

Meeting No. 970

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

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September 8, 2003

Austin, Texas

MEETING NO. 970

MONDAY, SEPTEMBER 8, 2003.--The members of the Board of Regents of The University of Texas System convened this special called meeting at 4:33 p.m. on Monday, September 8, 2003. A business meeting was held on the Ninth Floor of Ashbel Smith Hall at 201 West Seventh Street, followed by a dinner meeting at The Mansion at Judges' Hill restaurant, 1900 Rio Grande, Austin, Texas, with the following in attendance and absent:

ATTENDANCE.--

Present  
Chairman Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Hunt  
Regent Craven  
Regent Estrada  
Regent Huffines  
Regent Krier

Absent  
Vice-Chairman Riter  
Regent Caven

Counsel and Secretary Frederick

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

ANNOUNCEMENT OF ASSOCIATE VICE CHANCELLOR PHILIP R. ALDRIDGE AS INTERIM VICE CHANCELLOR FOR BUSINESS AFFAIRS FOR THE UNIVERSITY OF TEXAS SYSTEM.--Vice Chancellor Brown announced the appointment of Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance, to the position of Interim Vice Chancellor for Business Affairs for The University of Texas System, effective immediately. Mr. Aldridge will serve as Interim Vice Chancellor while the University searches for a permanent replacement for Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs who resigned effective September 5, 2003.

RECESS TO EXECUTIVE SESSION.--At 4:35 p.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 5:35 p.m., the Board reconvened in open session for action on matters considered in Executive Session.

## EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Miller reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071, 551.073, and 551.074. In response to an inquiry from Chairman Miller regarding the wishes of the Board, the following actions were taken:

1. U. T. El Paso: Approval to conclude negotiations and execute contract for prospective gift involving a naming opportunity

Upon motion by Regent Huffines, seconded by Vice-Chairman Hunt, the Board authorized President Natalicio to conclude negotiations and execute documents to accept a negotiated gift involving a naming opportunity to benefit The University of Texas at El Paso following review and approval of the documents by the Office of General Counsel.

The motion carried unanimously.

2. U. T. System: Consultation with attorney regarding legal matters or pending and/or contemplated litigation or settlement offers

There was no action taken related to general legal matters of The University of Texas System.

3. U. T. System: Consideration of personnel matters relating to appointment, employment, evaluation, assignment, and duties of officers or employees

There was no action taken related to general personnel matters of The University of Texas System.

4. U. T. System: Consideration of personnel matters relating to evaluation of presidents and U. T. System Executive Officers and employees

There was no action taken related to evaluation of institutional presidents, Executive Officers, and employees of The University of Texas System.

## SPECIAL ITEMS

1. U. T. Board of Regents: Amendment of the Regents' Rules and Regulations regarding filming motion pictures or television productions [Part One, Chapter VI, Section 6, Subsection 6.(11)]

To allow more flexibility to the component institutions concerning commercial filming on campus, the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.(11) were amended to read as set forth below. These amendments include further revisions to Subdivision 6.(11)4 authorized by the Board at the meeting as included in the note in that Subdivision.

### Sec. 6. Use of University Facilities

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#### 6.(11) Filming Motion Pictures or Television Productions

The Chancellor or the president of a component institution or his or her delegate may authorize the use of property, buildings, or facilities owned or controlled by the U. T. System or component institution for filming motion pictures or television productions under a written agreement approved pursuant to U. T. System procedures. Requests to film a motion picture or television production will be reviewed and considered on a case by case basis and, subject to the provisions of this Subsection, it shall be within the discretion of the Chancellor or the president of a component institution or his or her delegate, following consultation with campus security personnel, to determine whether to grant the request. The safety of students, faculty, and staff; the potential for damage to buildings, facilities, or property and for disruption of administrative or academic programs or other scheduled activities; and the subject matter of the film shall be of primary consideration in determining whether to grant a filming request.

6.(11)1 The Chancellor, president, or delegate will be responsible for assuring that scheduled time(s) and location(s) for filming do not interfere with administrative and academic programs or other scheduled activities of the U. T. System or component institution.

6.(11)2 Either the script for the motion picture or television production or the topic and format for a live or unscripted program must be approved by the Chancellor or the president of a component institution or his or her delegate.

- 6.(11)3 The production company must identify the persons or entities with an interest in the company.
- 6.(11)4 The production company must provide a policy of comprehensive general liability and property damage insurance issued by a company authorized to do business in the State of Texas naming the Board of Regents, the U. T. System, the component institution, and the officers and employees of each as additional insureds, providing coverage for injury and death of persons and damage to property that result directly or indirectly from the negligent or intentional act or omission of, or from the use or condition of any property, equipment, machinery, or vehicle used, operated, or controlled by, the production company or its officers, employees, agents, or subcontractors while on property owned or controlled by the U. T. System or a component institution. The scope and limits of coverage shall be determined by the Chancellor or the president of a component institution or his or her delegate on the basis of the nature and extent of the activities to be conducted by the production company and the property, buildings, or facilities to be utilized. In no event shall the limits of liability for each occurrence be less than \$2 million for injury or death of a person and \$1 million for property damage. (Note: The Board approved revision of this requirement on September 8, 2003, conditioned upon the directive that protection be obtained against all liability, to the extent possible.)
- 6.(11)5 A use fee will be established in each case based upon the nature and extent of the activities, including costs associated with moving and replacing computers and other equipment and furniture of the production company and the U. T. System or component institution property, buildings, facilities, personnel, and services that are required to accommodate such activities. The use fee must be paid in advance by a certified or cashier's check made payable to the U. T. System or component institution. If the production company cancels a scheduled use, the deposit, less any expense incurred by the U. T. System or component institution in preparation for such use, will be refunded.

Chairman Miller asked University of Texas System senior staff to be careful and detailed concerning liability issues related to these contracts.

2. U. T. System: Update on the Accountability and Performance project and the compacts process

Dr. Geri H. Malandra, Assistant Vice Chancellor for Accountability, presented a progress report on development of The University of Texas System Accountability and Performance project and on the System's new Compact Process. Dr. Malandra said that along with development of a revised Mission Statement for the U. T. System, these are key elements of the U. T. System's framework of strategic planning.

Dr. Malandra noted discussion has begun with state policymakers and that the System's accountability framework includes some of the key topics including student outcomes and economic development. She assured the Board that the System's framework will be reflective of the state's needs and that it will be used to help shape the state's higher education accountability system. Dr. Malandra said the accountability report would be finalized by December 2003 for presentation of a prototype to the Board of Regents in February 2004.

Dr. Malandra described the proposed compact between the Chancellor of the U. T. System and the president of a component institution as a contract-like, concise, written agreement to detail strategic goals and priorities of an institution. She said compacts will be used as tactical documents to describe an operational view of an institution's key activities for one to two years, will identify opportunities for cross-collaboration, and will be used as a management tool to review academic program proposals and other opportunities, as well as to enhance alignment with the System's goals. The compact will also document U. T. System's commitment of assistance to the institution to help implement initiatives in areas such as fund-raising, federal relations, facilities planning, and community relations.

Vice-Chairman Hunt said the focus on accountability, productivity, and organizational efficiency is a welcomed focus on output to bring about organizational efficiency. He recommended further study at the System level to determine how to incentivize increased productivity and asked if the Permanent University Fund could be deregulated to bring about desired performance and productivity. Chairman Miller endorsed the suggestion and said there is an ongoing review of all sources of revenue such as research tax, tuition deregulation, commercialization, and other services including endowment incomes.

RECESS.--At 5:55 p.m., the Board recessed to reconvene in open session for a dinner meeting.

RECONVENE.--At 7:10 p.m., the Board reconvened in open session for a dinner meeting at The Mansion at Judges' Hill restaurant.

U. T. Board of Regents: Discussion of matters involving education and health care with The Honorable Antonio O. Garza, Jr., U. S. Ambassador to Mexico

Chairman Miller introduced The Honorable Antonio O. Garza, Jr., U. S. Ambassador to Mexico, for a discussion over dinner of matters involving education and health care. Ambassador Garza noted his pleasure at the opportunity to meet and asked for comments and questions. President Natalicio remarked on the opportunities and successes of Mexican nationals at The University of Texas at El Paso and noted the impact of tuition increases for Mexican citizens who are not eligible for financial aid. Vice-Chairman Hunt spoke to the opportunities and challenges of building an education model that is competitive in the world market. Ambassador Garza encouraged the view that these issues are statewide rather than Border issues and spoke of the lack of opportunities for higher education in Mexico. He mentioned a lack of "elite" universities and noted that conference centers are very successful and might offer opportunities for collaboration with The University of Texas, providing a U. T. presence in Mexico. Dr. Natalicio noted faculty development is also an opportunity. Mr. Gay Jacobs, President of Laredo National Bank, spoke to his wish for a University of Texas in Laredo. Following discussion of health issues, issuance of "matriculado" cards, and migration issues, Ambassador Garza spoke of the creation of an invisible class of undocumented labor. Ambassador Garza noted that Texas is best situated for a multidisciplinary effort; economics are working to converge in an unprecedented fashion. There was discussion of the absence of head-of-household males because they are working outside of Mexico. The challenge is how to address infrastructure needs first to make abandonment less attractive. Why not invest in Mexico? Dr. Peggy Smith, a professor at the Baylor College of Medicine, Houston, Texas, asked about interdiction of suspect passport holders at the Border -- how to enforce without alienating our neighbor? There was general discussion of pre-NAFTA issues. Dr. Faulkner and Dr. Natalicio looked at a positive future (conference centers and U. T. El Paso immigration history project). Mr. Jacobs pledged financial support to the history project.

There was discussion of natural resource issues and areas of resource development and technology transfer, such as pipeline construction and natural gas -- Ambassador Garza noted interest from all investor classes but Texans. Chairman Miller stated it was valid federal policy for the U. S. to invest in Mexico in ways that could be productive for both countries. He asked if there is there an intellectual leadership role the U. T. System can play and how to build a middle class in Mexico. Chairman Miller noted a relatively small investment could close the gaps. Ambassador Garza responded that much depends on the effort presented.

ADJOURNMENT.--Chairman Miller announced that the purpose for which this meeting was called had been completed and, the meeting was duly adjourned at 9:00 p.m.

/s/ Francie A. Frederick  
Counsel and Secretary to the Board

October 2, 2003