government Code, [Chapter 660](#) – Travel Expenses

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20203](#) – Compensation for
Key Executives

Regents' *Rules and Regulations*, [Rule 80107](#) –
Expenditures for the Maintenance of University Residences

The University of Texas Systemwide [Policy UTS 180](#), *Conflicts
of Interest, Conflicts of Commitment, and Outside Activities*

6. System Administration Office(s) Responsible for Rule

Office of the Chancellor

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20203

1. Title

Compensation for Key Executives

2. Rule and Regulation

Sec. 1 Compensation Philosophy. To attract, retain, and motivate the top talent needed to lead The University of Texas System and accomplish its mission, and to recognize and reward performance, the Board of Regents seeks to compensate key executives at levels that are competitive in the marketplace, cost effective, and, to the extent possible, internally equitable.

Sec. 2 Market Review. To align executive compensation with the relevant market, U.T. System Administration will obtain current and reliable market data on total compensation of key executives in comparable positions at peer institutions or peer organizations.

Sec. 3 Elements of Compensation. The elements of compensation may include and are limited to base salary; short and long-term incentive pay; supplemental retirement plans, such as deferred compensation plans; one-time merit pay; special provisions necessary to recruit an individual to a key executive position, such as salary supplement for a limited time or one-time relocation payment as necessary and prudent to recruit the top talent for the position; and perquisites such as memberships, parking privileges, and provision of or allowance for mobile communication devices as determined necessary for business purposes and as covered in individual agreements. Key executives must promptly reimburse the institution for any personal use of a membership provided by the institution. All compensation set pursuant to this Rule must comply with all applicable state and federal laws and must be approved and documented in budget summaries. All compensation for service as a key executive is covered by this Rule.

Sec. 4 Peer Institutions or Organizations. Peer institutions or organizations will be determined by the Chancellor and based on based on standard external benchmarking standards, for example size, mission, budget, and program mix.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20203

- Sec. 5 Approval by Board of Regents. All proposed elements of compensation, including taxable and nontaxable items, will be presented to the Board of Regents for approval.
- Sec. 6 Determining Compensation. In setting a key executive's initial compensation, the following factors should be considered: relevant market data, current compensation, cost of living differences, internal equity, and the U.T. System budget. Factors to consider in making future adjustments to a key executive's compensation include market data, job performance, the institution's progress on key performance indicators, internal equity, and the U.T. System budget.

3. Definitions

Key executive(s) – include the Chancellor, General Counsel to the Board, Chief Audit Executive, Executive Vice Chancellors, presidents of each of the U.T. System academic and health institutions, and Vice Chancellors.

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.31](#) – General Powers and Duties

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20202](#) – Cash Compensation for Chief Administrative Officers

6. System Administration Office(s) Responsible for Rule

Office of Budget and Planning

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20204

1. Title

Determining and Documenting the Reasonableness of Compensation

2. Rule and Regulation

Sec. 1 Setting of Compensation. Institutions of The University of Texas System are charged with setting compensation levels for personnel in such a way that compensation is reasonable and adequate documentation is maintained for supporting the reasonableness of compensation paid. The presidents will implement appropriate policies and procedures concerning compensation at each U.T. System institution.

Sec. 2 Determining compensation for Highly Compensated Personnel in Compliance with IRS Guidelines. The Internal Revenue Code and related IRS guidelines provide guidance for determining the reasonableness of compensation for certain highly compensated employees. Although much of this guidance is not directly applicable to the UT System, compensation for Highly Compensated Personnel will be determined pursuant to a process in conformance with the spirit of these authorities, as well as any other factors deemed relevant. The Chancellor must develop a Systemwide policy for establishing the compensation for Highly Compensated Personnel not defined as Key Executives in [Rule 20203](#), that is in conformance with this standard.

Sec. 3 Approval required.

3.1 Board Approval. Initial Total Annual Compensation and changes to Total Annual Compensation that may exceed the amount set as the institutional contract threshold discussed in [Rule 10501](#), must be approved by the Board of Regents, except as provided by [Rule 10501](#) for athletic directors or coaches or by Subsection 3.2 below. This approval can occur through the approval of the annual operating budget or as a stand-alone item during the fiscal year.

3.2 Chancellor approval. For proposed changes not included in the annual operating budget, the Chancellor may approve changes of up to five percent per year of an

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20204

institutional employee's Total Annual Compensation that was approved by the Board pursuant to subsection 3.1.

- 3.3 Documentation required. In all cases, the employing institution is responsible for maintaining documentation that the compensation was established or changed in accordance with applicable Systemwide policy.

3. Definitions

Highly Compensated Personnel – personnel whose Total Annual Compensation is, or may exceed, \$1 million in any year and who are not covered in Regents' *Rules and Regulations*, [Rule 20203](#) (Compensation for Key Executives).

Total Annual Compensation – includes an employee's salary or wages, practice plan supplements, incentive plan payments, and unpaid deferred compensation and excludes employer-provided insurance, expense allowances, employer contributions to Teachers Retirement System of Texas and Optional Retirement Program, longevity pay, and other fringe benefits.

4. Relevant Federal and State Statutes

Internal Revenue Code [Section 162](#) – Trade or Business Expense - imposes a reasonableness requirement for the deductibility of compensation as a business expense; applicability has been extended to tax-exempt organizations

Internal Revenue Code of 1986 [Section 4958](#) – Taxes on Excess Benefit Transactions - imposes excise taxes on excess benefit transactions between certain tax-exempt organizations and persons in a position to exercise substantial influence over the affairs of the organizations

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 10501](#) – Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations*, [Rule 20202](#) – Cash Compensation for Chief Administrative Officers

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20204

Regents' *Rules and Regulations*, [Rule 20203](#) – Compensation for Key Executives

The University of Texas Systemwide [Policy UTS 144](#), *Establishing Compensation for Highly Compensated Employees*

[Board Contract Approval Threshold Table](#) (October 5, 2022)

6. System Administration Office(s) Responsible for Rule

Office of Budget and Planning

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20205

1. Title

Expenditures for Travel and Entertainment by Chief Administrative Officers

2. Rule and Regulation

Sec. 1 Purpose. The University of Texas System is governed by State law and rules and regulations promulgated under those laws, as well as Systemwide and institutional policies and procedures concerning expenses incurred by officials for travel and entertainment. While recognizing the unique role of the Chief Administrative Officers in representing the U.T. System and the institutions, the Board of Regents also recognizes the importance of oversight and accountability, transparency, and fiscal responsibility. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit of Travel and Entertainment Expenses incurred by the Chief Administrators.

Sec. 2 Prudent Use of Funds. In the performance of their unique roles, the Chief Administrative Officers are frequently called upon to travel on behalf of the U.T. System, to extend official hospitality to important visitors, and to entertain guests in conjunction with alumni and development activities, campus events, and other official functions. As a public institution, the U.T. System must make the most efficient and effective use of funds entrusted to it by various constituencies when making expenditures for those purposes and must be able to demonstrate compliance with applicable laws, rules, and policies. Additionally, individuals seeking reimbursement must certify that expenditures support the mission and purpose of the U.T. System and that the expenditures are not made for a private purpose.

Sec. 3 Travel and Entertainment Expenditures. All expenditures for travel and entertainment by a Chief Administrative Officer that are paid or reimbursed by the U.T. System must be for a business purpose of the U.T. System and must comply with all laws, rules, and policies of the institution and the U.T. System Administration. All Foreign Travel must be approved in advance by the Chairman of the Board of Regents for the Chancellor and spouse and by the appropriate Executive Vice Chancellor for the presidents and spouses. Requests for approval of Foreign Travel must include a specific business

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20205

purpose and an estimate of funds to be expended by U.T. System Administration or by the institution.

- Sec. 4 Documentation and Review. Each Chief Administrative Officer must comply with all documentation requirements imposed by law and U.T. System Administration and institutional rules and policies for Travel and Entertainment Expenses, including providing appropriate receipts and documentation of the purpose of the expense and, when necessary, the individuals or groups attending an event. Evidence of review, in all cases, must be documented. Each Chief Administrative Officer must take all necessary and reasonable steps to ensure that all employees follow applicable procedures for expense reimbursement.
- 4.1 Chancellor Expenses. Reimbursements made directly to the Chancellor for Travel and Entertainment Expenses must be reviewed and approved by the General Counsel to the Board of Regents before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the Chancellor's behalf in excess of \$100 must also be reviewed but may be reviewed after payment.
- 4.2 President Expenses. Reimbursements made directly to a president of a U.T. System institution for Travel and Entertainment Expenses must be reviewed and approved by the institution's chief business officer before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the president's behalf in excess of \$100 must also be reviewed but may be reviewed after payment.
- 4.3 Spouse Expenses. Requirements, processes, and guidelines applicable to a Chief Administrative Officer will also apply to his or her spouse.
- Sec. 5 Timeliness of Requests for Reimbursements. Chief Administrative Officers must request any reimbursement for Travel and Entertainment Expenses within 60 days of the date on which the expense was incurred.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20205

Sec. 6 Reporting. Each Chief Administrative Officer must prepare an annual report each fiscal year of Travel and Entertainment Expenses in a standard format. The Chancellor must file the report with the General Counsel to the Board of Regents for review by the Chairman of the Board of Regents and each president must file the report with the institution's chief business officer for review. The reports are due not later than the 30th day of October.

6.1 Annual Reporting on Travel and Entertainment Expenses. The annual report must include each expense that exceeds \$2,500 and that is reimbursed to the Chief Administrative Officer during the year or directly paid to a vendor on the Chief Administrative Officer's behalf, except for Entertainment Expenses at which more than 10 individuals are present. The report must include the payee, the date and amount of the expense, the type, and if applicable, the location of the event/expense, the participants if any, the business purpose of the expense, and the account charged for the expense.

6.2 Annual Certification. The institution's chief business officer will provide an annual certification to the Executive Vice Chancellor for Academic Affairs or Health Affairs that the reports have been received and reviewed.

Sec. 7 Audits. The System Audit Office will audit the Travel and Entertainment Expenses reimbursed to and directly paid to a vendor on behalf of the Chief Administrative Officers after the first full fiscal year after assuming office and periodically thereafter, based on an assessment of risk factors.

3. Definitions

Chief Administrative Officer – means the Chancellor or the president at each U.T. System institution. An individual serving in an interim or acting capacity is included in the definition, for purposes of compliance with this Rule.

Entertainment Expenses – includes all expenses associated with meals and events hosted by a Chief Administrative Officer in furtherance of a business purpose of U.T. System Administration or an institution.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20205

Foreign Travel – travel to, in, or from a destination that is neither in the United States nor a territory of the United States.

Travel Expenses – includes transportation, except for use of the U.T. System plane or a state plane, lodging, meals, and other expenses incurred in connection with travel in furtherance of a business purpose of the U.T. System, but does not include Entertainment Expenses or meals for others.

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.31](#) – General Powers and Duties

Texas Government Code [Section 660.003](#) – Applicability of Travel Expenses

Texas Government Code [Section 660.024](#) – Advance Approval for Certain International Travel

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20202](#) – Cash Compensation for Chief Administrative Officers

Regents' *Rules and Regulations*, [Rule 20203](#) – Compensation for Key Executives

Regents' *Rules and Regulations*, [Rule 20801](#) – Travel

The University of Texas Systemwide [Policy UTS 120](#), *Spousal Travel Policy*

The University of Texas Systemwide [Policy UTS 191](#), *Travel Guidance for Presidents and Their Spouses*

[Request for Payment of Business Expense Form](#)

[Travel Reimbursement Forms](#)

[International Travel Approval Form for Presidents and Spouses](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20205

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

The University of Texas System
Rules and Regulations of the Board of Regents

Rule: 20206

Proposed deletion of Rule 20206

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20301

1. Title

Honorary Titles and Degrees

2. Rule and Regulation

Sec. 1 Honorary Titles. The titles Chancellor Emeritus, President Emeritus, and similar honorary designations may be conferred only by appropriate action of the Board of Regents on individuals who are fully retired. No person is authorized to use any such title unless it has been bestowed by the Board.

Sec. 2 Honorary Degrees. In accordance with long-standing Board of Regents tradition, honorary degrees may be awarded only to a sitting President of the United States. Award of an honorary degree is to be reported to the Board at the next regular meeting of the Board.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. System Administration Office(s) Responsible for Rule

Office of Academic Affairs Office of Health Affairs

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20401

1. Title

Audit, Compliance, and Risk Management Programs

2. Rule and Regulation

Sec. 1 Audit Program. The Chancellor, as chief executive officer of the U.T. System, is responsible for ensuring the implementation of appropriate audit procedures for the U.T. System. Accordingly, the U.T. System Chief Audit Executive (CAE) prepares an executive summary of all internal audit activity by the U.T. System internal auditors and the institutional internal auditors for the Chancellor, and functions as a primary source of independent and objective information to the Audit, Compliance, and Risk Management Committee (ACRMC) of the Board of Regents.

1.1 U.T. System Chief Audit Executive's Responsibilities. The U.T. System CAE is charged with ensuring that an effective internal audit function is in place Systemwide. The U.T. System CAE accomplishes this by performing the following:

- (a) Providing information to enable the ACRMC to conduct its oversight responsibilities of the Audit Program.
- (b) Reporting on risks and issues identified through audit activities.
- (c) Facilitating the ACRMC Chairman's interactions with Institutional Audit Committee Chairs.
- (d) Establishing methodologies that support conformance with required professional standards. This guidance includes, but is not limited to, audit strategies, annual plan development, prioritization and communication of findings, reporting, audit committee support, and quality assurance activities.
- (e) Developing a Systemwide internal audit plan based on a comprehensive risk assessment and coordinating the implementation of the audit plan with the chief audit executives at all U.T. System institutions.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20401

- (f) Engaging with an institution's president regarding the selection or termination of an institution's CAE in order to provide recommendations and advice to the ACRMC Chair prior to such actions being taken.
- (g) Participating in the annual performance review for each institution's CAE.
- (h) Providing audit assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the exercise of their responsibilities.

Sec. 2 Compliance Program. The Chancellor, as chief executive officer of the U.T. System, is responsible for ensuring the implementation of a Systemwide compliance program for the U.T. System. U.T. System Administration shall adopt a policy further implementing the Systemwide compliance program.

The Systemwide compliance program will be headed by a Chief Compliance and Risk Officer (CCRO) and is a fundamental part of the management structure of U.T. System Administration. The primary responsibility of the CCRO is developing the infrastructure for the effective operation of the Systemwide compliance program. The CCRO is also responsible for apprising System Administration and the ACRMC of the compliance functions and activities at System Administration, The University of Texas/Texas A&M Investment Management Company (UTIMCO), and each institution.

Sec. 3 Risk Management. The Chancellor, as chief executive officer of the U.T. System, is responsible for ensuring Risk Management principles are integrated within leadership operation, practice, and activities. Accordingly, the Office of Risk Management (ORM) headed by the CCRO is a fundamental part of the management structure of U.T. System Administration. The primary responsibility of ORM is to provide the Chancellor and leadership with risk information, education, and the forum, when necessary, to encourage consideration of the most important risks. ORM will foster elements of prudent risk management including the structure for Executive Risk discussion, collaboration

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20401

with risk assessing functions, and resolution of activities
that mitigate important risks.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code [Chapter 2102](#) – Internal Auditing

5. Relevant System Policies, Procedures, and Forms

The University of Texas Systemwide [Policy UTS 129](#), *Internal Audit Activities*

6. System Administration Office(s) Responsible for Rule

System Audit Office
Office of Systemwide
Compliance Office of
Risk Management

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20402

1. Title

Provision of Audit and Non-Audit Services by External Audit Firms

2. Rule and Regulation

Sec. 1 Audit Services.

- 1.1 Audit, Compliance, and Risk Management Committee's Role. The ACRMC oversees contracting with external audit firms for audit services.
- 1.2 Board Approval. Neither U.T. System Administration nor any of the institutions may engage an External Audit Firm for Audit Services unless the contract is authorized through a delegation of authority as provided by *Texas Government Code Section 321.020* and the contract has been approved by the Board.
- 1.3 Conflict of Interest Provision. Neither U.T. System nor any of the institutions may engage an External Audit Firm for Audit Services unless the contract includes an acceptable conflict of interest provision approved by the Vice Chancellor and General Counsel.
 - (a) Lead Partner Rotation. The lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit must not have performed audit services for the institution(s) in each of the ten previous fiscal years.
 - (b) Hiring Restrictions. Neither U.T. System nor any of the institutions may hire a former or current partner, principal, or professional employee in a key position, as defined in the *Code of Professional Conduct* of the American Institute of Certified Public Accountants (AICPA), that would cause a violation of the AICPA *Code of Professional Conduct* or other applicable independence rules, during the year subsequent

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20402

to the completion of the audit engagement.

Sec. 2 Non-Audit Services.

- 2.1 ACRMC Review and Approval. Neither U.T. System Administration nor the institutions may engage the external audit firm to perform Non-Audit Services unless the proposed engagement is reviewed and approved by the ACRMC.
- 2.2 Delegation of Authority. The ACRMC Chairman may grant the approval required in the previous Subsection. Any such approval must be presented to the full ACRMC for approval at the next Committee meeting.
- 2.3 Conflict of Interest Not Permitted. If, upon review of a proposed engagement for Non-Audit Services under Subsection 2.1 of this Rule, the ACRMC determines that a conflict of interest exists between the external audit firm's obligations to perform Audit Services and that firm's anticipated obligations to perform Non-Audit Services contemporaneously with the performance of Audit Services, then the firm may not be engaged to perform the Non-Audit Services.

Sec. 3 Prohibited Non-Audit Services. Neither U.T. System Administration nor any of the institutions may engage an External Audit Firm to provide Prohibited Non-Audit Services contemporaneously with the provision of Audit Services.

3. Definitions

ACRMC – refers to the Audit, Compliance, and Risk Management Committee of the Board.

Audit Services – services that result in an audit, review, or agreed-upon procedures communication for U.T. System or any of the institutions.

External Audit Firm – is a public accounting firm (including its partners, employees and agents) engaged by the Board to provide audit services.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20402

Non-Audit Services – any non-audit services (including tax services) that are not listed in the definition of prohibited non-audit services.

Prohibited Non-Audit Services – include:

- a) bookkeeping or other services related to the accounting records or financial statements of U.T. System or any of the institutions;
- b) financial information systems design and implementation;
- c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- d) actuarial services;
- e) internal audit outsourcing services;
- f) management functions or human resources;
- g) broker, dealer, investment adviser, or investment banking services;
- h) legal services and expert services unrelated to the audit; and
- i) any other service that the Board determines, by rule, is impermissible.

4. Relevant Federal and State Statutes

Texas Government Code [Section 321.020](#) – Coordination of Investigations (with State Auditor)

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 10501](#) – Delegation to Act on Behalf of the Board

6. System Administration Office(s) Responsible for Rule

Office of the Controller Audit Office

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20501

1. Title

Accounting, Operating Budgets, and Legislative Appropriation Requests

2. Rule and Regulation

- Sec. 1 Approval of Accounting Records. All accounting records and procedures are subject to the approval of the chief business officer and the Executive Vice Chancellor for Business Affairs. The chief business officer and the Executive Vice Chancellor for Business Affairs is responsible for establishing internal controls to ensure that funds are expended and recorded appropriately.
- Sec. 2 Financial Reports. Financial Reports are prepared under the direction of the chief business officer and the Executive Vice Chancellor of Business Affairs. Copies of the reports must be furnished to the Board of Regents.
- Sec. 3 Approval of Budgets. Operating Budgets for all the institutions must be approved annually by the Board of Regents within the budget estimates of income prepared by the chief business officer and the president of an institution and approved by the appropriate Executive Vice Chancellor for Academic or Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Chancellor.
- Sec. 4 Reappropriation Process. *The University of Texas System Operating Budget Rules and Procedures* must include a process for administrative approval of the reappropriation of Educational and General Fund balances.
- Sec. 5 Budget Policies and Instructions. General policies for the budget preparation must be approved by the Board of Regents and must be followed in preparing the budgets. Instructions for details of budget preparation must be furnished to the institution presidents by System Administration.
- Sec. 6 Responsibility for Reviewing. The institutional budget recommended by the president must be forwarded to the appropriate Executive Vice Chancellor and the Chancellor for further review and recommendation to the Board of Regents.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20501

Sec. 7 Budget Administration. Rules and procedures for budget administration must be approved by the Board of Regents, and be included in the completed budgets.

Sec. 8 Approval of Appropriation Requests. Legislative appropriation requests for all institutions must be prepared by the president in conformity with the instructions issued by the Legislative Budget Board and the Office of the Governor and approved by the appropriate Executive Vice Chancellor for Academic or Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Chancellor.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code [Section 401.042](#) – Uniform Budget Estimate Forms

Texas Government Code [Section 2101.011](#) – Financial Information Required of State Agencies

Texas Education Code [Section 51.0051](#) – Annual Operating Budgets

5. Relevant System Policies, Procedures, and Forms

None

6. System Administration Office(s) Responsible for Rule

Office of Budget and Planning

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

1. Title

Aircraft Use

2. Rule and Regulation

Sec. 1 Official Use. The U.T. System aircraft or any leased or chartered aircraft will be used only in the scope or furtherance of official State business and only in compliance with the travel regulations contained in *Texas Government Code Section 2205.001 et seq.* and any other laws applicable to the use of State-owned or leased aircraft. Donor Aircraft, including the gifted use of a passenger seat on a noncommercial flight, used in the scope or furtherance of official University business is also covered by this Rule.

Sec. 2 Passengers.

2.1 Spouses. In accordance with [Texas Attorney General Opinion H-1089](#), the Board of Regents finds that attendance of the spouses of members of the Board of Regents and U.T. System employees at official functions may be in furtherance of official State business. Whether the spouse's attendance is in furtherance of official State business is dependent in part on the nature of the employee's office, the spouse's role, the purpose of the particular trip, and the spouse's connection with that purpose. Examples of instances in which the spouse's attendance is in furtherance of official State business include, but are not limited to, attendance at Board of Regents' meetings when there is an official function hosted by an institution and retirement functions honoring long-time key employees of the U.T. System or the institutions.

2.2 Justification for Passenger Use. Pursuant to *Texas Government Code Section 2205.036*, U.T. System aircraft or leased or chartered aircraft will be used to carry passengers only when the destination is not served by commercial carriers, the aircraft transportation is the most cost-effective travel arrangement in accordance with *Texas Government*

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

Code [Section 660.007\(a\)](#), the time required to use a commercial carrier interferes with passenger obligations, a representative of the Department of Public Safety determines that security concerns for a passenger warrant the use of a state aircraft, the number of authorized passengers traveling makes the use of state aircraft cost effective, or emergency circumstances necessitate the use of state aircraft.

Sec. 3 Priority for Use.

3.1 Requests for use. Requests by the Board of Regents must be arranged through the General Counsel to the Board. All other flights of U.T. System aircraft or requests for leased or chartered aircraft, including TxDOT aircraft, must be requested from and approved in advance by the Chancellor. Up until 24 hours before a flight is scheduled to begin, requests for the use of U.T. System aircraft will be approved in the following order of priority:

1. Chairman of the Board of Regents
2. A Vice Chairman of the Board of Regents (in order of request)
3. Members of the Board of Regents (in order of request)
4. Chancellor
5. Executive Vice Chancellors (in order of request)
6. Vice Chancellors and other U.T. System Administration officers (in order of request)
7. Institutional Presidents (in order of request)
8. Other staff of the U.T. System Administration (in order of request)
9. Other faculty and staff personnel of the institutions of the U.T. System (in order of request)

3.2 Assignment of Aircraft by Chancellor. During the 24-hour period prior to the beginning of a flight, the Chancellor may assign or reassign the U.T. System aircraft at his discretion.

3.3 Use by Other State Agencies. In accordance with the expressed intent of the Legislature that State-owned aircraft be utilized by all agencies of the State, use of

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

U.T. System aircraft by other State officials and personnel on official State business is encouraged and will be authorized by the Chancellor on a space available basis.

Sec. 4 Operation of Aircraft.

- 4.1 Direction of Pilots. The pilots of U.T. System aircraft will report to and act under the direction of the Executive Vice Chancellor of Business Affairs. Regents may direct an itinerary or passenger change to an approved flight, provided that the purpose of the flight and the passengers on the flight are in accordance with *Texas Government Code* [Section 2205.036](#). The Chancellor must approve all other requests that would substantially change an approved itinerary or passengers. However, the pilot may authorize a change of itinerary or passengers in the event of an emergency.
- 4.2 Flight Regulations. The U.T. System aircraft must be operated at all times in accordance with the provisions of the Federal Aviation Administration and U.T. System Flight Operations Procedures, which are in accordance with the Federal Aviation Act (as amended) and Civil Air Regulations. *Texas Government Code*, [Chapter 2205](#) gives TxDOT oversight of specific aspects of maintenance and operations for U.T. System aircraft.
- 4.3 Control of Aircraft in Flight. Under Federal Regulations, the pilot of any aircraft is responsible for and is the final authority as to the flight operation of that aircraft. All decisions concerning the flight itself will rest solely with the pilot. However, the pilot should keep passengers informed.

- Sec. 5 Rates Charged. Excluding compensation for contract pilot services, charges to applicable U.T. System departments and the institutions for use of the U.T. System aircraft must be at least equal to the rate approved by TxDOT for comparable interagency aircraft services, but may not exceed the actual cost to operate the aircraft.

- Sec. 6 Aircraft Requirements. The following requirements apply to

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

all flights used in conjunction with official U.T. System business, including on U.T. System aircraft, leased aircraft, chartered flights, employee-owned or -leased aircraft, and Donor Aircraft.

6.1 Flights must be on fixed-wing aircraft.

6.2 Two pilots are required for all flights.

6.3 Exceptions.

6.3.1 Helicopters. Use of a helicopter in lieu of fixed-wing aircraft is permitted only when use of a fixed-wing aircraft is impractical for the purpose of the flight.

6.3.2 Research Exception. Given the unique challenges of certain research-related travel, the provisions of this Rule may be waived by the Chancellor, based upon the prior written request of an institutional president, when compliance with all requirements of the Rule is impracticable. If a waiver is granted, the travel must occur in the safest manner reasonable in the context of the research project and in compliance with applicable law.

6.3.3 Aviation-related Academic Programs. The provisions of this Rule do not apply to aviation-related academic programs to the extent strict compliance would be impracticable; however, such programs must operate in compliance with applicable state and federal law and safety standards and must coordinate with the System Chief Risk Officer to determine appropriate insurance requirements.

Sec. 7 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.

7.1 Flight Reservations. All flight reservations for the U.T. System aircraft must be entered into the U.T. System Aircraft Reservation System. Information

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

must include, but is not necessarily limited to, the following:

1. departure/estimated arrival, date, time, and place,
2. name of each passenger,
3. destination(s) including intermediate stops and return information with date and time,
4. purpose of trip for each passenger, and
5. benefit to the State and U.T. System.

7.2 Passenger Manifests. For each flight, the pilot will complete a Passenger Manifest showing the following:

1. flight number and duration,
2. date,
3. aircraft number,
4. flight plan,
5. destination and intermediate stops of flight,
6. names of pilot and copilot, and
7. passenger information
 - name of each passenger
 - department or institution
 - signature of each passenger.

7.3 Reports. The U.T. System Office of Business Affairs will 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 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 annually in October for distribution to the Board's Finance and Planning Committee for review. For Donor

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

Aircraft, passenger and donor names may be omitted consistent with State law, but will be provided, upon request, to the Board, 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. 8 Employee-Owned or-Leased Aircraft. No U.T. System employee may operate aircraft owned or leased in the employee's personal capacity in conjunction with official U.T. business unless authorized in writing by the Chancellor.
- Sec. 9 Chartered Aircraft.
- 9.1 Use of leased or chartered aircraft, including Texas Department of Transportation (TxDOT) aircraft, must be approved in writing and in advance by the Chancellor and will be approved only when the U.T. System aircraft is unavailable or unsuitable.
- 9.2 *Texas Government Code* [Section 2205.035](#) requires advance approval by the State Aircraft Pooling Board for the expenditure of appropriated funds for the rental or lease of an aircraft.
- 9.3 Charter operators must meet U.T. System insurance and operator requirements.
- Sec. 10 Donor Aircraft.
- 10.1 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 U.T. System 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 following submission of a request using a Donor

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

Aircraft Request for Approval form. In evaluating whether to allow the use of a Donor Aircraft, an individual should first ensure that such use does not create a conflict of interest under Regents' [Rule 30104](#). For travel by U.T. System Administration employees, officers, and institutional presidents, any potential conflict of interest must be evaluated by the U.T. System Vice Chancellor and General Counsel 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 must review and approve the proposed travel by U.T. System institutional presidents and System Administration employees.

Presidents must review and approve proposed travel of their employees. In every instance, the decision to approve must 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 two current and qualified pilots.
- (e) The aircraft owner may not serve as pilot or copilot.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

- (f) No passenger may enter the cockpit or distract pilots during flight, takeoff, or landing.
 - (g) Students must be accompanied by a U.T. System employee 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 U.T. System employee on the ground.
- 10.2 Reporting. For each Donor Aircraft flight, the following is required, 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 15.1 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.

4. Relevant Federal and State Statutes

Texas Government Code [Chapter 2205](#) – Aircraft Pooling

Texas Government Code [Section 660.007\(a\)](#) – Conservation of Funds

5. Relevant System Policies, Procedures, and Forms

Aircraft Reservation System: [U.T. System Aircraft Operations](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20601

[Donor Aircraft Acceptance Checklist](#)

6. System Administration Office(s) Responsible for Rule

Office of Budget and Planning

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20701

1. Title

Use of Historically Underutilized Businesses

2. Rule and Regulation

Sec. 1 Good Faith Effort. It is the policy of the Board of Regents to promote full and equal opportunity for all businesses to supply the goods and services needed to support mission, administrative, and logistical operations of the U.T. System. The U.T. System commits to a good faith effort to increase purchases from and contract awards to Historically Underutilized Business (HUB) firms consistent with the state's goals for HUB participation and overall economic development.

Sec. 2 Establishment of Procedures. The U.T. System has a compelling interest to assure that procurement funds always are expended in an equal-business-opportunity context. To meet that obligation, the Board of Regents delegates to the Chancellor the responsibility for establishing and maintaining procurement systems and procedures that are nondiscriminatory with respect to race, color, religion, sex, or national origin. That obligation also encompasses procurement systems and procedures of business firms under contract with the U.T. System to preclude U.T. institutions' passive participation in an unlawfully discriminatory marketplace. The Chancellor is also responsible for developing procedures to ensure that a good faith effort is made to meet the state's goals for HUB participation and overall economic development.

Sec. 3 Adoption of Guidelines. The Board of Regents adopts the use of the guidelines and related rules of the Statewide Procurement and Support Services Division of the Texas Comptroller of Public Accounts (34 *Texas Administrative Code* [Part 1, Rules 20.281 – 20.298](#)).

Sec. 4 Scope. This policy applies to acquisition of specified commodities, professional and other services, and construction services, by System Administration and U.T. institutions, including auxiliary enterprises, regardless of funding source.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20701

3. Definitions

Terms used in this Rule will have the meaning defined in 34 *Texas Administrative Code* [Part 1, Rules 20.281 – 20.298](#) – Statewide Procurement and Support Services.

4. Relevant Federal and State Statutes

Veterans' Benefits ([38 U.S.C. Section 101](#))

34 *Texas Administrative Code* [Part 1, Rules 20.281 – 20.298](#) – Statewide Procurement and Support Services

Texas Government Code [Sections 2254.001 – 2254.005](#) – Professional and Consulting Services

Texas Government Code [Sections 2254.021 – 2254.040](#) – Consulting Services

Texas Government Code [Section 2161.001\(3\)](#) – Definitions

5. Relevant System Policies, Procedures, and Forms

The University of Texas Systemwide [Policy UTS137](#), *Historically Underutilized Business (HUB)* Program

6. System Administration Office(s) Responsible for Rule

Office of HUB Programs

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20801

1. Title

Travel

2. Rule and Regulation

Sec. 1 Institutional Travel Regulations. Institutions of the U.T. System will issue travel regulations covering authorization for travel and reimbursement for approved travel to implement applicable provisions of state law and regulations for the guidance of all personnel concerned. Following administrative approval by the appropriate Executive Vice Chancellor, travel regulations will be included in the institutional *Handbook of Operating Procedures*.

Sec. 2 Authorization for Foreign Travel. Authorization for foreign travel must be transmitted through proper administrative channels to the Chancellor or the president of the institution, as applicable, for advance written approval. Authorization for foreign travel by Chief Administrators must be obtained as required by Rule 20205.

3. Definitions

Foreign Travel – travel to, in, or from a destination that is neither in the United States nor a possession of the United States.

Chief Administrator – means the Chancellor or the president at each U.T. System institution.

4. Relevant Federal and State Statutes

Texas Education Code Section 51B.201 – Foreign Travel

Texas Education Code [Section 65.31](#) – General Powers and Duties

Texas Government Code [Section 660.003](#) – Applicability of Travel Expenses

Texas Government Code [Section 660.024](#) – Advance Approval for Certain International Travel

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20801

Texas Government Code [Section 2203.004](#) – Requirement to Use State Property for State Purposes

Governor's Executive Order GA-48 relating to the hardening of state government

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, [Rule 20205](#) – Expenditures for Travel and Entertainment by Chief Administrators

Regents' Rules and Regulations, [Rule 31005](#) – Faculty or Staff Absence

*The University of Texas Systemwide [Policy UTS120](#), *Spousal Travel Policy**

*The University of Texas Systemwide [Policy UTS190](#), *International Travel Policy**

*The University of Texas Systemwide [Policy UTS191](#), *Travel Guidance for Presidents and Their Spouses**

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20901

1. Title

Procurement of Goods and Services; Contract Management Handbook

2. Rule and Regulation

- Sec. 1 Purpose. This Rule establishes policies required by state law concerning the acquisition of certain goods and services.
- Sec. 2 Code of Ethics. As required by *Texas Education Code Section 51.9337(b)(1)*, the Board has adopted a Code of Ethics found in Regents' [Rule 30104](#) (Conflict of Interest, Conflict of Commitment, and Outside Activities) and implemented through associated U.T. Systemwide policies.
- Sec. 3 Internal Investigations and Audit Protocols. As required by *Texas Education Code Section 51.9337(b)(2)*, the Board has adopted policies for internal investigations and internal audit protocols, found in Regents' [Rule 20401](#) (Audit and Compliance Programs).
- Sec. 4 Contract Management Handbook. As required by *Texas Education Code Section 51.9337(b)(3)*, each institution and U.T. System Administration must develop and maintain a Contract Management Handbook that provides consistent contracting policies and procedures, including a risk analysis procedure.
- 4.1 The Contract Management Handbook will establish contract review procedures and a contract review checklist approved by the Office of General Counsel. The review procedures and checklist must include:
- (a) a description of each step of the procedure used to evaluate and process contracts;
 - (b) a checklist that describes each process that must be completed before contract execution; and

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20901

- (c) a value threshold that initiates required review by legal counsel unless the contract is a standard contract previously approved by counsel.
- 4.2 Contract and Performance Monitoring. The Contract Management Handbook will establish procedures to ensure the Board of Regents is notified of any serious issue or risk that is identified with respect to certain contracts as required under *Texas Government Code* [Section 2261.253\(c\)](#). Contracts must be monitored in accordance with the institution's policies and Contract Management Handbook.
- 4.3 Notice to the Board. As required by *Texas Government Code* [Section 2261.255\(2\)](#), the Contract Management Handbook will establish a procedure to assure the submission to the Board of any information on any potential issue that may arise in the solicitation, purchasing, or contractor selection process for any contract with a value exceeding \$5 million.
- Sec. 5 Required Training. As required by *Texas Education Code* [Section 51.9337\(b\)\(5\)](#), each institution and U.T. System Administration will develop training for officers and employees authorized to execute contracts for the institution or to exercise discretion in awarding contracts, including training in ethics, selection of appropriate procurement methods, and information resources purchasing technologies. Training must be conducted in accordance with the institution's Contract Management Handbook.
- Sec. 6 Acquisition of Stationery, Printing, and Fuel. Each institution and System Administration may acquire goods and services covered by Texas Constitution, [Article XVI, Section 21](#) (including but not limited to stationery, printing, and fuel) from institutional departments or purchase the goods and services from external sources. If the goods or services are purchased from external sources, the goods and services must be purchased as follows:

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20901

- 6.1 using the method that provides the best value to the institution or System Administration including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract; and
- 6.2 in accordance with (a) the requirements of *Texas Education Code* [Sections 51.9335](#), [73.115](#), or [74.008](#), as applicable, (b) the Regents' *Rules and Regulations*, (c) the U.T. System Administration policies, and (d) the policies and procedures of the institution or System Administration.

Sec. 7 Competitive Procurement. If an institution or System Administration wishes to purchase goods or services covered by Texas Constitution, [Article XVI, Section 21](#) from external sources, the purchase must utilize a competitive procurement method unless another procurement method is authorized by law. All procurements must comply with all applicable procurement policies including any applicable dollar limits.

3. Definitions

Fuel – for purposes of this Rule, means anything consumed to produce energy including coal, natural gas, oil, diesel fuel, gasoline, and propane.

4. Relevant Federal and State Statutes

Texas Constitution, [Article XVI, Section 21](#) – Public Printing and Binding; Repairs and Furnishings; Contracts

Texas Education Code [Section 51.9335](#) – Acquisition of Goods and Services

Texas Education Code [Section 51.9337](#) – Purchasing Authority Conditional; Required Standards

Texas Education Code [Section 73.115](#) – Acquisition of Goods and Services

Texas Education Code [Section 74.008](#) – Acquisition of Goods and Services

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 20901

Texas Government Code, [Chapter 2261](#) – State Contracting Standards and Oversight

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, [Rule 10501](#) – Delegation to Act on Behalf of the Board

Regents' Rules and Regulations, [Rule 20401](#) – Audit and Compliance Programs

Regents' Rules and Regulations, [Rule 30104](#) – Conflict of Interest, Conflict of Commitment, and Outside Activities

The University of Texas Systemwide [Policy UTS 159](#), Purchasing

The University of Texas Systemwide [Policy UTS 148](#), Protest Procedures Related to Procurements of Goods and Services

The University of Texas Systemwide [Policy UTS 137](#), Historically Underutilized Business (HUB) Program

The University of Texas Systemwide [Policy UTS 145](#), Processing of Contracts

The University of Texas Systemwide [Policy UTS 156](#), Purchaser Training and Certification

6. System Administration Office(s) Responsible for Rule

Office of Budget and Planning

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80107

1. Title

Expenditures for the Maintenance of University Residences

2. Rule and Regulation

Sec. 1 Purpose. The purpose of this Rule is to prescribe, clarify, and provide uniformity in the approval, review, and audit of Expenditures for the Maintenance of University Residences.

Sec. 2 Maintenance of University Residences. All Expenditures for the Maintenance of University Residences that exceed \$10,000 must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.

2.1 Bauer House Expenditures. Expenditures for the maintenance of Bauer House in excess of \$2,500 must be reviewed and approved by the General Counsel to the Board of Regents but may be reviewed after payment.

2.2 Hoover House Expenditures. Expenditures for the maintenance of Hoover House in excess of \$2,500 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.

2.3 Juanita Curry Boynton House Expenditures. Expenditures for the maintenance of Juanita Curry Boynton House in excess of \$2,500 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.

Sec. 3 Documentation and Review. Expenditures for the Maintenance of University Residences must be supported by appropriate receipts and must follow all applicable procedures for the procurement of services, supplies, or equipment.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80107

Sec. 4 Reporting. An annual report of Expenditures for the Maintenance of each University Residence will be prepared not later than the 30th day of October and filed for review with the General Counsel to the Board of Regents, for Bauer House, and with the institution's chief business officer, for Hoover House and Juanita Curry Boynton House. The report for the Bauer House will be sent to the Chairman of the Board of Regents for review.

4.1 The annual reports must include each expense that exceeds \$2,500 and must include the payee, the date and amount of the expense, the type, and the account charged for the expense.

Sec. 5 Audits. The System Audit Office shall audit Expenditures for the Maintenance of a University Residences at a minimum after the first full fiscal year after assuming residency and periodically thereafter, based on an assessment of risk factors.

3. Definitions

Expenditures for the Maintenance of University Residences – includes expenses for the furnishing, maintenance, or repair of a University Residence or its grounds owned by the U. T. System.

The University Residences – are the following:

Bauer House – Residence of the Chancellor of the U. T. System, located in Austin, Texas

Hoover House – Residence of the President of U. T. El Paso, located in El Paso, Texas

Juanita Curry Boynton House – Residence of the President of Stephen F. Austin State University in Nacogdoches, Texas

4. Relevant Federal and State Statutes

Texas Government Code [Section 2203.004](#) – Requirement to Use State Property for State Purposes

5. Relevant System Policies, Procedures, and Forms

None

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80107

6. System Administration Office(s) Responsible for Rule

System Audit Office
Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)

7. **U.T. System: Annual Meeting with Officers of the U. T. System Employee Advisory Council**

INTRODUCTION

The U.T. System Employee Advisory Council (EAC) will discuss the Council's work and planned activities, utilizing the summary on the following pages.

BACKGROUND INFORMATION

The U.T. System Employee Advisory Council (EAC) 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 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.

Council officers are:

Chair: Mr. Peter-James Ehimika, MBA, MA, Director of Student Success Initiatives,
U.T. Rio Grande Valley

Vice Chair: Ms. Yadira Mejia, M.Ed., Lead Academic Advisor, Academic Advising Center,
U.T. Rio Grande Valley

Secretary: Ms. Corey Helm Swartz, MBA, FACHE, Executive Director, Ambulatory Business
Services, U.T.M.D. Anderson Cancer Center

Historian: Ms. Jitenga Knox, Administrator, Center for Innovation in Health Informatics,
U.T. Arlington



TO: John M. Zerwas, M.D., Chancellor *ad Interim*, The University of Texas System
FROM: Peter-James Ehimika- Chair, 2024-25 U.T. System Employee Advisory Council
DATE: July 2025
RE: Employee Advisory Council | Board of Regents Report

The University of Texas System Employee Advisory Council Summary

INTRODUCTION

The U.T. System Employee Advisory Council (EAC) will discuss the Council's work and planned activities.

BACKGROUND INFORMATION

The U.T. System Employee Advisory Council (EAC) 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.

PRIMARY ACTIVITIES: FY 2024-2025

The EAC held one virtual and three in-person meetings in FY 2025. EAC core tasks focused on institutional employee resources and support analysis, continuous EAC member assessment, and employee benefits assessment.

Resources & Support Committee: Yadira Mejia, Committee Executive Sponsor

The Resources and Support Committee reviewed HR and benefits practices across U.T. institutions, focusing on website usability, employee support resources, and retention strategies. Data was collected from institutional websites, committee input, Glassdoor, and public documents.

The committee's preliminary review identified areas to further explore, including financial wellness programs, retention efforts, and multigenerational workforce needs. The key focus of retention drivers included tuition assistance, wellness leave, flexible work, health coverage, Employee Assistance Programs, and employee perks. The committee proposes obtaining additional information via distribution of a survey to U.T. institution Chief Human Resources Officers.

Notably, some HR portals are accessible, with some offering tools like compensation calculators. The committee recommends institutions review access to benefit communications,

support professional development, and partner with the Employee Advisory Council to distribute the 2024–2025 survey for institution-specific insights.

Assessment Committee:
Jitenga Knox, Committee Executive Sponsor

The Assessment Committee conducted four major surveys during FY 25 to evaluate EAC member experiences and identify areas for improvement: two Onboarding Surveys (September 2024 and February 2025), the Midpoint Pulse Survey, and two Exit Surveys (January 2025 and June 2025).

Onboarding Surveys:

Positive onboarding experience, with opportunities to improve networking, clarify expectations, and enhance onboarding materials. Members felt confident and well-supported but recommended better strategies for committee formation and engagement.

Midpoint Pulse Survey:

Members appreciate the EAC as a communication platform but face challenges balancing responsibilities. Suggestions included refining topic selection, improving communication, increasing visibility, and supporting travel logistics.

Exit Surveys:

Departing members reported strong teamwork and communication. Recommendations focused on increasing system support, leadership involvement, and professional development opportunities.

Strategic Recommendations

1. **Strengthen Communication:** Launch a monthly newsletter, standardize updates, improve transparency, and create a survey for alternate members.
2. **Enhance Leadership Engagement:** Host town halls with U.T. System leadership and advocate for greater funding and visibility.
3. **Expand Professional Development:** Offer webinars and workshops and promote development opportunities across the system.
4. **Improve Governance & Planning:** Develop a two-year strategic plan and establish standing committees with defined roles.
5. **Foster Collaboration:** Encourage coordination across subcommittees and streamline efforts to reduce redundancy.

The Assessment Committee is recommended to remain as a foundational component of the EAC to ensure continuity and momentum.

Benefits Committee:
Corey Swartz, Committee Executive Sponsor

Purpose

The EAC Benefits Committee was reestablished in FY25 to identify opportunities to:

1. Support employee mental health and well-being.
2. Promote resiliency, reduce stress, and enhance productivity.
3. Increase awareness and employee input on benefits and mental health resources.

Background

The Benefits Committee focused on mental health and leave policy considerations across U.T. institutions. Drawing from personal experiences and national data—such as the National Alliance on Mental Illness (NAMI) reporting that 22% of U.S. adults experienced mental illness in 2021—the Committee examined institutional policies and resources to identify gaps and opportunities.

Current State Analysis

A review of leave policies revealed out of all U.T. academic and health institutions, only one (Stephen F. Austin) explicitly mentioned mental health in general leave policies. Some institutions reference mental health in specialized policies (e.g., for Peace Officers, Veterans), but there is an opportunity to improve consistency.

Comparison Example: University of California

The University of California explicitly includes mental health in its leave policy, offering a model for U.T. institutions to consider. Their policy covers absences for mental health conditions, preventive care, and related needs.

Engagement with the Office of Employee Benefits (OEB)

The Committee initiated communication with OEB to:

- Explore potential changes to benefits.
- Understand how employee input is considered.
- Improve education and engagement around mental health resources.

The OEB welcomed the collaboration and provided usage data for key programs:

Available Resources and Utilization Data

U.T. System employees have access to several mental and behavioral health programs:

- Limeade (Living Well):
 - o 25,500 users as of May 1, 2025
 - o 4.6/5 average satisfaction rating

- Headway:
 - 34,884 therapy appointments in 2024
 - 25% increase in monthly appointments from January to August 2024
- Learn to Live
 - 42.2% used content on stress/anxiety
 - 27.9% on depression
 - 10.2% on resilience
 - 8.4% on social anxiety
- Employee Assistance Program (EAP):
 - Utilized across all institutions
 - Campus usage ranged from 2% to 16%
 - Highest usage at U.T. MD Anderson Cancer Center

Strategic Recommendations

The committee recommends the U.T. System and U.T. Institutions ***explicitly include mental health in leave policies:***

- The Committee recommends that all institutions conduct a comprehensive review of current leave policies to ensure that mental health is explicitly listed as an eligible use of leave.
- This inclusion should be clearly documented in policy language to promote awareness, reduce stigma, and foster a culture that prioritizes the mental well-being of all employees. Use models such as the University of California and U.T. System's own *Wellness Time Off* as references.
- This commitment from the U.T. System institutions to focus attention on supporting mental health within policies and benefits will support and align with Texas' broader investment in mental health following increased funding from the 88th Texas Legislature.

Reference: Monday, June 3, 2024, Op-ed written by UT System Executive Vice Chancellor for Health Affairs John Zerwas, MD, and UT System Vice Chancellor for Health Affairs and Chief Medical Officer David Lakey, MD which appeared in the Dallas Morning News.

Closing Remarks

This upcoming year, we will celebrate **25 years of EAC history**. We would like to thank you for your continued support toward staff members across the U.T. System and all institutions. Mental health benefits are essential to building a resilient, productive, and engaged workforce. U.T. System's wellness resources are not just perks—they are vital tools that empower employees to manage stress, maintain emotional well-being, and thrive both at work and at home. By investing in mental health, the U.T. System affirms its commitment to holistic employee well-being and fosters a culture of support and community.

8. **U.T. System Board of Regents: Appointment of Francie A. Frederick as General Counsel to the Board Emeritus**

RECOMMENDATION

The Chairman and the Chancellor *ad interim* recommend that the U.T. System Board of Regents appoint Francie A. Frederick as General Counsel to the Board Emeritus. Approval of this recommendation is requested in accordance with the Regents' *Rules and Regulations*, Rule 20301.

9. U.T. System Board of Regents: Approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)

RECOMMENDATION

In accordance with the requirements of the Regents' *Rules and Regulations*, Rule 10101, Chairman Eltife requests concurrence of the U.T. System Board of Regents on the appointments of the Committee Chairmen, Representatives of the Board, and Liaison roles as underlined below.

Committee membership and other appointments are listed below for the record. All appointments will be effective immediately and will remain in effect until new appointments are made.

Committees

Academic Affairs Committee

Jodie Lee Jiles, Chairman

Christina Melton Crain

Robert P. Gauntt

Janiece Longoria

Nolan E. Perez, M.D.

Stuart W. Stedman

Audit, Compliance, and Management Review Committee

Nolan E. Perez, M.D., Chairman

Christina Melton Crain

Jodie Lee Jiles

Janiece Longoria

Kelcy L. Warren

James C. "Rad" Weaver

Facilities Planning and Construction Committee

Robert P. Gauntt, Chairman

Christina Melton Crain

Nolan E. Perez, M.D.

Stuart W. Stedman

Kelcy L. Warren

James C. "Rad" Weaver

Finance and Planning Committee

Janiece Longoria, Chairman

Robert P. Gauntt

Jodie Lee Jiles

Stuart W. Stedman

Kelcy L. Warren

James C. "Rad" Weaver

Health Affairs Committee

Christina Melton Crain, Chairman

Robert P. Gauntt

Jodie Lee Jiles

Janiece Longoria

Nolan E. Perez, M.D.

Stuart W. Stedman

Regental Representatives

Athletic Liaison(s)

James C. "Rad" Weaver

Jodie Lee Jiles

Board for Lease of University Lands

Christina Melton Crain

Nolan E. Perez, M.D.

Robert P. Gauntt, Alternate

University Lands Advisory Board

Stuart W. Stedman, Chairman

James C. "Rad" Weaver

ULAB Liaison(s)

Robert P. Gauntt

Stuart W. Stedman

James C. "Rad" Weaver

The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Board of Directors

Christina Melton Crain

Janiece Longoria

James C. "Rad" Weaver

10. **U.T. System Board of Regents: Discussion and appropriate action concerning the appointment of members to the Higher Education Research Security Council**

RECOMMENDATION

The Chancellor *ad interim* recommends that the U.T. System Board of Regents appoint Dr. Joan Bienvenue (voting) and Mr. Trey Atchley (non-voting) to serve on the Higher Education Research Security Council and delegate to the Chancellor the authority to name succeeding appointees.

BACKGROUND INFORMATION

House Bill 127, passed by the Texas Legislature 89th Regular Session, codified as *Texas Education Code* Section 51.957, establishes the Higher Education Research Security Council to promote secure academic research at postsecondary educational institutions, while mitigating the risk of foreign espionage and interference. The Council is comprised of research security officers from institutions of higher education statewide. The Board is authorized to appoint two research security officers to the Council: one voting member and an additional non-voting member as a university system that oversees one or more medical schools.

Dr. Bienvenue and Mr. Atchley serve as research security officers at U.T. System Administration and U.T.M.D. Anderson Cancer Center, respectively, and advise on matters related to research and data security and other key risk areas.

11. **U.T. System Board of Regents: Discussion and appropriate action regarding maintaining tuition and fees for the U.T. general academic institutions for Academic Years 2026 and 2027**

RECOMMENDATION

The Chancellor *ad interim* recommends that the U.T. System Board of Regents certify to the Legislative Budget Board that U.T. general academic institutions will maintain total resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees at currently approved levels for the next two academic years.

12. U.T. System: Discussion and appropriate action regarding allocation of Permanent University Fund (PUF) Bond Proceeds for capital projects addressing deferred maintenance at the academic and health institutions

RECOMMENDATION

The Chancellor *ad interim* concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor and Chief Operating Officer, that the U.T. System Board of Regents approve the allocation of \$1.19 billion of Permanent University Fund (PUF) Bond Proceeds for capital projects addressing deferred maintenance as follows on the next page.

Aligned with major capital project requirements defined in U.T. Systemwide Policy 168 and in conjunction with the annual U.T. System campus condition reporting, institutions will provide a list of the anticipated projects to be addressed with this allocated funding. Each institutional president will proceed with a single Definition Phase request memo outlining their anticipated program as a single Major Project pursuant to Regents' Rule 80301. The Office of Capital Projects, on behalf of the institutions of U.T. System, will collect annual expense information and compile summary reporting for presentation to the Board of Regents and U.T. System executives.

BACKGROUND INFORMATION

Based on the fiscal year 2024 Campus Condition Report (Report), issued January 2025 summarizing the facilities condition and deferred maintenance needs across U.T. System institutions, there was \$2.63 billion in unfunded deferred maintenance needs in Education and General (E&G) space as of fiscal year 2024. This amount excludes the deferred maintenance needs in non-E&G space, which totaled an additional \$1.2 billion.

The proposed allocation methodology would allocate PUF debt to address deferred maintenance only for E&G space. Article VII, Sec. 18 of the Texas Constitution provides the PUF bond proceeds may not be used for student housing, intercollegiate athletics, or auxiliary enterprises.

As described in the Report, a relevant industry metric for annual facility recapitalization is 1.5% to 3.0% of current replacement value. The proposed allocation methodology would allocate PUF bond proceeds to address deferred maintenance for E&G space allocated at 2.5% of current replacement value for academic institutions and 1.5% of current replacement value for health institutions, with each institution's allocation capped at the amount of deferred maintenance reflected on the most recent Report, subject to a minimum annual allocation of \$10 million.

The proposed aggregate PUF allocation of \$1.19 billion would address approximately 45% of the \$2.63 billion of deferred maintenance needs in E&G space across U.T. institutions.

Funding for deferred maintenance for U.T. Austin is being considered separately given U.T. Austin's access to Available University Funds (AUF).

E&G Space Report**Potential PUF Allocation ¹**

(\$ millions)	Deferred Maintenance	Current Replacement Value	FY 2026	FY 2027	FY 2028	Total
UTA	\$ 126.75	\$ 2,361.80	\$ 42.25	\$ 42.25	\$ 42.25	\$ 126.75
UTAUS ²	\$ 920.08	\$ 7,703.45	NA	NA	NA	-
UTD	\$ 263.17	\$ 2,541.88	\$ 63.55	\$ 63.55	\$ 63.55	\$ 190.64
UTEP	\$ 290.45	\$ 1,578.46	\$ 39.46	\$ 39.46	\$ 39.46	\$ 118.38
UTPB	\$ 68.73	\$ 306.01	\$ 10.00	\$ 10.00	\$ 10.00	\$ 30.00
UTRGV	\$ 139.83	\$ 1,802.45	\$ 45.06	\$ 45.06	\$ 45.06	\$ 135.18
UTSA ³	\$ 426.33	\$ 4,177.51	\$ 61.94	\$ 61.94	\$ 61.94	\$ 185.82
SFA	\$ 37.35	\$ 1,117.70	\$ 12.45	\$ 12.45	\$ 12.45	\$ 37.35
UTT ⁴	\$ 17.79	\$ 714.92	\$ 10.00	\$ 10.00	\$ 10.00	\$ 30.00
UTSWMC	\$ 94.89	\$ 3,917.95	\$ 31.63	\$ 31.63	\$ 31.63	\$ 94.89
UTMB	\$ 61.71	\$ 2,352.02	\$ 20.57	\$ 20.57	\$ 20.57	\$ 61.71
UTHSCH	\$ 68.82	\$ 2,666.86	\$ 22.94	\$ 22.94	\$ 22.94	\$ 68.82
UTMDA	\$ 89.24	\$ 5,686.95	\$ 29.75	\$ 29.75	\$ 29.75	\$ 89.24
System Admin	\$ 24.03	\$ 266.44	\$ 8.01	\$ 8.01	\$ 8.01	\$ 24.03
Total	\$ 2,629.17	\$ 37,194.40	\$397.61	\$397.61	\$397.61	\$1,192.82

¹⁾ The proposed allocation methodology would allocate PUF debt to address deferred maintenance only for E&G space based on a percentage of current replacement value capped at amount of deferred maintenance reflected in the FY 2024 Campus Condition Report subject to a minimum annual allocation of \$10 million.

²⁾ Funding for deferred maintenance will be considered separately pending review of U.T. Austin's deferred maintenance plans.

³⁾ Amounts reflected for U.T. San Antonio include amounts reported separately for U.T. San Antonio and U.T. HSC-San Antonio in the 2024 Campus Condition Report.

⁴⁾ Amounts reflected for U.T. Tyler include amounts reported separately for U.T. Tyler and the HSC at U.T. Tyler in the 2024 Campus Condition Report and includes \$1.26 million of critical deferred maintenance.

13. **U.T. System Board of Regents: Discussion and appropriate action regarding faculty advisory groups**

RECOMMENDATION

The Chancellor *ad interim* and the General Counsel to the Board recommend that The University of Texas System Board of Regents authorize institutional presidents to establish and convene faculty advisory groups, as appropriate, to perform functions necessary for the operation of the U.T. System institutions. The establishment of any such faculty advisory groups shall be reported to and approved by the appropriate Executive Vice Chancellor.

BACKGROUND INFORMATION

Senate Bill 37 sets forth requirements for the establishment and operation of faculty senates and councils at institutions of higher education, including formal establishment and policy adoption by the governing board in accordance with the parameters set forth in the bill. By operation of the bill, all existing faculty senates and councils are abolished on September 1, 2025, and may only be reestablished by the governing board.

The Board will thoughtfully consider policy recommendations for the re-establishment of faculty senates and councils but recognizes that the faculties of U.T. System institutions provide advice and perform functions, as authorized by Regents' *Rules and Regulations* or institutional policies, necessary for the operation of the U.T. System institutions. Accordingly, the Chancellor *ad interim* and the General Counsel to the Board recommend that the Board authorize institutional presidents to establish and convene faculty advisory groups, as appropriate, to perform these functions. The establishment of all faculty advisory groups shall be reported to and approved by the appropriate Executive Vice Chancellor. The membership of these faculty advisory groups may not consist solely of members of the institution's faculty senates or councils as they were constituted prior to September 1, 2025. In approving this item, the Board authorizes established faculty advisory groups to perform the work of faculty governance bodies, including faculty senates and councils, consistent with the requirements of Senate Bill 37 and as contemplated in Regents' Rules and U.T. System and institutional policies.

14. **U.T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2026, 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, b) appropriation of Available University Funds for the U.T. System self-insurance funds c) Institutional funds for Combat Casualty Care Research, and d) finding that expenditure of the Available University Fund is appropriate**

RECOMMENDATION

Dr. John M. Zerwas, in his capacity as Chancellor *ad interim* and Executive Vice Chancellor for Health Affairs, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, 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 2026, 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 *ad interim* 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 \$79.2 million directly to the institutions and U.T. System Administration to fund Library, Equipment, Repair and Rehabilitation (LERR) Projects for Fiscal Year 2026;

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) appropriation of \$60.0 million of Available University Funds (AUF) to the U.T. System self-insurance funds with specific allocations determined by the Executive Vice Chancellor and Chief Operating Officer;

f) allocation of \$30.0 million of U.T. System institutional funds with the specific source to be determined by Executive Vice Chancellor and Chief Operating Officer Jonathan Pruitt and contingent upon receiving federal funding from the Department of Defense through the Defense Advanced Research Projects Agency to support Combat Casualty Care Research; and

g) a finding that expenditure of 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 2026 as Direct Campus Support and in support of the U.T. System self-insurance programs are 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

Associate Vice Chancellor Derek Horton will present the following recommended items:

Fiscal Year 2026 Operating Budgets

Allocations from PUF Bond Proceeds

- Fiscal Year 2026 LERR Budget
- Fiscal Year 2026 Faculty STARs program, including Rising STARs

Allocation from AUF

U.T. System self-insurance funds

Allocation from Institutional Funds

Support for Combat Casualty Care Research

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 2026 is a \$107.0 million allocation of AUF for Direct Campus Support to provide assistance to U.T. academic and health institutions. The additional appropriation of \$60.0 million of AUF to be contributed to the System's various self-insurance funds will bolster plan reserves to absorb future losses and will reduce future insurance premiums charged to U.T. institutions.

The allocation of PUF Bond Proceeds for LERR and Faculty STARs is presented in the Fiscal Year 2026 LERR and Faculty STARs Budget and is subject to the budget rules and expenditure guidelines adopted therein. In accordance with the budget rules for LERR and Faculty STARs, the Chancellor *ad interim* is authorized to approve allocations to institutions within the program totals authorized by the U.T. System Board of Regents if specific allocations are not included when the initial budget is adopted.

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.

In the event federal funds are awarded to support Combat Casualty Care Research, Executive Vice Chancellor and Chief Operating Officer Jonathan Pruitt will determine the specific source of funds for the U.T. System allocation.

The University of Texas System

Fiscal Year 2026 Annual Operating Budget

Derek Horton
Associate Vice Chancellor, Budget and Planning

Meeting of the Board
U.T. System Board of Regents Meeting
August 2025



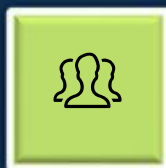
The University of
Texas System

About The University of Texas System

Size, scale, and diversity of the U.T. System exceeds all other higher education systems in the state.



FY 2025 budget was **four** times the size of next largest Texas system



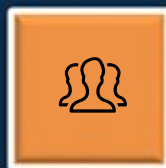
160,000 faculty, staff, and medical professionals – one of the largest employers in Texas



Research expenditures in FY 2024 of \$4.76 billion – largest in the state and second largest in the country



Continues to carry AAA credit rating with each of three credit rating agencies: Moody's, Standard & Poor's, and Fitch



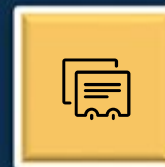
More than 11.7 million patient visits in 2024



260,514 students – producing more than 1/3 of bachelor degrees and almost 2/3 of medical degrees in Texas



66,000 graduates in 2024 – more than any other system in Texas



Receives a patent every 1.5 days; invention disclosure every 9.9 hours



The University of Texas System

U.T. System Office of Budget and Planning
2

Introduction to the FY 2026 Annual Operating Budget

The Fiscal Year 2026 Annual Operating Budget:

- Continued growth in health care activities
- State appropriation increases from the 89th legislative session
- Federal sponsored programs funding uncertainty
- Continued increases in investment income
- Increased investment in direct campus support for self insurance, academic programming, technology, and other shared services
- Inflationary impacts increasing operations and maintenance costs across all institutions
- Focus continues for faculty and staff compensation
- Changes in enrollment resulting in slightly more tuition and fee revenue

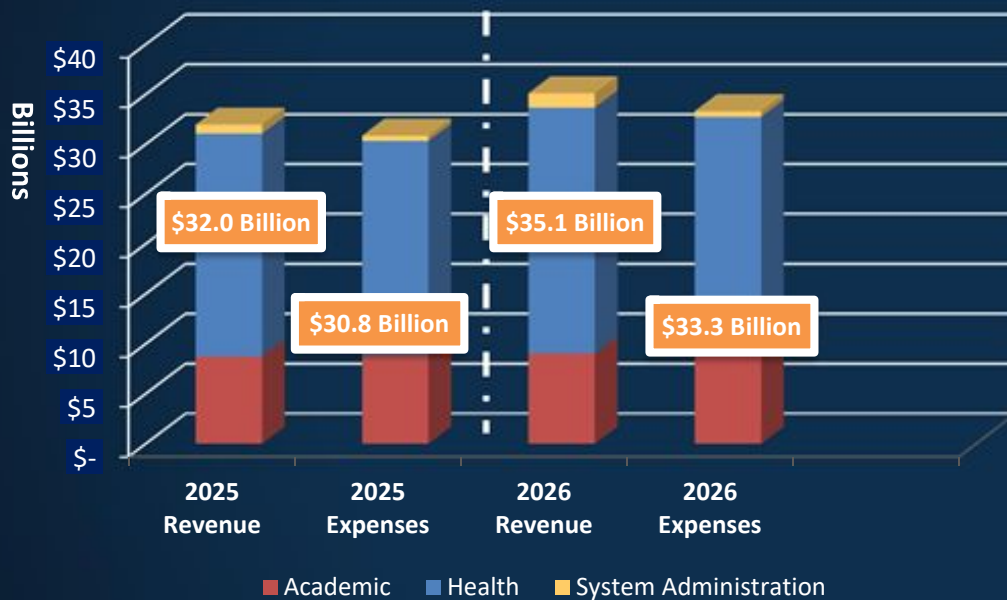
The Budget request is presented in three sections:

- U.T. System Administration Budget
- U.T. Systemwide Operations Budget
- Permanent University Fund (PUF) Bond Proceeds Allocations for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention Program (STARs)



Budget Highlights

Total Budgeted Revenue and Expenses FY 2025 and FY 2026



The University of
Texas System

Budgeted Revenue

\$35.1 billion in FY 2026
\$3.1 billion more than FY 2025
9.8% more than FY 2025

Major Drivers

- Sales & Services of Hospital & Clinics - \$1.7 billion
- Net Investment Income - \$692 million
- State Appropriations - \$374 million

Budgeted Expenses

\$33.3 billion in FY 2026
\$2.5 billion more than FY 2025
8.0% more than FY 2025

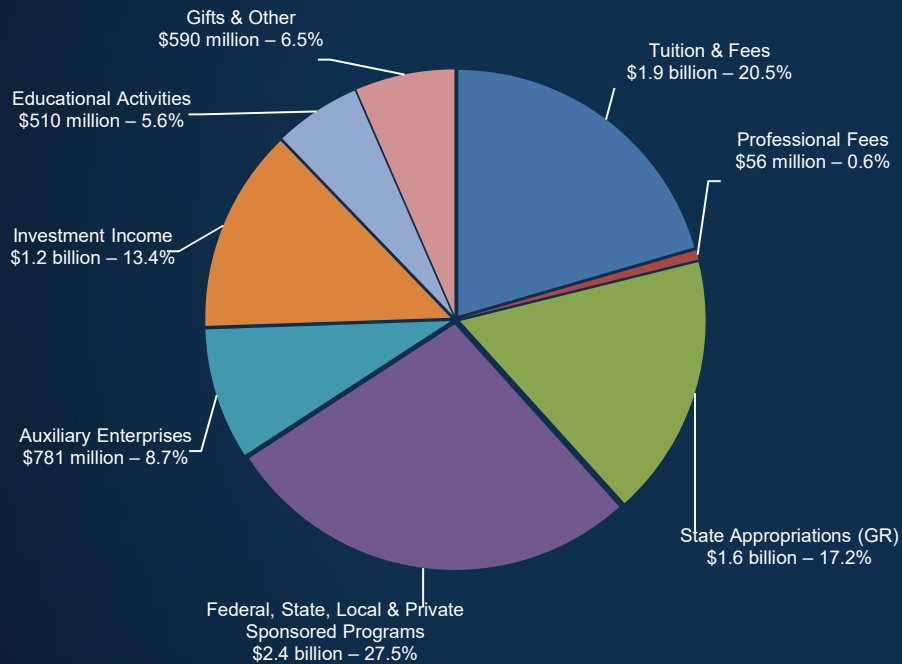
Major Drivers

- Operations, Maintenance, and Travel - \$1.6 billion
- Personnel Costs - \$1.2 billion
- Scholarships and Fellowships - \$104 million

U.T. System Office of Budget and Planning

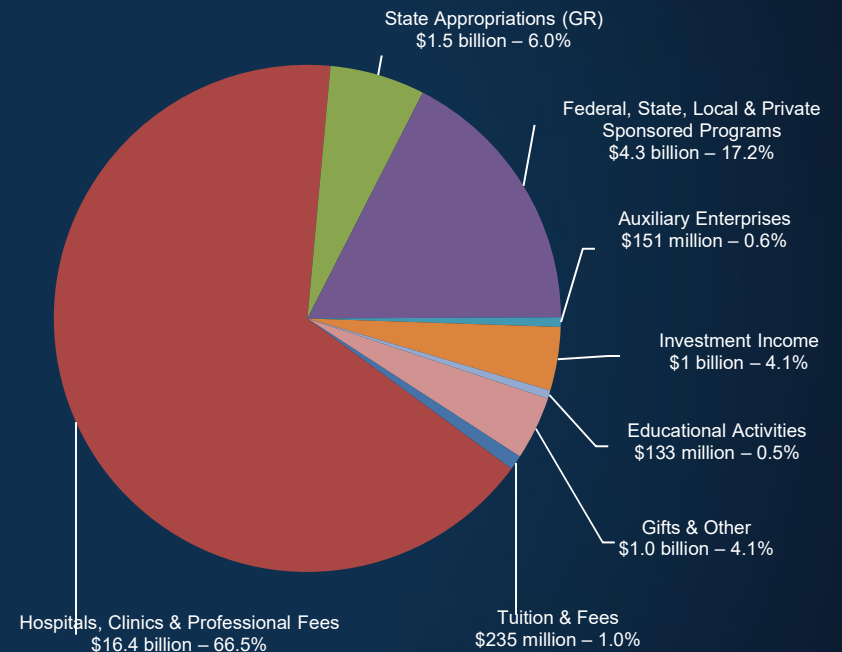
FY 2026 Budgeted Revenue

Academic Institutions - \$9.0 billion



The University of
Texas System

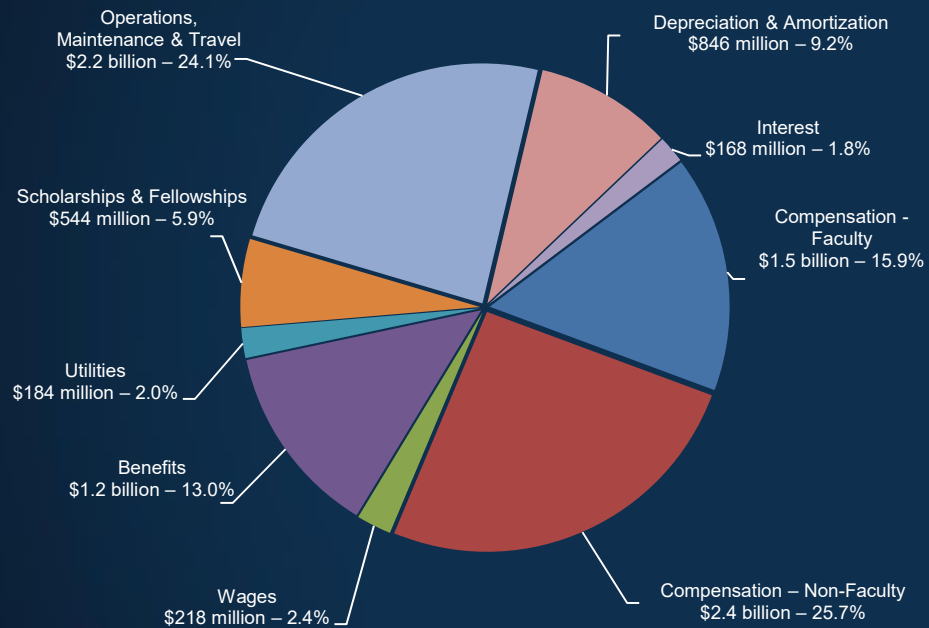
Health Institutions - \$24.7 billion



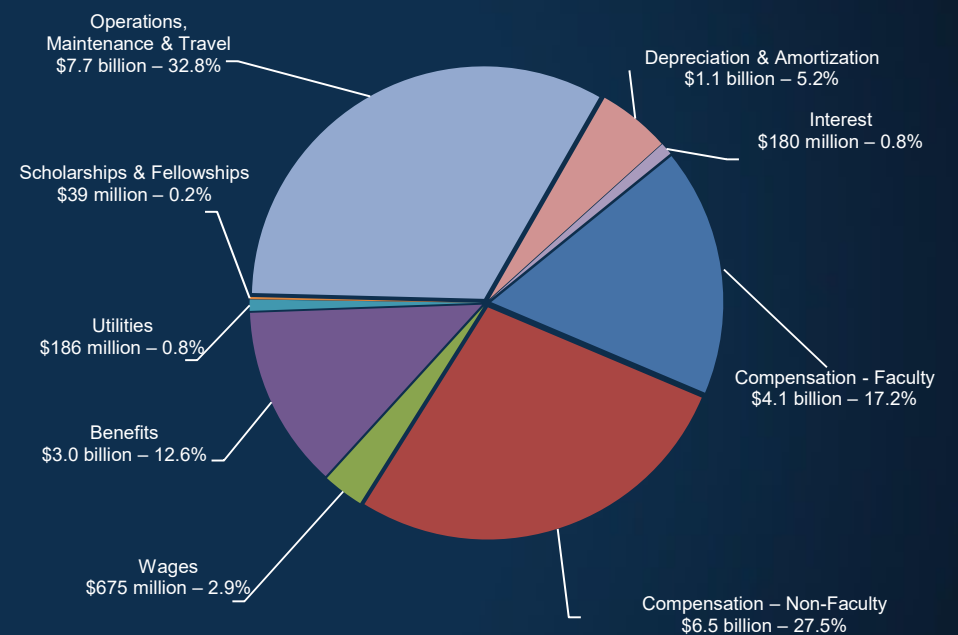
U.T. System Office of Budget and Planning
5

FY 2026 Budgeted Expenses

Academic Institutions - \$9.2 billion



Health Institutions - \$23.5 billion



U.T. System Academic Institutions - FY 2025-2026 Budget *(\$ millions)*

	FY 2025 Revenue	FY 2025 Expenses	FY 2025 Margin	FY 2025 Margin Ratio	FY 2026 Revenue	FY 2026 Expenses	FY 2026 Margin	FY 2026 Margin Ratio
U.T. Arlington	\$ 920.8	\$ 870.8	\$ 50.0	5.4%	\$ 876.7	\$ 840.4	\$ 36.3	4.1%
U.T. Austin	4,272.5	3,942.8	329.7	7.7%	4,568.6	4,114.9	453.7	9.9%
U.T. Dallas	938.7	845.9	92.8	9.9%	907.0	814.1	92.9	10.2%
U.T. El Paso	621.2	589.6	31.6	5.1%	563.8	540.5	23.3	4.1%
U.T. Permian Basin	104.5	100.3	4.2	4.0%	109.6	104.4	5.2	4.7%
U.T. Rio Grande Valley	680.4	666.7	13.7	2.0%	747.3	727.0	20.2	2.7%
U.T. San Antonio	792.2	694.0	98.2	12.4%	816.5	793.5	23.1	2.8%
Stephen F. Austin State University	218.4	211.0	7.4	3.4%	226.9	220.9	6.0	2.6%
U.T. Tyler	193.5	180.4	13.1	6.8%	216.3	210.2	6.2	2.9%
TOTAL	\$ 8,742.2	\$ 8,101.5	\$ 640.7	7.3%	\$ 9,032.7	\$ 8,365.9	\$ 666.9	7.4%



The University of
Texas System

Expenses are adjusted net of depreciation and amortization

U.T. System Office of Budget and Planning

U.T. System Health Institutions - FY 2025-2026 Budget *(\$ millions)*

	FY 2025 Revenue	FY 2025 Expenses	FY 2025 Margin	FY 2025 Margin Ratio	FY 2026 Revenue	FY 2026 Expenses	FY 2026 Margin	FY 2026 Margin Ratio
U.T. Southwestern Medical Center	\$ 5,534.2	\$ 5,192.0	\$ 342.2	6.2%	\$ 6,391.1	\$ 5,974.3	\$ 416.8	6.5%
U.T. Medical Branch - Galveston	3,330.1	3,142.3	187.8	5.6%	3,703.2	3,486.4	216.8	5.9%
U.T. Health Science Center - Houston	2,702.9	2,572.5	130.4	4.8%	2,824.5	2,730.3	94.2	3.3%
U T. Health Science Center - San Antonio	1,671.6	1,625.3	46.3	2.8%	1,869.3	1,765.5	103.8	5.6%
U.T.M.D. Anderson Cancer Center	8,647.9	7,356.7	1,291.2	14.9%	9,375.1	7,932.0	1,443.1	15.4%
U.T. Health Science Center at Tyler	438.7	416.0	22.7	5.2%	494.9	466.0	28.9	5.8%
TOTAL	\$ 22,325.4	\$ 20,304.8	\$ 2,020.6	9.1%	\$ 24,658.1	\$ 22,354.5	\$ 2,303.6	9.3%



The University of
Texas System

Expenses are adjusted net of depreciation and amortization

U.T. System Office of Budget and Planning
8

U.T. System Administration Budget (\$ millions)

	FY 2025 Adjusted Budget	FY 2026 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. System Administration Operations (AUF)	\$ 62.0	\$ 66.0	\$ 4.1	6.5%
U.T. System Administration – University Lands (PUF)	31.8	35.0	3.2	9.9%
U.T. System Administration Service Departments and Other (Non-AUF)	44.8	48.1	3.3	7.3%
U.T. System Administration	\$138.6	\$149.1	\$ 10.6	7.6%

Excludes the following components of the U.T. Systemwide Annual Operating Budget:

- State General Revenue Funded programs for Lone Star Stroke, Texas Children's Mental Health Care Consortium (TCMHCC), Laredo Multi-Institution Center, and REAL Health AI
- Sponsored programs includes grants and federal support through the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription drug coverage.
- Capital Construction Assistance Projects (CCAP) and PUF Debt Service
- Depreciation and capitalized lease amortization net of capital outlay
- Self-insurance claims activity and certain systemwide software licenses centrally negotiated and reimbursed by U.T. institutions

U.T. Systemwide Budget (\$ millions)

	FY 2025 Adjusted Budget	FY 2026 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. Systemwide Operations				
Direct Campus Support (AUF)	76.4	107.0	30.6	40.1%
State General Revenue Funded Programs *	10.7	31.5	20.8	193.4%
Sponsored Programs **	42.7	61.2	18.5	43.5%
U.T. System Building/CCAP/PUF Debt Interest (all institutions)	285.1	263.1	(22.0)	(7.7)%
Depreciation ***	11.0	11.1	0.1	0.8%
Total****	\$425.9	\$473.9	\$48.0	11.3%

* State General Revenue Funded programs include Lone Star Stroke, Texas Children's Mental Health Care Consortium (TCMHCC), and REAL Health AI

** Sponsored programs includes grants and federal support through the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription drug coverage.

*** Depreciation and capitalized lease amortization net of capital outlay

**** Excludes self-insurance claims activity and certain Systemwide software licenses centrally negotiated and reimbursed by U.T. institutions

	FY 2025 Budget	FY 2026 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. Systemwide PUF Allocations				
Library, Equipment, Repair and Rehabilitation (LERR)	41.2	79.2	38.0	92.2%
Faculty Science and Technology Acquisition and Retention (STARs)	35.8	35.8	0.0	0.0%
Total	\$77.0	\$115.0	\$38.0	49.4%

This page left intentionally blank.



The University of
Texas System

U.T. System Office of Budget and Planning

11

15. **U.T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2026**

RECOMMENDATION

Dr. John M. Zerwas, in his roles as Chancellor *ad interim* and Executive Vice Chancellor for Health Affairs, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, 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 2026 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.