

Meeting No. 1,160

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

Pages 1 - 7

March 28, 2017

Austin, Texas

MEETING NO. 1,160

TUESDAY, MARCH 28, 2017.--The members of the Board of Regents of The University of Texas System convened a special called meeting at 8:04 a.m. on Tuesday, March 28, 2017, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Hicks
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Eltife
Regent Weaver
Regent Joseph, Student Regent, nonvoting

Absent

Regent Longoria
Regent Tucker

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

RECESS TO EXECUTIVE SESSION.--At 8:04 a.m., the Board recessed to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 12:57 p.m., the Board reconvened in Open Session to consider the following action on Executive Session items and to consider the following agenda item.

- 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. Permian Basin: Discussion and appropriate action regarding individual personnel matters related to the presidential search, including individual candidate interviews and introduction of spouses, and possible naming of finalist(s)

Regent Beck moved that Sandra Woodley, currently Higher Education Senior Strategist/Senior Fellow at Kentucky State University, be named as the sole finalist for the position of President of The University of Texas of the Permian Basin. A vote to name a President will be made after the expiration of at least 21 days at a future special called meeting.

Vice Chairman Hicks seconded the motion, which carried unanimously.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

3. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

AGENDA ITEM

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

Chairman Foster noted the following related to the Consent Agenda:

- Consent Agenda Item 1a requests approval of the terms of transition for former President Ron DePinho to Professor in the Department of Cancer Biology at The University of Texas M. D. Anderson Cancer Center. In approving this item, the Board is also asked to make a finding that the agreement is in the best interest of U. T. M. D. Anderson Cancer Center and The University of Texas System.

The Board then approved the Consent Agenda, which is set forth on Pages 4 - 7.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas System institution involved.

ADJOURNMENT.--At 12:59 p.m., there being no further business, the meeting was adjourned.

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

April 25, 2017



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

Special Called Board Meeting:

March 28, 2017
Austin, Texas

1a. Agreement - U. T. M. D. Anderson Cancer Center: Terms of transition for former President Ronald A. DePinho, M.D., to Professor in the Department of Cancer Biology

The agreement summarized below has been approved by the Chancellor and is recommended for approval by the U. T. System Board of Regents.

Item: Transition to Professor in the Department of Cancer Biology

Funds: Annual salary at the current academic rate, plus support for research and faculty activities, as specified in the letter agreement on the following pages

Effective Date: March 21, 2017

Description: The letter of agreement on the following pages provides the terms of transition for former President Ronald A. DePinho, M.D., to Professor in the Department of Cancer Biology, reporting to the Department Chair of Cancer Biology.

In approving this item, the Board is also asked to make a finding, as required by *Texas Education Code* Section 51.948, that this agreement is in the best interest of U. T. M. D. Anderson Cancer Center and U. T. System.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Office of Health Affairs
601 Colorado Street
Austin, Texas 78701-2982
512-499-4224
WWW.UTSYSTEM.EDU

March 21, 2017

Ronald A. DePinho, M.D.
Department of Cancer Biology
The University of Texas MD Anderson Cancer Center
1881 East Road
Unit Number: 1906
Houston, Texas 77054

Dear Ron:

I am writing, first and foremost, to thank you for your service as President of the University of Texas MD Anderson Cancer Center (MD Anderson) for the past five and a half years. During that period of time, much was accomplished, particularly in the recruitment of outstanding investigators, appointment of Division Heads and Department Chairs, the development of a shared governance model, the expansion of the physical facilities, the growth of philanthropy, enhanced relationships with other UT institutions, replacement of the electronic medical record system, and the elevation of the technology transfer enterprise. I know that you put your heart and soul into your work. Throughout your tenure as President, your dedication, energy and enthusiasm were impressive to all constituents. Based upon our many recent conversations, I know that you want to continue to serve the institution as a faculty member and advocate. We are grateful for your continued commitment to MD Anderson and the UT System, more generally.

As you transition to a full-time faculty role, I bring to your attention the provisions of Texas Government Code Sections 669.001-669.004. Section 669.003 provides that any contract between a state governing board and an agency head or a person who "employs" an agency head or former agency head (Chancellor or President), must be approved by the governing board in an open meeting. Accordingly, all of the terms specified in this letter are conditional upon the approval of The University of Texas System Board of Regents. We will work to bring this matter to the Board for their consideration at the earliest possible meeting.

Your academic appointment will be as Professor in the Department of Cancer Biology, effective immediately and renewable annually on September 1 of each year. Renewal of term tenure for you was reviewed by the Promotion and Tenure Committee on January 13, 2017 and unanimously approved, with the concurrence of Provost Dmitrovsky on February 1, 2017, and hereby endorsed by me for a seven-year term period, renewable upon the appropriate recommendations and approvals.

As specified in a letter to you dated August 26, 2016, upon completion of your service as President, your compensation is set at the current appropriate academic salary rate, consistent with the provisions of Texas Education Code, Sec. 51.948(c). The annual academic rate, effective September 1, 2016, was \$796,505. Additionally, as a faculty member at MD Anderson, you will be eligible to receive the appropriate Supplemental Annual Plan payment, as determined by the Provost, and you will be

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eligible for all incentive plans applicable to your faculty position. You will be eligible to receive all usual and customary benefits accorded to faculty members at MD Anderson.

You will report to the Department Chair of Cancer Biology, currently Dr. Raghu Kalluri. Dr. Kalluri will be responsible for your annual evaluation and the allocation of any departmental resources to you. It is my understanding that an appropriate office is being arranged for you near your assigned laboratory space. I have confirmed with executive management of MD Anderson that approval has been issued to convert existing offices in 3SCR 5.3632/3634/3636 to an executive office of 237 square feet plus a conference room of 134 square feet, for a total of 371 square feet. According to information provided to me, your research presently occupies a total of about 2,090 square feet of laboratory space, which over time will be subject to the standard review policies and procedures of the Department and MD Anderson.

The Department of Cancer Biology also will be responsible for determining and providing appropriate staff support, including an executive assistant and, depending upon your needs, either a research assistant or other support person. In addition, an individual travel budget managed by the department for your business travel, not to exceed \$40,000 per year, will be provided to you. To the extent that the Department requires additional funding to support your staffing and travel, such a request should be made by Dr. Kalluri to Provost Dmitrovsky, for his review and appropriate action.

Institutional funds (as opposed to outside funding from any source) that were committed to you in your original recruitment to support your personal research program, and not yet expended, will be reconciled to bring all balances to zero and thereafter discontinued. Going forward, MD Anderson will provide support for your research program consistent with support provided to other members of the faculty who are members of the National Academies. Namely, you will be provided with \$1 million dollars per year in institutional funding for a period not to exceed eight years, subject to review annually by the Provost to determine satisfactory progress in your personal research program. In addition, unspent funds previously awarded to support your personal research program by CPRIT, the National Cancer Institute, and other external granting agencies, will remain under your control. The assignment of any other institutional funds to you that are not routinely assigned to a research faculty member at MD Anderson must be approved by your Departmental Chair, Division Head, the Provost, and the President or the President's designee. Finally, subject to the appropriate approval processes, you will be the recipient of the highest available endowed position, which should provide approximately \$150,000 annually to be used to support your personal research program, according to the rules and regulations of MD Anderson.

Per the Salary Support on Research Grants Policy (UTMDACC Institutional Policy #ACA0008), applicable faculty members at the level of Assistant Professor and above, who have a research appointment or spend 75% or more of their effort on basic, clinical, translational, or population-based research, are required to obtain at least 40% of their annual base salary of National Institute of Health (NIH) cap from extramural grants and contracts. This requirement will not apply to you through the end of FY 2018, but you should diligently work towards achieving that required level of support as soon as possible. If you are awarded an extramural grant and contract under which you have committed effort (including grants and contracts already awarded), you are required to comply with the Effort Certification Policy (UTMDACC Institutional Policy #ACA0016), as well as any applicable UT System policies and have salary paid from the funded project to the level of your commitment.

As a faculty member at MD Anderson, you are subject to all applicable policies and procedures. In particular, given your national stature, it is likely that various opportunities for compensated or uncompensated Board service may come your way. In that regard, in addition to other commitments to engage with for-profit or not-for-profit outside entities, I remind you of the importance of assuring

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compliance with the disclosure, review and approval requirements of the Conflict of Interest and Conflict of Commitment Policy (UTMDACC Institutional Policy # ADM0255).

In addition, I would like to draw your attention to time-limited legal restrictions on your ability to accept employment with third parties who have contracted with MD Anderson. Specifically, pursuant to Texas Government Code Section 572.069, a former state employee who participated on behalf of a state agency in a procurement or contract negotiation with a third party may not accept employment from that third party for two years after the employment with the state agency has ceased. If you have questions about the application of this law, UT System Vice Chancellor and General Counsel Dan Sharporn is available to assist with interpretation.

In addition, Texas Government Code Section 669.003 provides that any contract between a former agency head and a person who "employs" a former agency head must be approved by the Board of Regents in advance in an open meeting of the Board. Accordingly, please advise General Counsel to the Board Francie Frederick of Mr. Sharporn to the extent possible, of any new affiliation with an entity seeking to contract with the U. T. System or one of the U. T. System institutions. Ms. Frederick and Mr. Sharporn will help to determine whether the statute applies to a particular situation and will consult further to assure all statutory requirements are met.

As to any other details of your employment as a faculty member, I have directed Provost Dmitrovsky and Executive Vice President Fontaine to work with you in consultation with your department chair to make this transition both smooth and befitting of your service to the institution as its president. In the event of any disagreement that cannot be resolved concerning this matter I am happy to provide input and mediation in the unlikely event that it is necessary.

Again, I thank you for your dedicated service to MD Anderson, to the UT System, and to the people of Texas. I look forward to your continued service in the fight to Make Cancer History.

Sincerely,



Raymond S. Greenberg, M.D., Ph.D.
Executive Vice Chancellor for Health Affairs

Accepted by:

Ronald A. DePinho, MD

Date

cc: Chancellor McRaven
Board of Regents
General Counsel to the UT System Board of Regents Frederick
UT System Vice Chancellor and General Counsel Mr. Sharporn
UT MD Anderson Cancer Center Provost Dmitrovsky