

Meeting No. 1,118

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

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March 7, 2014

Austin, Texas

MEETING NO. 1,118

FRIDAY, MARCH 7, 2014.--The members of the Board of Regents of The University of Texas System convened this special called meeting via telephone conference call at 10:34 a.m. on Friday, March 7, 2014, in the Chairman's Office on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Powell
Vice Chairman Hicks
Regent Aliseda
Regent Cranberg
Regent Hall
Regent Hildebrand
Regent Pejovich
Regent Stillwell
Regent Horne, Student Regent, nonvoting

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.

AGENDA ITEMS

1. U. T. Rio Grande Valley: Approval to delegate authority regarding new Employer Identification Number (EIN) application

The Board approved a special delegation of authority to the Chancellor to create and attest to the necessary documentation to create an Employer Identification Number (EIN) for The University of Texas Rio Grande Valley.

U. T. Rio Grande Valley was created by the Texas Legislature in Senate Bill 24 in 2013, and Guiding Principles for the new university were passed by the Board of Regents on July 10, 2013. The creation of the new institution requires the filing of a Form SS-4 with the Internal Revenue Service to obtain an EIN, the unique number assigned to U. T. Rio Grande Valley for compliance with various federal reporting requirements.

Approval of the required authorization allows the Chancellor to execute the Form SS-4 application on behalf of the Board.

2. U. T. Austin: Approval of authorization for participation in Giant Magellan Telescope project, including funding a 5% share with \$50 million of Designated Funds, with the right to fund an additional 5% share with donor gifts

The Board authorized participation by The University of Texas at Austin in the Giant Magellan Telescope (GMT) project. U. T. Austin will fund a 5% share of the construction cost of the GMT (estimated at \$1.05 billion) with \$50 million of Designated Funds (Indirect Cost Return from research accumulated case reserves), with the right to acquire up to an additional 5% share with funding by donor gifts.

Prior to the vote, President Powers answered questions from members of the Board and Chancellor Cigarroa. He said the first light will be on the Telescope by 2019, and the GMT is expected to be fully operational by 2021. He explained the funding structure for the project, noting that U. T. Austin has paid \$3 million in the preliminary stage of the project and the remaining portion will be set aside and paid over the 2014-2019 timeframe; the consortium will pay the bills as construction progresses. President Powers remarked that the project will bring in funding to U. T. Austin from the National Science Foundation and approximately \$14 million is expected to come back to U. T. Austin for constructing specialized instruments for the project. He said a request for additional funding might come to the Board of Regents in the future.

In response to a question from Regent Hildebrand regarding the management of the project, President Powers and Vice President and Chief Financial Officer Hegarty described project management by the lead institution, the Carnegie Institution for Science, and they noted how this project will complement work at the U. T. Austin McDonald Observatory. He and Mr. Hegarty discussed the status of other telescope projects around the world, concluding that while there is competition, the nature of the project and the status of funding for this consortium will move this project forward.

U. T. Austin is part of an international effort to design, construct, and operate an innovative 25-meter (80-foot) astronomical telescope, the GMT, that will address questions beyond the reach of today's largest telescopes, such as detection and description of the first stars and galaxies formed following the Big Bang and imaging and analysis of planets around nearby stars. Investment in the GMT will place U. T. Austin among a select few American universities with access to a 21st century telescope.

Since 2008, U. T. Austin has held a seat, under a nonbinding agreement, on the governing board of the Giant Magellan Telescope Organization (GMTO), a non-stock, not-for-profit corporation. Other members or "founding partners" of the governing board include Harvard University, The University of Chicago, Carnegie Institution for Science, Smithsonian Astrophysical Observatory, Texas A&M University, The University of Arizona, Australian National University, Astronomy Australia Limited, and Korea Astronomy and Space Science Institute.

The primary sources of funding for the GMTO are contributions from these universities and institutions. The founding partners will receive guaranteed access rights to use the GMT in proportion to their contributions to the design, construction, commissioning, and operating costs of the GMT. A 5% interest equates to 16.5 nights of annual usage of the telescope, which will be located in Chile. Acquiring a total of 10% interest would equate to 33.0 nights of annual usage.

U. T. Austin views investment in the GMT project as critical from an academic and research perspective. Having guaranteed access to a cutting-edge instrument is vital for the discovery of new knowledge and for retaining the faculty and researchers who have collectively built first-rate undergraduate and graduate academic programs. Potential access to the GMT is already proving to be a prime attraction in the highly competitive recruitment of first-class junior faculty. The opportunity for U. T. Austin over the decades to have major access to the largest telescopes of the day has led to the recruitment and retention of considerable talent. As in every scientific field, the top talent is mobile. Mobility for observational astronomers is driven by access to the largest telescopes. Recognizing that development, construction and funding of a telescope much larger than the Hobby-Eberly Telescope must take many years, and the Astronomy program chose several years ago to join the consortium seeking to build the GMT.

This investment is synergistic with the U. T. Austin McDonald Observatory, which has the Hobby-Eberly Telescope. Intriguing questions about the universe, however, lie beyond the reach of these telescopes. Telescopes with apertures of 25 - 40 meters can reveal the critical evolution of galaxies and black holes in the first billion years of the universe and characterize the planets around nearby stars. Investment in this Telescope will position U. T. Austin as one of the best astronomy departments in the nation.

RECESS TO EXECUTIVE SESSION.--At 10:52 a.m., Chairman Foster said the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 12:30 p.m., the Board reconvened in open session for the following action on matters discussed in Executive Session.

1a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 1b. U. T. System: Discussion of legal issues related to admissions procedures

No action was taken on this item.

- 1c. U. T. System Board of Regents: Discussion of legal issues related to work of the House Select Committee on Transparency in State Agency Operations

No action was taken on this item.

- 2a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 2b. U. T. Rio Grande Valley: Authorization to proceed to interview candidates for the presidency

Upon motion by Regent Aliseda, seconded by Regent Stillwell, the Board authorized the interview candidates for The University of Texas Rio Grande Valley presidency at a future Board meeting, as discussed in Executive Session.

The motion carried by acclamation.

ADJOURNMENT.--At 12:31 p.m., there being no further business, the meeting was adjourned.

/s/ Carol A. Felkel
Secretary to the Board of Regents

March 10, 2014