

Meeting No. 1,175

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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February 15, 2018

Austin, Texas

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MEETING NO. 1,175

THURSDAY, FEBRUARY 15, 2018.--The members of the Board of Regents of The University of Texas System convened a special called meeting at 10:00 a.m. via telephone conference call on Thursday, February 15, 2018, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Tucker
Vice Chairman Hildebrand
Vice Chairman Foster
Regent Aliseda
Regent Beck
Regent Eltife
Regent Hicks
Regent Longoria
Regent Weaver
Regent Castro, Student Regent, nonvoting

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

RECESS TO EXECUTIVE SESSION.--At 10:01 a.m., the Board recessed to Executive Session in the Executive Session Room, Second Floor, The University of Texas System Building, pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session in the Board Room at 10:35 a.m. No action was taken on the following Executive Session items, and the Board considered the following Agenda Items.

- 1a. 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 (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. System: Discussion of individual personnel matters relating to Chancellor search

No action was taken on this item.

- 1c. U. T. System Board of Regents: Discussion regarding individual personnel issues associated with proposed amendment to Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties) to formalize the Board's ongoing process for evaluation of responsibilities and expectations

No action was taken on this item. (See related Agenda Item 1 on Page 3 for action taken in Open Session.)

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

No action was taken on this item.

- 2b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to proposed amendment to Regents' *Rules and Regulations*, Rule 10101 concerning Board authority and duties

No action was taken on this item. (See related Agenda Item 1 on Page 3 for action taken in Open Session.)

- 2c. U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues associated with the proposed formation of a health care system with Ardent Health Services, including the formation of a limited liability company

No action was taken on this item. (See related Agenda Item 3 on Page 5 for action taken in Open Session.)

- 3a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

- 3b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

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

This additional caption was posted with the Secretary of State. No action was taken on this item.

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

This additional caption was posted with the Secretary of State. No action was taken on this item.

AGENDA ITEMS

1. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment to Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties) to formalize the Board's ongoing process for evaluation of responsibilities and expectations to document compliance with new accreditation requirement

The Board approved the addition of language to Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties) to formalize and document the Board's ongoing process for evaluation of its responsibilities and expectations to meet new Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accreditation requirements, to read as set forth below:

Sec. 4 Board Self-Evaluation. To assess the effectiveness of the Board of Regents as a whole, the Board will continue to regularly define and evaluate its responsibilities and expectations as follows:

- 4.1 The Board will conduct a self-evaluation of its responsibilities and expectations at least every two years. The Board may also choose to engage in an additional self-evaluation upon the election of a new Chairman.
- 4.2 The self-evaluation will include assessments regarding
 - (a) Board organization, leadership, and committee responsibilities and structure;
 - (b) Board orientation and ongoing education;
 - (c) Board fiduciary oversight of U. T. System and the U. T. institutions;
 - (d) Board's role in establishing policy;
 - (e) Board's oversight of the Chancellor as chief executive officer of the U. T. System; and

- (f) Board's method for identifying and addressing potential Regental conflicts of interest.

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Remaining sections of the Rule were renumbered.

The Board has routinely and consistently evaluated its responsibilities and expectations, generally in conjunction with the appointment and orientation of new members to the Board and also following the election of Board leadership every two years.

The amendment is intended to document compliance with a new accreditation requirement from SACSCOC that the governing board of an institution or system of higher education define and regularly evaluate its responsibilities and expectations.

These revisions do not impact the full-time equivalent count Systemwide and are budget neutral. This Agenda Item was reviewed by The University of Texas System institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

2. U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed revision to Mission Statement

The Board approved the revised Mission Statement for The University of Texas Medical Branch at Galveston as set forth below.

The U. T. Medical Branch - Galveston (UTMB) Mission Statement was last approved by the Board of Regents on November 11, 2010, and reaffirmed on August 24, 2017. The revised Mission Statement provides a more current and accurate statement of the University's mission.

Mission, Vision, and Values Statement

Preamble

The University of Texas Medical Branch at Galveston's mission is to improve health for the people of Texas and around the world. UTMB is an inclusive, collaborative community of forward-thinking educators, scientists, clinicians, staff, and students dedicated to a single purpose – improving health. We prepare future health professionals for practice, public service, and lifelong learning through innovative curricula and individualized educational experiences. We advance understanding and treatment of illness and injury through groundbreaking research, in the lab and at the bedside, including the commercialization of such research, as appropriate. We deliver skilled and patient-centered health care, and we continue to shape the future of health sciences education, research, and clinical care by always asking, "What's next?"

Mission

UTMB's mission is to improve health for the people of Texas and around the world by offering innovative education and training, pursuing cutting edge research and providing the highest quality patient care.

Vision

We work together to work wonders as we define the future of health care and strive to be the best in all of our endeavors.

Values

Our values define our culture and guide our every interaction.

- We demonstrate **compassion** for all.
- We always act with **integrity**.
- We show **respect** to everyone we meet.
- We embrace **diversity** to best serve a global community.
- We promote excellence and innovation through **lifelong learning**.

3. U. T. Health Science Center - Tyler: Discussion and appropriate action regarding proposed formation of a health care system with Ardent Health Services, including formation of a limited liability company, extension of credit, approval of a common name and logo, and finding of public purpose

Following brief comments by The University of Texas Health Science Center at Tyler President Calhoun and Regent Eltife, Vice Chairman Foster made the following motion, which was seconded by Regent Longoria and carried unanimously.

Motion by Vice Chairman Foster

I move that the U. T. System Board of Regents approve the proposed formation of a health care system by U. T. Health Science Center - Tyler and Ardent Health Services, including the formation of a limited liability company.

I further move that the Board

- a. authorize the President of U. T. Health Science Center - Tyler to execute all documents, instruments, and other agreements, and to take all further action deemed necessary to carry out the purpose and intent of the foregoing action, following review and approval by the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel;

- b. authorize U. T. System's extension of credit to U. T. Health Science Center - Tyler in support of this authorization in an amount not to exceed \$35 million from the U. T. System Short Term Fund, with the understanding that no state-appropriated funds or tuition revenues will be used.

I further move that the Board confirm U. T. Health Science Center - Tyler's determinations that the formation of this health care system a) supports the public mission of and serves public purposes appropriate to the functions of U. T. Health Science Center - Tyler for the reasons set forth in the Agenda Item and attached [below], b) is structured with adequate safeguards and controls in place to ensure the public purpose will continue to be met on an ongoing basis, and c) will result in adequate consideration and benefits to U. T. Health Science Center - Tyler and the residents of Northeast Texas.

Finally, I move that the Board of Regents approve the use of "UT Health East Texas" as the common name to be used by U. T. Health Science Center - Tyler and the common name to be used by the new health care system, along with the proposed logo, also attached [below], subject to the requirements for use in the Trademark License Agreement to be executed for carrying out the purpose and intent of the foregoing action.

Agenda Item:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for External Relations, and the institutional president that the U. T. System Board of Regents approve the proposed formation of a health care system by U. T. Health Science Center - Tyler and Ardent Health Services (Ardent), including the formation of a limited liability company.

The Board will also be asked to:

- a. authorize the President of U. T. Health Science Center - Tyler to execute all documents, instruments, and other agreements, and to take all further action deemed necessary to carry out the purpose and intent of the foregoing action, following review and approval by the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel;
- b. approve extension of credit to U. T. Health Science Center - Tyler from the Short Term Fund;
- c. approve the use of a common name for the new health care system and the U. T. Health Science Center - Tyler, including a new logo; and

- d. confirm U. T. Health Science Center - Tyler's determination that the formation of the proposed health care system serves public purposes, and is structured with adequate safeguards and controls in place to ensure the public purposes will continue to be met on an ongoing basis, and will result in adequate consideration and benefits to U. T. Health Science Center - Tyler and the residents of Northeast Texas.

BACKGROUND INFORMATION

The proposed formation of a health care network by U. T. Health Science Center - Tyler and Ardent will support and enhance U. T. Health Science Center - Tyler's ability to service its multiple public purposes and deliver high quality health care.

If approved, this new health care system and U. T. Health Science Center - Tyler will use a common name, including a new logo containing two of the official U. T. System seal elements — the shield and star that would always accompany the name brand. Use of the name and logo by the new health care system will be controlled through a Trademark Licensing Agreement.

The official name of U. T. Health Science Center - Tyler will remain as is, but the University proposes to replace its current institutional nickname of "UT Health Northeast" to the same one proposed for the new health care system, for the purpose of continuity and consistency.

PUBLIC PURPOSE

U. T. Health Science Center - Tyler has determined that the formation of a new health care system with Ardent supports the public mission of and serves public purposes appropriate to the functions of U. T. Health Science Center - Tyler by enhancing U. T. Health Science Center Tyler's ability to fulfill the following in furtherance of the U. T. Health Science Center - Tyler mission to:

- a. strengthen academic and educational programs of U. T. Health Science Center - Tyler to provide its students, residents, and other trainees with expanded educational opportunities for exposure to all dimensions of care delivery necessary in the aggregate to care for an entire community, including expansion of graduate medical education to develop the physician workforce in one of the most underserved regions of Texas and enhancing the ability of other U. T. System health and academic institutions to provide health training rotations and workforce development;
- b. enhance basic and clinical research capabilities for biomedical science research programs at U. T. Health Science Center - Tyler (and the U. T. Health Science Center - Tyler School of Community and Rural Health) by providing access to a much larger patient base;

- c. integrate community and public health initiatives and expand the reach of U. T. Health Science Center - Tyler into new communities and populations to align clinical services with public health programs to support healthier communities and to better serve the region's mental health needs by expanding mental health partnerships with state and local governments and integrating behavioral health into physical health across clinic operations;
- d. expand patient care services and improved health outcomes by:
 - (i) delivering ambulatory and inpatient health care services at locations that are convenient for patients in Tyler and surrounding Northeast Texas communities;
 - (ii) increasing U. T. Health Science Center - Tyler's ability to integrate clinical and administrative functions to create economies of scale, potentially reducing the overall cost of care and improving scalability;
 - (iii) leveraging U. T. Health Science Center - Tyler and U. T. System expertise in clinical safety and effectiveness efforts across a large, regional network of providers;
 - (iv) developing new models of quality and value based payment methodologies in partnership with other U. T. System health and academic institutions;
 - (v) leveraging U. T. Health Science Center - Tyler's position as a quality leader to bring new services to underserved communities, improve systems of care, and address community needs across Northeast Texas; and
- e. participate in a health care system that will make it possible for U. T. Health Science Center - Tyler to maintain financial sustainability and continue to focus on investment in those U. T. Health Science Center - Tyler missions that cannot be supported or cannot be adequately supported by state funds alone.

Logo:



ADJOURNMENT.--There being no further business, the meeting was adjourned at 10:43 a.m.

/s/ Tina E. Montemayor
Assistant Secretary to the Board of Regents

March 22, 2018