

Regents' Rules and Regulations

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1. Title

Rule on Rules and Regulations

2. Rule and Regulation

Sec.1 The Regents' *Rules and Regulations* are the official repository of policies and procedures established for The University of Texas System by the Board of Regents. The Regents' *Rules and Regulations* may be amended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.

Sec. 2 The Regents' *Rules and Regulations* are intended to be written such that they do not add administrative burden to compliance and that they provide the proper degree of autonomy to component institutions.

Sec. 3 Each Rule will include the following information:

1. Title
2. Rule and Regulation
3. Definitions
4. Relevant Federal and State Statutes
5. Relevant System Policies, Procedures, and Forms
6. Who Should Know
7. System Administration Office(s) Responsible for Rule
8. Date Approved or Amended
9. Date Last Reviewed
10. Contact Information

Rules and regulations will be placed within one of the nine sections of the Regents' Rules and Regulations:

Series 10000: Board Governance

Series 20000: Administration

Series 30000: Personnel

Series 40000: Academic Issues

Series 50000: Student Issues

Series 60000: Development

Series 70000: Investments

Series 80000: Facilities

Series 90000: Research and Intellectual Property

Sec. 4 To ensure that the Regents' *Rules and Regulations* provide the proper degree of autonomy to the U. T. System or any of its institutions, the following guidelines should be considered when drafting or amending the rules:

- 4.1 The rule should help ensure compliance with applicable laws and regulations, promote operational efficiencies, enhance the mission, or reduce institutional risks of the U. T. System or any of its institutions.
- 4.2 The rule should establish a governing principle that has System-wide application.
- 4.3 The rule should communicate an important governing principle rather than specifying operational detail.
- 4.4 The rule should avoid dictating policy or procedure that could be better determined by a component institution.
- 4.5 The rule should avoid restating a law or regulation

Sec. 5 Every employee has the right to propose changes in policies and procedures and to present arguments in support thereof.

- 5.1 Proposals should originate and follow routines as prescribed in the Regents' *Rules and Regulations* or in an institutional *Handbook of Operating Procedures*.
- 5.2 When a proposal has been approved or amended by the appropriate institutional officials, faculties, and the institution's president, it shall then go to the appropriate Executive Vice Chancellor and the Chancellor for recommendation to the Board if such action is required.
- 5.3 When a proposal has been approved, amended, or rejected by the appropriate institutional officials, faculties, or the institution's president, any employee or group of employees may present an appeal in opposition to the action of the majority or in opposition to the recommendation of the institutional official or the institution president, and this appeal, accompanied by reasons for and against the proposal, shall go through

the prescribed administrative channels and shall be presented through the appropriate Executive Vice Chancellor to the Chancellor and thence to the Board for final action. The deans and other institutional officials, the institution president, the appropriate Executive Vice Chancellor, the Chancellor, and the Board may invite both sides for personal conferences and discussions.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Authority

2. Rule and Regulation

Sec. 1 Authority of the Board. The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by Article VII, Section 10 of the *Texas Constitution*, has delegated the power and authority to administer The University of Texas System to the Board of Regents. (See *Texas Education Code Section 65.11* et seq.) Texas cases construing these statutes have held that the Board has wide discretion in exercising its power and authority and that the rules adopted by the Board have the same force as statutes. The System's lands and buildings are State of Texas property subject to the control of the Board as the State's agent.

Sec. 2 Amendment or Suspension of Rules. The Regents' *Rules and Regulations* may be added to, amended, waived, or suspended by a majority of all of the members of the Board of Regents present at any regular meeting or at any special meeting called for that purpose.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article VII, Section 10 – Establishment of University

Texas Education Code Section 65.11 – Board of Regents

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Board
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Chairman and Vice Chairmen

2. Rule and Regulation

Sec. 1 Composition. Pursuant to *Texas Education Code Section 65.11* the Board of Regents is composed of nine members appointed by the Governor, with the advice and consent of the Senate, for staggered terms of six years each, the terms of three members expiring on February 1 of odd-numbered years.

Sec. 2 Election of the Chairman. The Chairman of the Board of Regents shall be elected by the Board from its number, shall serve at the pleasure of the Board, and shall report to and be responsible to the Board. In case of the death, resignation, disability, removal, or disqualification of the Chairman, the Board shall elect a successor Chairman as soon as practicable. Election of the Chairman shall take place during the February meeting held in odd-numbered years or, if new members of the Board have not been appointed and received the consent of the Senate, at the next available opportunity.

2.1 Duties of the Chairman. The duties and responsibilities of the Chairman shall include the following:

- (a) The Chairman shall preside over the meetings of the Board.
- (b) The Chairman shall be authorized to call special meetings of the Board.
- (c) The Chairman shall appoint the standing committees of the Board and such special committees as the Board may authorize.
- (d) The Chairman shall appoint ad hoc committees as necessary to address special issues.
- (e) The Chairman shall be a nonvoting ex officio member of all standing and special committees of the Board.

Sec. 3 Vice-Chairmen. Three Vice-Chairmen of the Board of Regents shall be elected by the Board from its number when the Chairman is elected and shall serve at the pleasure of the

Board. At the election, the Board shall designate which Vice-Chairman shall assume the duties of Chairman in case of the absence, death, resignation, disability, removal, or disqualification of the Chairman. In case of the absence, death, resignation, disability, removal, or disqualification of the Chairman, the designated Vice-Chairman shall perform the duties of the Chairman until the Chairman shall resume his or her office or a successor Chairman shall have been elected as herein provided. Upon the death, resignation, disability, or removal of a Vice-Chairman, the Board shall elect a successor Vice-Chairman as soon as practicable.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 65.11 – Board of Regents

Texas Education Code Section 65.12 – Qualifications and Terms

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 10401 – Meetings of the Board

6. Who Should Know

Board

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Officers in the Office of the Board of Regents

2. Rule and Regulation

Sec. 1 Counsel and Secretary to the Board. The Counsel and Secretary to the Board of Regents is the principal officer to the Board in the administration of the responsibilities of the Office of the Board of Regents and the principal staff officer to each member of the Board of Regents in the discharge of his or her responsibilities. In addition to the specific duties and responsibilities set forth in Section 2 below, the Counsel and Secretary to the Board shall advise the Board regarding the design and implementation of policies and procedures by which the Board of Regents may more effectively fulfill its responsibilities regarding the governance and management of The University of Texas System and shall provide legal counsel on issues such as open meetings, public information, and standards of conduct.

Sec. 2 Appointment. At the meeting at which the Chairman and Vice-Chairmen of the Board are elected, the Board shall elect a Counsel and Secretary who is not a member of the Board and who shall receive such compensation and have such staff as may be fixed by the Board. The Counsel and Secretary shall report to and be responsible to the Board. The Counsel and Secretary shall serve subject to the pleasure of the Board and may be removed by the Board at any time.

Sec. 3 The duties and responsibilities of the Counsel and Secretary shall include the following:

- 3.1 Supervise. The Counsel and Secretary shall supervise the Office of the Board of Regents.
- 3.2 Meetings. The Counsel and Secretary shall make preparations, including Regental travel arrangements, for all meetings of the Board and its committees.
- 3.3 The Agenda. Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Counsel and Secretary shall prepare and distribute the Agenda and necessary supporting documentation for all meetings of the Board and its committees.

- 3.4 Open Meetings Act. Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Counsel and Secretary shall post notices of all meetings and the subject matter thereof as may be required under law.
- 3.5 Minutes. The Counsel and Secretary shall record, prepare, and index the official Minutes of the Board and its committees. The official copy of the Minutes of the Board and its committees shall be kept in the Office of the Board of Regents, and certified excerpts from these Minutes shall be prepared by the Counsel and Secretary as requested.
- 3.6 Official Documents. The Counsel and Secretary shall keep on file in the Office of the Board of Regents all official documents, correspondence, and proceedings of the Board and its committees.
- 3.7 Seal. The custody of the official seal of the System shall be with the Counsel and Secretary. The Counsel and Secretary shall affix such official seal to, and attest, all documents executed in the name of the Board that require attestation.
- 3.8 Rules and Regulations. The Counsel and Secretary shall be charged with the responsibility of keeping current the Official Copy of the Regents' *Rules and Regulations* and accessible on the web. Administrative officers will be notified of any changes or additions to the rules as soon as possible after the meeting at which they were adopted.
- (a) The Counsel and Secretary is authorized to make minor and non-substantive editorial changes to the Regents' *Rules and Regulations* enacted by the Board as necessary to keep the *Rules* current and correct. In the event such editorial changes are necessary, the Counsel and Secretary will ensure that members of the Board, administrative officers, and members of the public have ready access to the current version of the Regents' *Rules and Regulations*.

3.9 Reports. As directed by the Board of Regents, the Counsel and Secretary shall:

(a) Define and establish routine reporting mechanisms, including determining the Board's information requirements; structuring reporting procedures; gathering and summarizing reports and data for presentation to the Board on a routine basis; and

(b) Prepare special reports, including requesting and gathering data from the U. T. System and any of its institutions; conducting necessary analyses of data; and summarizing facts and presenting reports for the Board's consideration.

3.10 Other Duties. In addition, the Counsel and Secretary shall perform such other duties as may be assigned by the Board of Regents or as are usual and customary to the position of Counsel and Secretary and which assist the members of the Board in the discharge of their official duties.

Sec. 4 The Assistant Secretary to the Board shall be appointed by the Counsel and Secretary to the Board and shall have such duties and responsibilities as shall be delegated by the Counsel and Secretary to the Board.

4.1 Upon the temporary absence of the Counsel and Secretary to the Board or upon the death, resignation, disability, or removal of the Counsel and Secretary to the Board, the Assistant Secretary to the Board will fulfill the duties of the Counsel and Secretary to the Board until such time as the Board shall elect a successor.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Meetings of the Board and Standing Committees

2. Rule and Regulation

Sec. 1 Regular Meetings of the Board. Regular meetings of the Board of Regents shall be held at such times and places as the Chairman of the Board shall designate.

Sec. 2 Special Meetings of the Board. Special meetings of the Board of Regents shall be held upon the call of the Chairman, or upon the written request of three members of the Board. Written notification of the time, place, and purpose of a special meeting will be provided to each member of the Board at least three days before the time of the meeting, when possible.

Sec. 3 Regular Meetings of Standing Committees. Regular meetings of standing committees of the Board of Regents shall be held in conjunction with regular meetings of the Board.

Sec. 4 Special Meetings of Standing Committees. Special meetings of standing committees shall be held upon the call of the Chairman of the Committee, upon the call of the Chairman of the Board of Regents, or upon the written request of two members of the Committee. Written notification of the time, place, and purpose of a special meeting will be provided to each member of the Board at least three days before the time of the meeting, when possible.

Sec. 5 Official Business. No business other than that placed on the Agenda and posted as required by law shall be officially transacted at a meeting of the Board of Regents or its committees.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Committees and Other Appointments

2. Rule and Regulation

Sec. 1 Standing Committees. The following committees shall be standing committees of the Board of Regents to consider policies for the government of all major areas: (a) Finance and Planning Committee; (b) Academic Affairs Committee; (c) Health Affairs Committee; (d) Facilities Planning and Construction Committee; (e) Audit, Compliance, and Management Review Committee.

1.1 Composition of Standing Committees. Each standing committee is composed of not less than four members of the Board of Regents appointed by the Chairman.

1.2 Appointment of Committee Chairman. The Chairman of each standing committee shall be appointed by the Chairman of the Board of Regents shortly after his or her election, by and with the consent of the Board, and shall remain as Chairman of the standing committee (unless a vacancy shall be caused by death, resignation, or refusal of some member of a committee to act) until the succeeding Board Chairman shall reconstitute the committees.

1.3 Vacancy by Committee Chairman. If a vacancy occurs in the chairmanship of any standing committee, the Chairman of the Board of Regents shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board.

1.4 Authority of Standing Committees. The authority of standing committees of the Board of Regents shall be subject to action of the whole Board. The committees' actions must be ratified by the Board before they shall become effective.

1.5 Duties of the Finance and Planning Committee. The Finance and Planning Committee shall:

- (a) Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U. T. System and any of its institutions, and providing coordination of related legislative issues.
 - (b) Review and make recommendations to the Board as appropriate on matters related to business affairs such as: operating budget; debt financing transactions and issues concerning the Permanent University Fund, including administering standards for resource allocation; University Lands - West Texas Operations; System-wide and self-insured insurance programs; and special task forces, initiatives, and commissions for the U. T. System and any of its institutions.
 - (c) Review and recommend to the Board as appropriate on issues and activities related to The University of Texas Investment Management Company (UTIMCO).
- 1.6 Duties of the Audit, Compliance, and Management Review Committee. The Audit, Compliance, and Management Review Committee shall:
- (a) Recommend an Audit Charter for the Audit, Compliance, and Management Review Committee for review and approval by the Board and oversee all internal and external auditing and compliance functions within The University of Texas System.
 - (b) Recommend the approval of the hiring of the System Director of Audits after nomination by the Chancellor.
 - (c) Recommend the approval of the annual System-wide risk assessment and annual internal auditing plan.
 - (d) Initiate System Administration and institutional audits, compliance activities, and operations management reviews as deemed necessary to ensure appropriate risk management and control processes within The University of Texas System.

- (e) Provide the Board with relevant information obtained from ongoing reviews of auditing, compliance, and operations activities and reports of internal auditors, external auditors, and the State Auditor's Office.
 - (f) Meet with external auditors, internal audit directors, and compliance officers as deemed necessary to discuss specific risk management and control issues.
- 1.7 Duties of Academic Affairs Committee. The Academic Affairs Committee shall:
- (a) Report to the Board on the instructional, research, and professional service programs and activities of the general academic institutions.
 - (b) Report to the Board on policies relating to soliciting and securing gifts for the University's general academic institutions.
 - (c) Consider and report to the Board on matters affecting the libraries of the general academic institutions.
 - (d) Review proposed substantive changes in the degree program inventory and the academic administrative structure and recommend to the Board approval or disapproval of such changes.
 - (e) Report and recommend to the Board approval of matters related to education in the general academic institutions.
 - (f) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the general academic institutions.
 - (g) Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
 - (h) Make recommendations concerning capital improvement priorities related to the approved missions of the general academic institutions.

- 1.8 The Duties of the Health Affairs Committee. The Health Affairs Committee shall:
- (a) Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the health-related institutions; with University relations; and with health-related academic planning, instruction, and research.
 - (b) Report and recommend to the Board approval of matters relating to education in the health-related institutions.
 - (c) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the health-related institutions.
 - (d) Consider and report to the Board on matters relating to the research, training, and community service activities of the health-related institutions.
 - (e) Consider and report to the Board on matters affecting the libraries of the health-related institutions.
 - (f) Report to the Board on policies relating to soliciting and securing gifts for the U. T. System's health-related institutions.
 - (g) With respect to each hospital, clinic, and patient-care facility owned by The University of Texas System, counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws and rules and regulations of the medical staff; and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the hospital, clinic, or patient-care facility.
 - (h) Make recommendations concerning capital improvement priorities related to the approved missions of the health-related institutions.

- 1.9 Duties of the Facilities Planning and Construction Committee. The Facilities Planning and Construction Committee shall:
- (a) Consider matters relating to the acquisition and use of the grounds and buildings on campus and campus-related real property of The University of Texas System.
 - (b) Review proposed construction projects and make decisions on the selection of architects for projects determined to be of special interest to the Board; approve plans and accept bids for construction projects.
 - (c) Make recommendations to the Board on the award and execution of construction and equipment contracts.
 - (d) Make recommendations to the Board with respect to the naming of University buildings and other major facilities.

Sec. 2 Board for Lease of University Lands. At the first available opportunity following February 1 of each odd-numbered year, two qualified members of the Board of Regents, as specified in *Texas Education Code Section 66.62*, shall be selected by the Board, upon recommendation of the Chairman of the Board of Regents, to serve on the Board for Lease of University Lands. In the event a Board of Regents member appointed to the Board for Lease of University Lands is unable to attend a regular meeting of the Board for Lease of University Lands, the Chairman may appoint, as a substitute, a qualified member of the Board of Regents to attend the meeting. The Office of Business Affairs, on behalf of the Board of Regents, will assign employees of The University of Texas System to assist the Board for Lease of University Lands in the performance of its duties and responsibilities and will consult with the Chancellor and the Office of General Counsel as necessary and appropriate. The Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease of University Lands to the Board, as appropriate.

- Sec. 3 The University of Texas Investment Management Company. Pursuant to *Texas Education Code Section 66.08*, the Board of Regents shall appoint the nine directors of The University of Texas Investment Management Company (UTIMCO). At least three members of the U. T. System Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors by the Chairman of the Board of Regents, by and with the consent of the Board of Regents. At least one director will be selected from a list of candidates with substantial background and expertise in investments, as submitted to the Board of Regents by the Board of Regents of The Texas A&M University System. The selection process for external members of the UTIMCO Board of Directors as follows:
- 3.1 **Soliciting of Nominations.** The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO send a joint letter to leaders in the public and private sector soliciting nominations. Nominations are to be provided to the Chairman of the U. T. System Board of Regents.
 - 3.2 **Advisory Committee.** The Chairman of the U. T. System Board of Regents appoints a selection advisory committee to review nominations.
 - 3.3 **Recommendations.** After review, the selection advisory committee makes recommendations to the Chairman of the U. T. System Board of Regents.
 - 3.4 **Background Checks.** At the direction of the Chairman of the U. T. System Board of Regents, the Office of the Board of Regents asks individuals to complete a background questionnaire. The Office of the Board of Regents apprises those individuals of the UTIMCO Code of Ethics and disqualifications from service. Using information from the questionnaires, the Office of the Board of Regents:
 - (a) confirms the educational degrees and professional certifications.
 - (b) assures that professional licensures and certifications are in good standing.

(c) reviews business relationships, if any, with members of the Board of Regents or the UTIMCO Board or with U. T. System or UTIMCO; and

(d) initiates review by the U. T. System Director of Police of the Texas conviction database and contacts local law enforcement.

3.5 Interviews. The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO conduct personal interviews, as needed, to assure that external UTIMCO directors possess varied investment backgrounds and risk management expertise.

3.6 Appointment Approval. The Chairman of the U. T. System Board of Regents submits a recommended appointment for approval by the U. T. System Board of Regents.

Sec. 4 Texas Growth Fund. Pursuant to Section 70(m), Article XVI of the Texas Constitution, the Texas Growth Fund II shall be managed by a Board of Trustees that "includes one member from and elected by" the Board of Regents.

Sec. 5 M. D. Anderson Services Corporation. M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) was established in 1989 to enhance revenues of The University of Texas M. D. Anderson Cancer Center by establishing joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing U. T. M. D. Anderson Cancer Center reference laboratory services, and fostering additional philanthropy in distant areas. Pursuant to bylaws approved by the Board of Regents, M. D. Anderson Services Corporation shall be managed by a Board of Directors. Three of the Directors, one of whom shall be a Regent and two of whom shall be administrative officers of The University of Texas System, may be appointed by the Board of Regents.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article XVI, Section 70(m) – Texas Growth Fund

Texas Education Code Section 66.08 – Investment Management

Texas Education Code Section 66.62 – Board for Lease of University Lands

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Procedure

2. Rule and Regulation

Sec. 1 Importance of Attendance. Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of The University of Texas System, there is a specific expectation that members of the Board understand and recognize the importance of attendance at Board and committee meetings and will make a sincere commitment to attend as many of these as possible.

Sec. 2 Rules of Order. *Robert's Rules of Order*, when not in conflict with the provisions of these *Rules and Regulations*, shall be the rules of parliamentary procedure when the Board or any of its committees is in session.

Sec. 3 Open and Closed Meetings. Meetings of the Board of Regents shall be open to the public and the press, unless otherwise determined by the Board, in accordance with law.

Sec. 4 Matters Referred to Committees. To the extent practicable, all subjects and matters requiring Board action shall be referred to the appropriate standing committee for consideration and recommendation before action is taken by the Board. If the matter could be considered by more than one committee, the Chairman of the Board will determine the appropriate referral.

Sec. 5 Communication with Staff and Faculty. It is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of The University of Texas System, and members of the Board of Regents have the right and authority to inform themselves as to their duties, responsibilities, and obligations in such a manner as they may deem proper. Members of the Board of Regents are to be provided access to such personnel and information as in their individual judgments will enable them to fulfill their duties and responsibilities as Regents of The University of Texas System. The regular channel of communication from members of the Board to the faculty, staff, and administration is through the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved, and a copy of any

communication sent by a Regent directly to any member of the faculty, staff, or administration should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved; however, individual Board members are not precluded from direct participation and communication with the presidents, faculty, staff and students of the U. T. System.

- Sec. 6 Request to Appear Before the Board or a Committee. Except upon invitation of the Board of Regents, the Chairman of the Board, the appropriate Committee Chairman, the Chancellor, or a designated Committee liaison, no person shall appear before the Board or any committee thereof unless that person files a written request explaining the purpose of such appearance with the Counsel and Secretary to the Board at least three days before the date of such appearance and unless the Chairman of the Board, the appropriate Committee Chairman, or at least three members of the Board approve the request. It is understood, however, that the president of an institution and/or the president or chair of the student, staff, or faculty governance organization(s) may appear without prior notice or request before the Board or any committee whenever the matter under consideration directly affects the institution represented by such person. Persons requesting to appear must identify the subject of their remarks, which must be directly related to a matter on the Agenda for consideration by the Board. Whenever time and other circumstances permit, the person making the request shall first consult with the president, or his or her delegate, of such institution regarding the purpose of the appearance prior to the meeting of the Board or committee. Insofar as possible, any person who appears before the Board shall provide a written statement of the substance of such person's presentation to the Board, and such written statement shall be delivered to the Counsel and Secretary to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting. Any person appearing before the Board or a committee shall be subject to restrictions on time, place, and manner as may be prescribed by the Chairman or a majority of the Board or by the Chairman or a majority of a committee. The Chairman or a majority of the Board may prescribe sanctions against any person exceeding established time, place, or manner limits. Those sanctions may include the refusal to allow such person to speak again to the Board or committees of the Board for up to one year.

Sec. 7 Disruption of Meetings Prohibited. The disruption of a meeting of the Board of Regents or its committees or any other meeting, procession or gathering sponsored by the Board is prohibited. A person is in violation of this provision if, with intent to prevent or disrupt a lawful meeting of the Board, its committees or any other meeting, procession, or gathering sponsored by the Board, he obstructs or interferes with the meeting, procession, or gathering by physical action or verbal utterance. If possible the individual chairing the meeting or the Counsel and Secretary to the Board, other authorized University official or a law enforcement officer should clearly identify the disruptive conduct or verbal utterance and request that the person responsible for the disruption desist.

7.1 Signs and Banners. Persons may display a sign at a Board or committee meeting by holding or carrying it by hand or otherwise attaching it to their person. No advance permission is required.

(a) Any person holding or carrying a sign shall exercise due care to avoid bumping, hitting, or injuring any other person.

(b) Any person holding or carrying a sign shall exercise due care to avoid blocking the view of any other person observing the Board or Committee meeting. This may mean that signs may be displayed only around the perimeter of a room or an audience.

(c) No person shall display, hold or carry a sign in violation of *Texas Penal Code Section 42.05(a)*.

Sec. 8 Distribution of Material to the Board. All official material to be distributed to the Regents shall be transmitted through the Office of the Board of Regents. The regular channel of communication from the faculty, staff, students, and administration to the Board is through the president of the institution involved, the appropriate Executive Vice Chancellor and the Chancellor. Communications from the Faculty Advisory Council, the Student Advisory Council, and the Employee Advisory Council to the Board are through the Chancellor. A copy of any communication sent directly to a Board member should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved.

8.1 Docket. A compilation of matters that are required to be reported to or approved by the Board via a docket format shall be prepared as directed and approved by the Chancellor, Executive Vice Chancellors, and Vice Chancellors, as appropriate. The Docket shall be distributed by the Counsel and Secretary to all members of the Board and may be combined with the Agenda Book referenced in Section 9.3 below.

8.2 Agenda. Each matter to be considered at a meeting of the Board or a committee of the Board as an Agenda Item shall be accompanied by a summary of the facts pertaining thereto, the need for action thereon, and the recommendations of the Chancellor, and Executive Vice Chancellor, Vice Chancellor, and/or president of a an institution involved, where appropriate. Where contractual awards are involved, the summary shall show the method of competition, if any, the names and offers of all interested parties, and generally sufficient information to show the reasons for and fairness of each transaction.

(a) Except in the case of an emergency, all proposals that are to be considered by the Board or a committee of the Board shall be presented to System Administration in sufficient time to allow review prior to transmittal to the Counsel and Secretary to the Board.

(b) The Agenda Book for a Board meeting shall be provided to each member of the Board approximately two weeks in advance of the meeting, to the extent possible.

Sec. 9 Report to Press on Actions of Board. Reports on actions of the Board on matters of public interest will be given to the press as promptly as possible. These press reports shall be under the direction of the Chairman of the Board of Regents, or the Chancellor or their designated representatives.

Sec. 10 Political or Controversial Matters. The Board of Regents reserves to itself the responsibility for passing upon matters of a political or obviously controversial nature, which represent an official position of the U. T. System or any institution or department thereof. Statements on such matters shall be made

by the Chairman of the Board or the Chancellor. Without the advance approval of the Board, no Regent, officer, or faculty or staff member shall make or issue any public statement on any political or other subject of an obviously controversial nature which might reasonably be construed as a statement of the official position of the U. T. System or any institution or department thereof. It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear that he or she is not speaking for the U. T. System or any of its institutions. Statements on matters of an emergency nature shall be cleared by the Chancellor with the Chairman of the Board.

3. Definitions

Sign – any method of displaying a visual message to others.

4. Relevant Federal and State Statutes

Texas Penal Code Section 42.05 – Disrupting Meeting or Procession

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Board of Regents
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

Sec. 1 Identification of Significant Contracts or Documents. Institutional presidents and executive officers at U. T. System Administration are responsible for identifying contracts, agreements, and other documents that are of such significance to require the prior approval of the Board of Regents. Each such matter so identified shall be presented to the Board by the Chancellor as an agenda or docket item at a regular or special meeting of the Board.

Sec. 2 Compliance with Special Instructions. All authority to execute and deliver contracts, agreements, and other documents is subject to these *Rules and Regulations* and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents, or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

Sec. 3 Contracts or Agreements Requiring Board Approval. The following contracts or agreements, including purchase orders or vouchers, must be approved by the Board.

3.1 Contracts Exceeding \$1 Million. All contracts or agreements, with a cost or monetary value to the U. T. System or any of its institutions of more than \$1 million, unless exempted in Section 4 below.

3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agency, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board

of Regents prepared on an approved standard form or satisfying the requirements set by the Office of the General Counsel.

- 3.3 **Contracts with Certain Officers.** Agreements, regardless of dollar amount, with the Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, a Vice Chancellor, the Counsel and Secretary to the Board, or Director of Audits are subject to the provisions of *Texas Education Code Section 51.948* or *Texas Government Code Section 618.001 et seq.*
- 3.4 **Insurance Settlements.** Settlement claims from insurance on money and securities or fidelity bonds of up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs. Settlements in excess of \$1 million must have the approval of the Board.
- (a) If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. Final settlement of claims in excess of \$1 million will require approval by the Board.
- 3.5 **Settlement of Disputes.** Settlements of any claim, dispute or litigation for an amount greater than \$1 million require approval. The settlement may also be approved by the appropriate standing committee of the Board of Regents. The Vice Chancellor and General Counsel shall consult with the institution's president and appropriate Executive Vice Chancellor, or Vice Chancellor with regard to all settlements in excess of \$150,000 that will be paid out of institutional funds.

Sec. 4 **Contracts Not Requiring Board Approval.** The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents regardless of the contract amount.

- 4.1 **Construction Projects.** Contracts, agreements, and documents relating to construction projects previously approved by the Board of Regents in the Capital Improvement Program and Capital Budget.

- 4.2 Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized.
- 4.3 Intellectual Property. Contracts or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents; provided that licenses and other conveyances of intellectual property owned or controlled by the Board shall have the advance approval of the appropriate Executive Vice Chancellor.
- 4.4 Replacements. Contracts or agreements for the purchase of replacement equipment or licensing of replacement software or services associated with the implementation of the software.
- 4.5 Routine Items. Contracts or agreements for the purchase of routinely purchased supplies.
- 4.6 Group Purchases. Purchases made under a group purchasing program.
- 4.7 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software, identified specifically in the institutional budget approved by the Board of Regents.
- 4.8 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in Administrative Rule 22201 concerning deposits and loans.
- 4.9 Certain Employment Agreements. Agreements with administrators employed by the U. T. System or any of its institutions, so long as such agreements fully comply with the requirements of *Texas Education Code Section 51.948* including the requirement to make a finding that the agreement is in the best interest of the U. T. System or any of its institutions.

- 4.10 Energy Resources. Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor or the Chancellor's delegate.
 - 4.11 Library Materials. Contracts or agreements for the purchase or license of library books and library materials.
 - 4.12 Athletic Employment Agreements. Contracts with athletic coaches except athletic directors and head coaches.
 - 4.13 Bowl Games. Contracts or agreements related to postseason bowl games, subject to a requirement that the contract or agreement has been submitted to the Executive Vice Chancellor for Academic Affairs and is in a form acceptable to the Vice Chancellor and General Counsel.
 - 4.14 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the U. T. System or any of its institutions in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor. The Chancellor shall consult with the institutional president, if applicable.
- Sec. 5 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts and agreements of any kind or nature, including without limitation licenses issued to the Board or an institution. In addition to other primary delegates the Board assigns in the Regents' *Rules and Regulations*, the Board assigns the primary delegate for signature authority for the following types of contracts.
- 5.1 System Administration and System-Wide Contracts. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements:
 - (a) affecting only System Administration,
 - (b) binding two or more institutions of the U. T. System with the concurrence of the institutions bound, or

- (c) having the potential to benefit more than one institution of the U. T. System so long as participation is initiated voluntarily by the institution.
- 5.2 **Contracts Between or Among System Administration and Institutions.** The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute on behalf of the Board contracts or agreements between or among System Administration and institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.
- 5.3 **Contracts with System Administration or Between or Among Institutions.** The Board of Regents delegates to the president of an institution authority to execute on behalf of the Board contracts or agreements with System Administration or between or among institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.
- 5.4 **Contracts for Legal Services.** The Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law.
- 5.5 **Settlements of Disputes.** Except as provided in Section 5.6 below, the Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation. The Vice Chancellor and General Counsel shall consult with the institution president and the appropriate Executive Vice Chancellor or Chancellor with regard to all settlements greater and \$150,000 that will be paid out of institutional funds. Settlements greater than \$500,000 will require the approval of the Board as outlined in Section 3.5 above. The Vice Chancellor and General Counsel shall consult with the Office of External Relations with respect to

settlement of will contests and other matters relating to gifts and bequests administered by that Office.

- 5.6 Construction Settlements. The Board of Regents delegates authority to execute all documents necessary or desirable to settle claims and disputes relating to construction projects to the System Administration or institution official designated in the construction contract to the extent funding for the project has been authorized.
- 5.7 Assurance of Authority to Act. The officer or employee executing any document on behalf of the Board of Regents shall be responsible for assuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions. Documents executed on behalf of the Board pursuant to authority granted under these *Rules and Regulations* shall not require further certification or attestation.
- Sec. 6 Delegation Process. The primary delegate identified in these *Rules and Regulations* or in an official Board action may further delegate his or her delegated authority to a secondary delegate unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A secondary delegate of the primary delegate may not further delegate such authority.
- 6.1 Delegate's Responsibilities. The primary delegate identified in these *Rules and Regulations* as authorized to execute and deliver on behalf of the Board of Regents various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority, in accordance with any applicable records retention schedule or policy adopted by the Board, the U. T. System Administration, or the institution.
- Sec. 7 Actions of the Board as Trustee. Authority delegated by the Board of Regents in these *Rules and Regulations* includes actions that may be taken by the Board in its capacity as trustee of any trust to the extent such delegation is permitted by law.

- Sec. 8 Power to Authorize Expenditures. No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the System or any of its institutions or of the Board of Regents by any member of the respective staffs of the U. T. System or any of its institutions except:
- 8.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or
 - 8.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or
 - 8.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically vested by these *Rules and Regulations* or by special action of the Board.
- Sec. 9 Power to Establish Policies. No employee of the U. T. System or any of its institutions, as an individual or as a member of any association or agency, has the power to in anywise bind the System or any of its institutions unless such power has been officially conferred in advance by the Board of Regents. Any action which attempts to change the policies or otherwise bind the System or any of its institutions, taken by any individual or any association or agency, shall be of no effect whatsoever until the proposed action has been approved by the president of an institution concerned, if any, the appropriate Executive Vice Chancellor, and the Chancellor, and ratified by the Board.
- Sec. 10 Exceptions. This Series does not apply to any of the following:
- 10.1 UTIMCO. Management of assets by UTIMCO, which is governed by contract and the provisions of Series 70101, 70201, 70202, and 70401 of these *Rules and Regulations*.
 - 10.2 Acceptance of Gifts. The acceptance, processing, or administration of gifts and bequests, which actions are governed by Series 60101, 60103, and 70101 of these *Rules and Regulations* and applicable policies of the Board of Regents.

- 10.3 Statutory. Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board of Regents.

3. Definitions

Settlement - the amount of the settlement shall mean the amount that might be reasonably expected to be recoverable by the U. T. System or any of its institutions but not received pursuant to the settlement or, in the case of a claim against the U. T. System, the total settlement amount to be paid by the U. T. System.

4. Relevant Federal and State Statutes

Texas Education Code Section 51.928(b) – Written Contract or Agreement Between Certain Institutions

Texas Education Code Section 51.948 – Restrictions on Contracts with Administrators

Texas Education Code Section 65.31(g) – Delegation by the Board

Texas Government Code Section 618.001 - Uniform Facsimile Signature of Public Officials Act

5. Relevant System Policies, Procedures, and Forms

Administrative Rule 22201 – Deposits and Loans

Regents' Rules and Regulations Series 60101 – Acceptance and Administration of Gifts

Regents' Rules and Regulations Series 60103 – Guidelines for Acceptance of Gifts of Real Property

Regents' Rules and Regulations Series 70101 – Authority to Accept and Manage Assets

Regents' Rules and Regulations Series 70201 – Investment Policies

Regents' Rules and Regulations Series 70202 – Interest Rate Swap Policy

Regents' *Rules and Regulations* Series 70401 – Oversight
Responsibilities of UTIMCO

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Guidelines for the Santa Rita Award

2. Rule and Regulation

Sec. 1 Standards. A System-wide award that may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. An individual is defined as a person, as opposed to a corporation, charitable trust, foundation, and like entities. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System specifically.

1.1 Participation by the recipient in the affairs of the U. T. System shall be of such character and purpose to serve as a high example of selfless and public-spirited service. Of particular interest will be the effect that such individual activity may have engendered similar motivation from other public and private areas toward the U. T. System.

Sec. 2 General Conditions. The following general conditions apply to the award:

2.1 The award, to be known as the "Santa Rita Award," will consist of a medallion to be presented no more frequently than annually.

2.2 The award shall be made on behalf of the Board of Regents of The University of Texas System.

2.3 An individual may receive the award only once.

2.4 Posthumous awards may be given.

2.5 No member of the Board of Regents shall be eligible to receive the Santa Rita Award until the termination of the member's service.

Sec. 3 Nominations for Awards. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the

Counsel and Secretary to the Board (Office of the Board of Regents, The University of Texas System, 201 West Seventh Street, Suite 820, Austin, Texas 78701-2981). The nominator shall provide such supporting information and documentation as may be requested by the Chairman or the Counsel and Secretary to the Board.

Sec. 3 *Selection of Awardees.* Awards shall be made, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U. T. System officials, by a majority vote of members present at a Board of Regents' meeting at which a quorum is present.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Policy Against Discrimination

2. Rule and Regulation

Sec. 1 To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of its institutions, on the basis of race, color, national origin, religion, sex, age, veteran status, or disability.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

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 shall be elected by the affirmative vote of a majority of the Regents in office and shall 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 to them by the Regents' *Rules and Regulations*. The Chancellor, however, shall not be precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and groups. 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 general public and to other constituencies at the community, state, regional, and national levels.

3.2 Strategic Planning. Preparing a strategic plan for the U. T. System for recommendation to the Board of Regents in consultation with the institutional presidents.

The proposed plan should include periodic adjustments to the mission statement; 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 Nominating. Presenting nominations to the appropriate standing committees of the Board of Regents and to the Board for all officers of the U. T. System as provided in the Regents' *Rules and Regulations*.
- 3.5 Organizing. Reviewing periodically the organization of the System Administration and the institutions of the U. T. System and reporting to the appropriate standing committees of the Board of Regents and to the Board recommendations for changes in organization, assignments, and procedures.
- 3.6 Preparing and Approving Recommendations. Preparing and approving appropriate recommendations to the Board of Regents and standing committees of the Board along with the appropriate Executive Vice Chancellor, Vice Chancellor, or president of an institution.
- 3.7 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.
- 3.8 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 Series 20501 of the Regents' *Rules and Regulations*.
- 3.9 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 institutions development boards.

- 3.10 Appointment of Officers. Appointing the Executive Vice Chancellors and Vice Chancellors and taking administrative action and terminating employment regarding these positions.
- 3.11 Nominating Director of Audits. Nominating candidates for the position of System Director of Audits for appointment by the Board of Regents, as outlined in Series 20401 of these *Rules and Regulations*.
- 3.12 Nominating Compliance Officer. Appointing the System-wide Compliance Officer, as outlined in Series 20401 of these *Rules and Regulations*.
- 3.13 Oversight of UTIMCO. Serving on the Board of Directors of The University of Texas 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, 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

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 20401* – Audit and Compliance

Regents' *Rules and Regulations Series 20501* – Accounting, Operating Budgets, and Legislative Appropriations

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Appointment of Officers

2. Rule and Regulation

Sec. 1 Approval Required by Executive Vice Chancellor. The U. T. System Board of Regents delegates to the Chancellor and the Executive Vice Chancellor having responsibility for the institution and they, in turn, delegate to the president of each institution the responsibility for the appointment and dismissal of all other administrative officers of each institution, including vice presidents, and deans. However, prior approval of the appropriate Executive Vice Chancellor shall be necessary for each such permanent or acting appointment and for each such dismissal whether from a permanent or acting appointment. All such other administrative officers serve without fixed terms and subject to the pleasure of the president of the institution and the approval of the appropriate Executive Vice Chancellor.

Sec. 2 Approval Not Required by Executive Vice Chancellor. The Board of Regents delegates to the Chancellor and the Executive Vice Chancellor having responsibility for the institution and they, in turn, delegate to the president of each institution the responsibility for the permanent or acting appointment of department chairmen, department heads, and their equivalents. Such department chairmen, department heads and their equivalents serve without fixed terms and subject to the pleasure of the president of the institution.

Sec. 3 Consultation. 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.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Executive Vice Chancellors
Faculty
Presidents
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Presidents

2. Rule and Regulation

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

1.1 Advisory Committee. When it is known that there is to be a vacancy in the office of a president of an institution, an Advisory Committee shall be established to recommend candidates to the Board. No person who elects to be a candidate for the vacancy may serve on the Advisory Committee. The Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs shall be Chairman of the Advisory Committee. In circumstances where this Executive Vice Chancellor may be a candidate for the office, the Chairman of the Advisory Committee shall be appointed by the Chairman of the Board. Including its Chairman, committee membership is as follows:

- (a) At least one Regent to be appointed by the Chairman of the Board.
- (b) Two presidents from the U. T. System to be appointed by the Chairman of the Board
- (c) The Executive Vice Chancellor from Academic or Health Affairs
- (d) Three faculty members from the institution involved. At least two of the members shall have the rank of associate professor or higher. The method of selecting the members shall be determined by the faculty governance of the campus.
- (e) One Dean to be selected by the Deans' Council of the institution involved for academic institutions. At health related institutions, it will be the Dean of the Medical School involved or in the absence of that position 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 institution involved. The method of selection to be determined by the student governance of the campus involved or, if there is no student governance, by the Chairman of the Board. If the institution does not have students, this category of representation shall be omitted.
- (g) The President of the alumni association of the campus involved. 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 non-faculty employee of the institution involved. The method of selection to be determined by the staff or employee council of the institution involved. 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 to be appointed by the Chairman of the Board.

- 1.2 Diversity of Members. Campus constituent groups with responsibility for selection of Advisory Committee representatives are expected to consider diversity, particularly as it relates to minority and female representation. Unless there are unusual delays in faculty, staff, or student representative selection which postpone initiation of the committee process, the Chairman of the Board will make his or her appointments to the Advisory Committee after campus selections in order to maximize the prospect that the total committee composition reflects diversity. 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 related to the Committee composition.
- 1.3 Selection Criteria. Selection criteria shall relate to the needs of the individual institution.

- 1.4 Responsibilities of the Committee Chairman. The Committee Chairman shall initiate mechanisms to develop and appropriate candidate pool and to seek information on the several candidates.
- 1.5 Responsibilities of the Advisory Committee. The Advisory Committee shall inquire from competent sources as to the candidates' academic, administrative, and business ability.
- 1.6 Interviews. The Advisory Committee may interview candidates as a part of its selection process keeping in mind that the confidentiality of the process is important to its ultimate success.
- 1.7 Recommendation. The Advisory Committee shall submit to the Board, through its Chairman, a recommended list of no more than 10 candidates with no preference indicated. Candidates submitted shall have received a majority vote of the Committee.
- 1.8 Finalists. The Board determines which of the candidates will be further interviewed prior to naming a finalist or finalists. If none of the names submitted by the Advisory Committee is satisfactory to the Board of Regents, then the Board in its discretion may either name a new committee or proceed to select a president under such other procedures as in its discretion it may deem proper and appropriate.
- 1.9 Alternate Process. When the Board of Regents has candidate(s) 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 shall appoint a Special Committee to provide the Board with advice and evaluation consistent with that usually provided by an Advisory Committee. The Special Committee shall be composed as specified above for the Advisory Committee but will not include members of the Board of Regents. The advice of the Special Committee shall be provided to the Board through the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, or the Chancellor. The Special Committee shall not extend its consideration

beyond those candidates referred to it by the Board of Regents without specific concurrence from the Board.

- Sec. 2 Reporting. The president reports to and is responsible to the Executive Vice Chancellor having responsibility for the institution. The president has access to the Chancellor and is expected to consult with the appropriate Executive Vice Chancellor and the Chancellor on significant issues as needed.
- Sec. 3 Term and Removal from Office. The president serves without fixed term, subject to the pleasure of the appropriate Executive Vice Chancellor and approval by the Chancellor and 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, pending approval by the Board.
- Sec. 4 Duties and Responsibilities. Within the policies and regulations of the Board of Regents and under the supervision and direction of 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 the staff, to:
- 4.1 Develop and administer plans and policies for the program, organization, and operation of the institution.
 - 4.2 Interpret the System policy to the staff, and interpret the institution's programs 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 supervise expenditures under approved budgets.
 - 4.5 Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
 - 4.6 Ensure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.

- 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 Cause to be prepared and submitted to the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel for approval, the rules and regulations for the governance of the institution and any related amendments. Such rules and regulations shall constitute the *Handbook of Operating Procedures* for that institution. Any rule or regulation in the institutional *Handbook of Operating Procedures* that is in conflict with any rule or regulation in the Regents' *Rules and Regulations*, is null and void and has no effect.
- 4.10 Assume initiative in developing long-range plans for the program 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, for the health institutions and those academic institutions with student health services, the accreditation of hospitals, clinics, and patient-care facilities.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

Faculty

Staff

Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

Office of Health Affairs

8. Dates Approved or Amended

March 10, 2005

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Presidential Cash Compensation

2. Rule and Regulation

Sec. 1 Purpose. This Rule sets forth the cash compensation structure authorized for presidents of the institutions 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, retirement, and deferred compensation, which may also be a part of a president's overall compensation package.

Sec. 2 Elements of Compensation Structure. In order to attract and to retain effective, highly skilled and committed presidents of the institutions of the U. T. System and to recognize their professional achievements, it is the policy of the U.T. System to offer competitive levels of cash compensation within a compensation structure that is applied consistently. This Policy establishes and defines the various elements for the cash compensation portion of the presidential 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.

2.1 Base Salary. The base salary rate for each president shall be set by the U. T. System based on a review of state and national compensation survey data for respective peer institutions. Comparable salaries are reported in surveys by the College and University Personnel Association and other nationally recognized organizations. These surveys typically exclude allowances such as car, housing, and housekeeping, and retirement plans and other fringe benefits.

2.2 Housekeeping Staff. Each president, at his or her option, may privately employ a housekeeper, in which event the president shall be responsible for the tax-related implications and expenses associated with the employment of the housekeeper, or the president may elect to use the services of the institution's housekeeping staff, in which event the president shall reimburse the institution for the salary and benefits associated with that

use. Each institution, at the institution's expense, shall provide appropriate housekeeping and other support services for business-related functions held at the president's residence.

- 2.3 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. Practice plan supplements are included in national surveys of chief executive compensation. The practice plan salary supplement is not a part of the base salary and shall be reported as a separate element of the health president's cash compensation because of the special nature of the source of funding. 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.
- 2.4 Salary Supplement. The salary supplement shall be paid in lieu of a housing allowance to all presidents, including those who are provided a residence owned by the U. T. System. It is intended to cover the hypothetical cost of a model residence, as described below. The salary supplement shall be eligible for retirement benefits but is not a part of the base salary.
- (a) The amount of the salary supplement shall be calculated by determining the fair market rental value of a standardized model residence containing 4,100 square feet of improvements and located where the president owns or leases his or her personal residence. In the case of a president who is provided a residence owned by the U. T. System, the 4,100 square foot model residence shall be valued as if situated where the institutionally-owned residence is located.
- (b) When a new president takes office, he or she shall initially receive a salary supplement equal to the most recent fair market rental value determined for the

location of his or her predecessor's residence until such time as he or she obtains permanent housing. It is anticipated that the new president will obtain permanent housing within one year of hire date. If, after one year, the president has not obtained permanent housing, the value of the salary supplement shall be calculated based on the fair market rental value of the 4,100 square foot model residence located at the president's current residence location.

- (c) In no event may the amount of the salary supplement exceed the fair market rental value of the 4,100 square foot model residence calculated at the location of the Bauer House (the official residence of the U. T. System Chancellor).
- (d) No separate allowance for maintenance, utilities, landscaping, or other expenses attributable to the president's residence may be paid. All personal expenses associated with a president's residence are intended to be covered by the salary supplement.
- (e) Except as provided in the following sentence, each president of an institution for which a residence owned by the U. T. System is available shall have the option of leasing from the U. T. System the institutionally-owned residence or acquiring a personal residence. If, however, the Board of Regents makes arrangements with the president that require the president to reside in the institutionally-owned residence or if covenants, conditions, or restrictions applicable to the institutionally-owned residence require occupancy by the president, then the president shall reside in the institutionally-owned residence.
- (f) Those presidents who either elect to or are required, as provided in Section 2.4(e) above, to reside in an institutionally-owned residence shall enter into a lease of the residence with the U. T. System. The rental rate to be paid by the president under the lease shall be based on the current fair market rental value of that portion of the residence that is used as the president's private residence.

2.5 **No Car Allowance.** No separate car allowance may be provided to presidents of the institutions. An institution may reimburse a president for business use of the president's 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.

2.6 **Institutionally Provided Property and Services.** Institutionally-provided property and services, such as club memberships, shall not be considered elements of a president's cash compensation. Such property and services shall be subject to appropriate authorization and approval and monitoring of personal use and business use.

(a) No tax equity adjustments may be paid to a president. Tax equity adjustments are cash compensation to the president for the federal income tax consequences to the president arising out of the president's personal use of institutionally-provided property or services. Rather, each president shall reimburse the institution for his or her personal use of institutionally-provided property and services at appropriate rates as determined by the institution in accordance with Internal Revenue Service guidelines and applicable institutional policies.

Sec. 3 **Authority.** The statutory authority for this Rule is provided by *Texas Education Code Section 65.31*, General Powers and Duties.

3. Definitions

None

4. Relevant Federal and State Statutes

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*, Series 20203 – Compensation for Key Executives

6. Who Should Know

Executive Vice Chancellors
Presidents

7. System Administration Office(s) Responsible for Rule

Chancellor's Office

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

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, the Office of the Board of Regents will oversee the conduct of a comprehensive survey and analysis to obtain current and reliable market data on total compensation of key executives in comparable positions at peer institutions. Market data will be adjusted using cost of living information related to respondent's geographic region. The survey will be conducted every three years. In non-survey years, the Office of the Board of Regents will obtain information concerning general changes in executive compensation in the marketplace, and the comprehensive survey will be adjusted accordingly.

Sec. 3 Elements of Compensation. The elements of compensation may include base salary; short and long-term incentive pay; supplemental retirement plans, such as deferred compensation plans; and perquisites such as housing, vehicle allowance, and memberships. All compensation set pursuant to this Rule must comply with all applicable state and federal laws.

Sec. 4 Peer Institutions. Peer institutions or groups of institutions will be selected through an interactive, consultative process between the Chancellor, executive vice chancellors, presidents and the organization engaged to conduct the comprehensive survey. To the extent possible, the same institutions will be surveyed during each comprehensive survey. Peer institutions may be changed based on sound business decisions; such changes will be fully disclosed to the Board of Regents. The Executive Vice Chancellors will maintain the list of peer institutions. Factors to consider in selecting peer institutions include size, purpose, institutions used in accessing U. T. System performance and those from which U. T. System competes for key executives.

Sec. 5 Presentation to Board of Regents. Compensation data will be presented to the Board of Regents in advance of the annual budgeting

process. Taxable and non-taxable elements of compensation will be reported to the Board of Regents.

- 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. Where appropriate, U. T. System may target the 75th percentile of the market rate of a key executive's peer institutions.

Factors to consider in making future adjustments to a key executive's compensation include market data, key executive performance, the institution's progress on key performance indicators, internal equity, and the U. T. System budget.

- Sec. 7 The presidents will implement appropriate policies and procedures concerning executive compensation for the direct reports at each U. T. System academic and health institution.

3. Definitions

Key executive(s) – include the Chancellor, Counsel and Secretary to the Board, Audit Director, 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, Series 20202 – Presidential Cash Compensation

6. Who Should Know

Chancellor
Direct reports to the Board of Regents
Executive Vice Chancellors
Presidents

7. System Administration Office(s) Responsible for Rule

Vice Chancellor for Administration

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Honorary Titles and Degrees

2. Rule and Regulation

Sec. 1 Honorary Titles. The titles Chancellor Emeritus, President Emeritus, and similar honorary designations shall 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. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Audit and Compliance

2. Rule and Regulation

Sec. 1 Audit. 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 System Director of Audits prepares an executive summary of all internal audit activity by the U. T. System internal auditors and the institutional internal auditors for the Chancellor.

1.1 System Director of Audits. The U. T. System Director of Audits is responsible for coordinating the effective auditing of the U. T. System as set out in Section 1.1 (b) below. The U. T. System Director of Audits provides audit assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the exercise of their responsibilities.

(a) The System Director of Audits shall be appointed by the Audit, Compliance, and Management Review Committee after nomination by the Chancellor. The System Director of Audits shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the U. T. System Director of Audits are subject to review and approval by the Audit, Compliance, and Management Review Committee.

(b) The primary responsibilities of the U. T. System Director of Audits include developing a System-wide internal audit plan based on a System-wide risk assessment and coordinating the implementation of this plan with the institutional internal auditors. This System-wide audit plan is submitted to the Audit, Compliance, and Management Review Committee for review and approval after the Chancellor's review and approval. Responsibilities of the System Director of Audits also include conducting audits of the System including the revenue produced from the Permanent University Fund lands and formulating policies for the internal audit activity at each institution.

(c) The U. T. System Director of Audits serves as the chief audit executive.

1.2 The U. T. System internal auditors are the internal auditors for the U. T. System and augment the audit work of the institutional internal auditor and the State Auditors at the institutions of the U. T. System.

Sec. 2 Compliance. The Chancellor, as chief executive officer of the U. T. System, is responsible for ensuring the implementation of a compliance program for the U. T. System. Accordingly, the System-wide Compliance Officer prepares an executive summary of all compliance activity of the institutions, UTIMCO, and System Administration.

2.1 System-wide Compliance Officer. The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Audit, Compliance, and Management Review Committee of the institutional compliance functions and activities at System Administration, UTIMCO, and at each of the institutions as set out in Section 2.1 (b) below. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor, the Executive Vice Chancellors, the Vice Chancellors, and the Chief Compliance Officer of UTIMCO in the exercise of their responsibilities.

(a) The System-wide Compliance Officer shall be appointed by the Chancellor. The System-wide Compliance Officer is the senior compliance official of the U. T. System; provides assistance and advice covering all institution, UTIMCO, and System Administration compliance programs; and shall hold office without fixed term, subject to the pleasure of the Chancellor.

(b) The primary responsibilities of the System-wide Compliance Officer include developing an infrastructure for the effective operation of the U. T. System Institutional Compliance Program; chairing the System-wide Compliance Committee and the Compliance Officers Council; and prescribing the format for the annual risk based compliance plan and the quarterly compliance status reports to be

submitted by each institution, UTIMCO, and System Administration.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Internal Audit

7. System Administration Office(s) Responsible for Rule

Audit Office

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

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 Management Review Committee's Role. The ACMRC is responsible for contracting with external audit firms for audit services.

1.2 Board Approval. Neither U.T. System nor any of its institutions may engage an external audit firm for audit services unless the contract has been approved by the Board in accordance with Section 3 of Administrative Rule 10501 concerning contracts requiring Board approval.

1.3 Conflict of Interest Provision. Neither U.T. System nor any of its 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.

1.3.1 Lead Partner Rotation. The lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit shall not have performed audit services for the institution(s) in each of the five previous fiscal years.

1.3.2 Hiring Restrictions. Neither U. T. System nor any of its 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 to the completion of the audit engagement.

Sec. 2 Prohibited Non-Audit Services. Neither U.T. System nor any of its institutions may engage an external audit firm to provide prohibited non-audit services contemporaneously with the provision of audit services.

Sec. 3 Non-Audit Services.

3.1 ACMRC Review and Approval. If the aggregate amount of fees to be paid to an external audit firm for the performance of non-audit services exceeds five percent of the total amount of fees anticipated to be paid to the external audit firm for the performance of audit services provided during any fiscal year in which non-audit services will be provided, then U.T. System and its institutions may not engage the external audit firm to perform the non-audit services unless the proposed engagement is reviewed and approved by the ACMRC.

3.2 Conflict of Interest Not Permitted. If, upon review of a proposed engagement for non-audit services under Subsection 3.1 of this Series, the ACMRC 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 U.T. System and its institutions may not engage the external audit firm to perform the non-audit services.

3. Definitions

ACMRC – refers to the Audit, Compliance, and Management Review Committee of the Board.

Audit Services – are services provided for the purpose of expressing an opinion on the financial statements of U.T. System or any of its institutions.

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

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 its 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

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Internal Audit

7. System Administration Office(s) Responsible for Rule

Office of the Controller
Audit Office

8. Dates Approved or Amended

November 4, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Accounting, Operating Budgets, and Legislative Appropriation Requests

2. Rule and Regulation

- Sec. 1 Approval of Accounting Records. All accounting records and procedures shall be subject to the approval of the chief business officer and the Executive Vice Chancellor for Business Affairs. The Executive Vice Chancellor for Business Affairs shall be responsible for establishing internal controls to ensure that funds are expended and recorded appropriately.
- Sec. 2 Financial Reports. The Annual and Interim Financial Reports shall be prepared under the direction of the chief business officer and the Assistant Vice Chancellor and Controller. Copies of the reports shall be furnished to the Board of Regents.
- Sec. 3 Approval of Budgets. Operating Budgets for all the institutions shall 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 Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Business Affairs, and the Chancellor.
- Sec. 4 Automatic Re-appropriation. General Funds balances shall not be re-appropriated from one fiscal year to the next unless specific approval is given by the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents.
- Sec. 5 Budget Policies and Instructions. General policies for the budget preparation shall be recommended by the Chancellor to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institution presidents by System Administration.
- Sec. 6 Responsibility for Reviewing. The institutional president shall issue local instructions and shall furnish forms to the budget-recommending officials. Their recommendations for salaries, maintenance and operation, equipment, travel, and other pertinent items shall be reviewed by the president. The budget as finally recommended by the president shall be forwarded to the appropriate Executive Vice Chancellor and the Chancellor for further review and recommendation to the Board of Regents.

Sec. 7 **Budget Administration.** Rules and procedures for budget administration shall be prepared by the Chancellor, with assistance of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Business Affairs, approved by the Board of Regents, and shall be included in the completed budgets.

Sec. 8 **Approval of Appropriation Requests.** Legislative appropriation requests for all institutions shall be prepared by the president in conformity with these instructions and approved by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Chancellor.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Controller

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

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 conduct of official State business and only in compliance with the travel regulations contained in Section 2205.001 et seq., Texas Government Code and any other laws applicable to the use of state-owned or leased aircraft.

Sec. 2 Passengers. 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 officials of the Office of the Board of Regents; spouses of the Executive Officers and the Administrative Officers of the U. T. System; and spouses of the presidents of the institutions of the U. T. System 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 U. T. System 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 its institutions.

Sec. 3 Justification for Passenger Use. The 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, or the time required to use such a carrier interferes with other obligations, or the number of authorized passengers traveling makes the use of state aircraft cost effective.

Sec. 4 Scheduling Flights for Regents. Requests for use of the U. T. System aircraft and leased or chartered aircraft by members of the Board of Regents will generally be arranged through the Counsel and Secretary to the Board. Leased or chartered aircraft will be provided Regents when the U. T. System aircraft is not available. If circumstances occur that require flight arrangements for Board members to be made through the

Chancellor or his or her designee, the Counsel and Secretary to the Board will be advised of such arrangements by copy of the completed flight reservation form.

Sec. 5 Priority for Use. Except for requests by the U. T. Board of Regents, all flights of U. T. System aircraft or requests for leased or chartered aircraft will be requested from and approved in advance by the Chancellor or his or her designee. Up until 24 hours before the flight is scheduled to begin, requests for the use of U. T. System aircraft will be approved upon the following order of priority:

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

Sec. 6 Assignment of Aircraft. The following steps will be taken for assigning the aircraft.

- 6.1 If more than one of the priority persons listed above requests the use of the U. T. System aircraft more than 24 hours before the flight is scheduled to begin, the Chancellor will assign the U. T. System aircraft to the person with the highest priority, and will, insofar as necessary and practicable, provide leased aircraft or a chartered flight for the use of the person or persons with the lower priority if scheduled commercial aircraft will not permit the trip.
- 6.2 During the 24-hour period prior to the beginning of a flight, if the U. T. System aircraft has not been previously scheduled, the Chancellor will assign the U. T. System aircraft to any person on the priority list on a first-come first-served basis without regard to the order of priority.

- 6.3 During the 24-hour period prior to the beginning of a flight, if the U. T. System aircraft has been previously scheduled and an additional request for its use is made by a person on the priority list, the Chancellor will, insofar as necessary and practicable, provide a leased aircraft or a chartered flight for the use of the person making the subsequent request.
- 6.4 If a U. T. System aircraft flight that is scheduled before the beginning of the 24-hour period is cancelled, insofar as practicable, the Chancellor will assign the aircraft to the person requesting the aircraft that is next in order of priority. If a U. T. System aircraft flight that is scheduled during the 24-hour period is cancelled, the Chancellor or his or her designee will assign the aircraft to the next person requesting it on a first-come first-served basis without regard to the order of priority.

Sec. 7 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 U. T. System aircraft by other state officials and state personnel on official state business is encouraged and will be authorized by the Chancellor on a space available and first-come first-served basis after the individuals on the priority list indicated in Section 6 above.

Sec. 8 Direction of Pilots. The pilots of U. T. System aircraft will report to and act under the direction of the Chancellor or his or her designee. 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 Section 2205.036 of the Texas Government Code. Either the Chancellor or his or her designee must approve all other requests that would substantially change an approved itinerary or passengers. Notwithstanding the foregoing sentence, in the event of an emergency, the pilot may authorize a change of itinerary or passengers. All flights must be approved by the Chancellor or his or her designee.

Sec. 9 Rates Charged. Charges to the institutions for use of the U. T. System aircraft shall be equal to the rate approved by the State Aircraft Pooling Board for interagency aircraft services.

- Sec. 10 Flight Regulations. The U. T. System aircraft will and must be operated at all times in accordance with the provisions of the Federal Aviation Agency approved flight manual and the University Flight Operations Procedures which is in consonance with the Federal Aviation Act (as amended) and Civil Air Regulations.
- Sec. 11 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 the priority person informed.
- Sec. 12 Minimum Number of Pilots. It shall be the policy of operations for U. T. System aircraft, leased aircraft, and chartered flights that two (2) pilots are on board for each scheduled passenger flight, unless authorized by the Chancellor or his or her designee.
- Sec. 13 Reservation Form. All flight reservations for the U. T. System aircraft shall be entered on a U. T. System Aircraft Reservation form which should 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
 4. purpose of trip for each passenger.
- Sec. 14 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 co-pilot,
 7. passenger information,
 - name of each passenger,
 - department or institution
- Sec. 15 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.

15.1 The U. T. System Office of Administration shall 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 the State Aircraft Pooling Board each month following the month in which travel occurred.

(b) *Quarterly Report.* Passenger manifests for the quarter and information on any charters will be sent to the Counsel and Secretary to the Board of Regents on or about the 15th of December, March, June, and September for distribution to the Finance and Planning Committee of the U. T. System Board of Regents for review.

(c) *Annual Aircraft Use Form.* In accordance with *Texas Government Code Section 2205.041* passenger manifests for the year and the aircraft costs summary will be submitted to the Legislative Budget Board with copies to the Counsel and Secretary to the Board of Regents and the Chancellor by November 15th.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code Chapter 2205 – Aircraft Pooling

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Chancellor's Office

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

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 is 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 in order to preclude U. T. System 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 Texas Building and Procurement Commission (TBPC) (*1 Texas Administrative Code Part 5 Chapters 111.11 – 111.28*).

Sec. 4 Scope. This policy applies to acquisition of specified commodities, professional and other services, and construction services, by System Administration and institutions of the U. T. System, including auxiliary enterprises, regardless of funding source (treasury or non-treasury funds).

3. Definitions

Historically Underutilized Business – a business enterprise, with its principal place of business in Texas, that does not exceed specified size standards, that is formed for the purpose of making a profit, and meets one of the following categories:

- A corporation in which at least 51% of all classes of shares of stock or other equitable securities are owned by one or more persons from an economically disadvantaged group.
- A sole proprietorship that is 100% owned by a person from an economically disadvantaged group.
- A partnership in which at least 51% of the assets and interests in the partnership are owned by one or more persons from an economically disadvantaged group.
- A joint venture in which each entity in the joint venture is a historically underutilized business.
- A supplier contract between and historically underutilized business and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the supplies or materials or otherwise warehouses and ships the supplies.
- A business other than described in the bullets above, which is a legally recognized business organization under the laws of the State of Texas, provided that at least 51% of the assets and interest and 51% of any classes of stock and equitable securities are owned by one or more persons from an economically disadvantage group.

Economically Disadvantaged Group – include the following

- Black Americans – includes persons having origins in any of the Black racial groups of Africa.
- Hispanic Americans – includes persons of Mexican, Puerto Rican, Cuban, Central or South Americans, or other Spanish or Portuguese culture or origin.
- Asian Pacific Americans – includes persons whose origins are in Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U. S. Trust Territories of the Pacific, and the Northern Marianas, and Subcontinent Asian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal.
- Native Americans – includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

- American Women – includes all women of any ethnicity except American women specified in the bullets immediately above.

Commodities – materials, supplies, or equipment.

Professional Services – services procured under provisions of the *Texas Government Code Sections 2254.001 – 2254.005*.

Other Services – all services, other than construction and professional services, including consulting services procured under provisions of *Texas Government Code Sections 2254.021 – 2254.040*.

Construction – construction, improvement, maintenance, or repair of buildings, roads, highways, or grounds.

Treasury Funds – funds maintained in the State treasury and disbursed through the State Comptroller's Office for System Administration or an institution of the U. T. System.

Non-Treasury Funds – all funds of the U. T. System Administration or an institution that are not deposited in the State Treasury.

4. Relevant Federal and State Statutes

Texas Administrative Code Part 5 Chapters 1111.11 – 111.28 – Texas Building and Procurement Commission

Texas Government Code Sections 2254.001 – 2254.005 – Professional and Consulting Services

Texas Government Code Sections 2254.021 – 2254.040 – Consulting Services

5. Relevant System Policies, Procedures, and Forms

Administrative Rule Series 22603 – Procedures for Ensuring a Good Faith Effort to Use HUB Firms

6. Who Should Know

Administrators
HUB Coordinators
Procurement Directors

7. System Administration Office(s) Responsible for Rule

Office of the Chancellor

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Travel

2. Rule and Regulation

Sec. 1 *Development of Travel Regulations.* Institutions of the U. T. System shall 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 shall be transmitted through proper administrative channels to the Chancellor or the president of the institution, as applicable, or the respective officer's designee, for advance written approval.

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, Mexico or Canada.

4. Relevant Federal and State Statutes

General Appropriations Act for the 2004-2005 Biennium, Article IX, Section 5.09(i)

Texas Education Code Section 65.31 – General Powers and Duties

Texas Government Code Section 660.003 – 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 Series 31005 – Faculty Absence

Business Procedures Memoranda 65 – Spousal Travel Policy

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Classified Personnel Pay Plan

2. Rule and Regulation

Sec. 1 Institutional Classified Personnel Pay Plan. The institutions of the U. T. System and System Administration shall adopt and maintain a classified personnel pay plan that conforms to the guidelines established by the Chancellor in a Business Procedures Memorandum. Each institution's president shall be responsible for the development and operation of the respective institution's classified personnel pay plan. The Chancellor shall be responsible for the development and operation of System Administration's classified pay plan.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Human Resources

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

February 10, 2005

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

General Appointment Information

2. **Rule and Regulation**

Sec.1 Appointment of Employees. The Board of Regents, upon the recommendation of the Chancellor, shall elect or appoint, as the case may be, all of the employees of The University of Texas System and agents of the System and, subject to State and federal laws, shall assign the duties, rights, and privileges of each employee or each class or group of employees; provided, however, that the Board of Regents may delegate to the Chancellor, and the Chancellor, through the appropriate Executive Vice Chancellor, may delegate to the presidents of the institutions, authority to appoint employees in certain designated classes or categories.

Sec. 2 Best Interest. All appointments shall be on the basis of merit and shall comply with the provisions of *Texas Education Code Section 51.948*, which requires that any agreement with higher education administrators be executed only after a finding that the agreement is in the best interest of the U. T. System or any of its institutions. Authority to make such findings is delegated to the president or chief business officer of the institution and to the Chancellor for employees not covered by *Regents' Rules and Regulations Series 10501, Number 2, Section 3.3*.

Sec. 3 As provided in the *Texas Constitution Article 1, Section 4*, and by statute, no religious qualification shall be required for appointment to any position.

3. **Definitions**

Agents of the System – An agent is one who is authorized by another, the principal, to transact some business or manage some affair for the principal, and to render the principal an accounting of the transaction.

4. **Relevant Federal and State Statutes**

Texas Constitution Article 1, Section 4 – Religious Tests

Texas Education Code Section 65.38 – Nonsectarian

Texas Education Code Section 51.943 – Renewal of Faculty Employment Contracts.

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Standards of Conduct

2. Rule and Regulation

Sec. 1 Statutory Compliance. Every employee is expected to obey all federal, State, and local laws, and particularly *Texas Penal Code Chapter 42 and Section 46.03* and *Texas Education Code Section 51.935*. Any employee who violates any provision of these statutes is subject to dismissal, notwithstanding any action by civil authorities on account of the violation.

Sec. 2 Disruption of Activities. Any employee who, acting singly or in concert with others, obstructs, disrupts or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity, meeting, or event authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by The University of Texas System or any of its institutions is subject to disciplinary action, including dismissal. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records, or computer networks accessible through University computer resources.

Sec. 3 Channel for Communication. The Board of Regents is the only proper channel through which recommendations concerning the administration of the System or any of its institutions, as a whole or in any of its parts, should reach the Legislature or other State agencies or officials.

Sec. 4 Advisory Positions. Employees should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to the System and the component institutions of such activity is the improvement of the individual by virtue of his or her continuing contact with nonacademic problems in the nonacademic world.

Sec. 5 Primary Responsibility. The primary responsibility of employees of the U. T. System or any of its institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment; external consulting or other

outside employment that interferes with those duties and responsibilities should not be accepted. In connection with any outside employment, employees must comply with State laws governing the conduct of State employees, including ethics standards and provisions prohibiting conflict of interest and use of State resources.

- Sec. 6 Free Advice. Even in the case of employees specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this obligation by an employee does not interfere with his or her regular duties, and provided further that in meeting this obligation an employee shall avoid undue competition with legitimate private agencies.
- Sec. 7 Separation of Activities. No employee engaged in outside remunerative activities shall use in connection therewith the official stationery of the System, give as a business address any building or department of the U. T. System or any of its institutions, or any University telephone extension.
- Sec. 8 Opinions for Advertising Purposes. Every employee who gives professional opinions must protect the U. T. System or any of its institutions against the use of such opinions for advertising purposes. If the employee does work in a private capacity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the U. T. System or any of its institutions is not in any way to be connected with the employee's name, except when used to identify the member as the author of work related to the employee's academic or research area as more fully described in Series 90101 of the Regents' *Rules and Regulations* concerning general rules for intellectual property.
- Sec. 9 Use of U. T. System Property. No employee shall accept pay from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations, or other such work that involves the use of property owned by the U. T. System or any of its institutions, unless advance permission has been obtained from the Chancellor or the president of an institution and provision has been made for compensation to System Administration or the institution.

Sec. 10 Filing Requirement. No full-time employee employed by the U. T. System or any of its institutions on a 12-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source a regular retainer fee or salary until a description of the nature and extent of the employment has been filed with and approved by appropriate administrative officials as set forth in the policies of the U. T. System or the *Handbook of Operating Procedures* of each institution. For special provisions relating to other State or federal employment, see Sections 11 of this Series.

Sec. 11 Public Office. Subject to the other provisions of this Series, an employee of the U. T. System or any of its institutions may hold other non-elective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by State or federal law and if there is no conflict between holding the office or position and holding the office or position with the U. T. System or any of its institutions for which the employee receives salary or compensation.

11.1 Before an employee of the U. T. System or any of its institutions may accept an offer to serve in other non-elective offices or positions of honor, trust, or profit with the State of Texas or the United States, the employee must obtain from the appropriate administrative officials and the Board a finding via the Docket that the requirements of this Section have been fulfilled. The docket entry shall also record any compensation the employee is to receive from the non-elective office or position, including salary, bonus, or per diem payment.

Sec. 12 Outside Boards. It is recognized that the Chancellor and other Executive Officers of the System Administration and the presidents of institutions of the U. T. System may be asked to serve on the boards, councils or other governing or advisory bodies ("outside boards") of various business, civic, professional, and social organizations, both for profit and not-for-profit, and in compensated and non-compensated positions. Such service is generally deemed to be in the best interest of the U. T. System or any of its institutions because it broadens the experience of the individuals involved and exposes the U. T. System or any of its institutions to a larger audience of business, civic, professional, and social leaders.

Sec. 13 Political Activities. The Board of Regents recognizes the right of employees to participate in political activities provided such activities are not conducted during work hours unless the employee uses accrued compensatory or vacation leave; are in compliance with the Constitution and laws of the State of Texas; do not interfere with the discharge and performance of an employee's duties and responsibilities; do not involve the use of equipment, supplies, or services of the U. T. System or any of its institutions; do not involve the impermissible use of University facilities; do not involve the attempt to coerce students, faculty, or staff to participate in or support the political activity; and do not involve the U. T. System or any of its institutions in partisan politics. With the interest of the U. T. System and any of its institutions being given first consideration, a leave of absence without pay pursuant to Regents' *Rules and Regulations* Series 30201 Number 2, Section 3.1, may but need not be granted to an employee to participate in political activities. However, a leave of absence without pay shall not be granted to an employee of the U. T. System or any of its institutions for the purpose of being a candidate for an elective public office, holding an elective public office, or directing the political campaign of a candidate for an elective public office. An employee who wishes to engage in political activity that will interfere with the performance of his or her duties and responsibilities should voluntarily terminate employment. If the president of the institution, the Chancellor, an Executive Vice Chancellor, or the Board of Regents finds that the employee's political activity interferes with the performance of his or her duties and responsibilities or does not comply with the requirements of this subsection, the employee shall be subject to appropriate disciplinary action, including termination.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Penal Code Section 42 – Disorderly Conduct and Related Offences

Texas Penal Code Section 46.03 – Places Weapons Prohibited

Texas Education Code Section 51.935 – Disruptive Activities

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 31008 – Termination of a Faculty Member

Regents' Rules and Regulations Series 30601 – Discipline and Dismissal of Employees (Does not apply to faculty member or police)

Regents' Rules and Regulations Series 30602 – Employee Grievance

Regents' Rules and Regulations Series 30104 – Conflict of Interest

6. Who Should Know

Administrators
Employees

7. System Administration Office(s) Responsible for Rule

Office of General Counsel
Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Conflict of Interest

2. Rule and Regulation

Sec.1 Prohibition. It is the law of this state that a state officer or state employee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the officer's or employee's duties in the public interest.

Sec. 2 Written Disclosures. Employees shall in a timely manner furnish such written disclosures as may be required by State and federal authorities or by institutional authorities.

Sec. 3 Adherence. All employees shall adhere to the laws, rules, regulations, and policies of applicable governmental and institutional authorities and the following standards of conduct. The failure to do so may be grounds for disciplinary action, including termination.

3. Definitions

None

4. Relevant Federal and State Statutes

Standards of Conduct Digest contains a list of relevant statutes

Texas Government Code Section 572.005 – Determination of Substantial Interest

Texas Government Code Section 572.051 – Standards of Conduct

5. Relevant System Policies, Procedures, and Forms

Standards of Conduct Digest

Financial Disclosure and Conflict of Interest Statement

6. Who Should Know

Board of Regents

Employees

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contract Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Sexual Harassment and Misconduct

2. Rule and Regulation

Sec.1 Environment. The educational and working environments of The University of Texas System or any of its institutions shall be free from inappropriate conduct of a sexual nature. Sexual harassment and misconduct are unprofessional and unacceptable.

Sec. 2 Adoption of Policies. The institutions of the U. T. System and System Administration shall adopt policies prohibiting sexual harassment and misconduct and procedures for review of complaints to be published in the *Handbook of Operating Procedures* of each institution.

3. Definitions

Sexual Harassment – Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature, submission to which is made a term or condition of a person's exercise or enjoyment of any right, privilege, power, or immunity, either explicitly or implicitly *Texas Penal Code Ann. § 39.03(c)*. A public servant acting under color of his/her office or employment who intentionally subjects another to sexual harassment is guilty of official oppression. *Texas Penal Code Ann. §39.03(a)(3)*. Official oppression is a Class A misdemeanor. *Texas Penal Code Ann. § 39.03(d)*.

4. Relevant Federal and State Statutes

Equal Employment Opportunity Commission, Guidelines on Discrimination Because of Sex (defining sexual harassment), *29 C.F.R. § 1604.11(a)* (1988)

Texas Penal Code Ann. § 39.03 – Official Oppression

5. Relevant System Policies, Procedures, and Forms

University of Texas System Policy – Sexual Orientation Nondiscrimination Policy

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of General Counsel
Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contract Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Nepotism

2. Rule and Regulation

Sec.1 Statutory Requirement. *Texas Government Code Chapter 573* prohibits public officials from appointing any individual to a position that is to be directly or indirectly compensated from public funds or fees of office if the individual is related to the public official within the second degree by affinity or within the third degree by consanguinity.

Sec. 2 System Requirement. Even though the appointment of a person, would not be prohibited by the *Texas Government Code*, no employee of The University of Texas System or any of its institutions may approve, recommend, or otherwise act with regard to the appointment, reappointment, promotion, or salary of any person related to such employee as outlined in Sections 2.4 or 2.5 regardless of the source of funds for the payment of salary. This provision also includes individuals hired as private contractors.

2.1 Supervision. If the appointment, reappointment, or promotion of a person places him or her under an administrative supervisor related within the specified degree, all subsequent actions with regard to the evaluation, reappointment, promotion, or salary shall be the responsibility of the next highest administrator to make a written review of the work performance of such employee at least annually and to submit each review for approval or disapproval by the component institution's Chief Human Resources Officer in the case of classified employees or the Chancellor or the president in the case of faculty or non-classified employees.

2.2 Promotion. If the appointment, reappointment, or promotion of a person places him or her in an administrative or supervisory position with responsibility to approve, recommend, or otherwise act with regard to reappointment, promotion, or salary of a person who is related to them within the above degree specified, all subsequent actions regarding the evaluation, reappointment, promotion, or salary of such person shall be made by the next highest supervisor.

- 2.3 Marriage. The provision of Section 2.1 of this Series shall apply to situations where two employees marry and one spouse is the supervisor of the other.
- 2.4 Relationship by Blood. Relationship by blood (consanguinity) as determined by *Texas Government Code Chapter 573*:
- (a) First degree is the employee's father, mother, son, or daughter.
 - (b) Second degree is the employee's brother, sister, grandfather, grandmother, grandson, or granddaughter.
 - (c) Third degree is the employee's uncle or aunt (who is a brother or sister of the employee's parent), nephew or niece (who is a child of the employee's brother or sister), great grandfather, great grandmother, great grandson or great granddaughter.
- 2.5 Relationship by Marriage. Relationship by marriage (affinity) as determined by *Texas Government Code Chapter 573*:
- (a) First degree is the employee spouse's father, mother, son, or daughter.
 - (b) Second degree is the employee spouse's brother, sister, grandfather, grandmother, grandson, or granddaughter.

3. Definitions

Affinity – relationship by marriage. According to *Texas Government Code Section 573.024*, two individuals are related by affinity if:

1. they are married to each other; or
2. the spouse of one of the individuals is related by consanguinity to the other individual.

Consanguinity – relationship by blood or origin. According to *Texas Government Code Section 573.022*:

(a) Two individuals are related to each other by consanguinity if:

1. one is a descendant of the other; or
2. they share a common ancestor.

(b) An adopted child is considered to be a child of the adoptive parent for this purpose.

Public official – defined in *Texas Government Code Section 573.001(3)* as:

1. An officer of this state or of a district, county, municipality, precinct, school district, or other political subdivision of this state;
2. An officer or member of a board of this state or of a district county municipality, school district, or other political subdivision of this state; or
3. a judge of a court created by or under the statute of this state.

4. Relevant Federal and State Statutes

Texas Government Code Chapter 573 – Nepotism Prohibitions

5. Relevant System Policies, Procedures and Forms

Business Procedures Memoranda No. 65 – Spousal Travel Policy

6. Who Should Know

Board of Regents
Administrators and Supervisors

7. System Administration Office(s) Responsible for Rule

Office of General Counsel
Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contract Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Training and Education

2. Rule and Regulation

Sec. 1 Responsibility. The Office of Human Resources, by delegation from the Vice Chancellor for Administration, is responsible for promulgating the necessary policies and procedures for implementation of the *State Employees Training Act*, consistent with the guidelines approved by the Governor.

Sec. 2 Policy Requirements. Pursuant to *Texas Government Code Section 656.048* – Rules Relating to Training and Education, The University of Texas System requires the establishment of policies that promote training programs of benefit to employees. Policies implemented must be consistent with provisions of the *State Employees Training Act*, as follows:

2.1 Interest of the Institution. The U. T. System or any of its institutions will not extend funds under these provisions without the interest of the U. T. System or any of its institutions being given first consideration.

2.2 Written Agreements. If an employee does not perform the regular duties of the job for three or more months, a written agreement complying with the provisions of institutional policy will be executed between the employee and the U. T. System or any of its institutions as required by State law.

2.3 Failure to Comply with Agreement. Should an employee fail to honor the provisions of the agreement, the U. T. System or any of its institutions will be reimbursed for all costs associated with the training period, including any amounts of the employee's salary not accounted for as paid vacation or compensatory leave.

2.4 Annual Report. The U. T. System and its institutions will report annually to the Legislative Budget Board detailing the amount of money expended in the preceding fiscal year for training subject to the Act.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code Section 656.048 – Rules Relating to Training and Education

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@ustystem.edu

1. Title

Leave Policies

2. Rule and Regulation

Sec. 1 Holidays. All employees, except those employed in positions that require student status as a condition of employment, are entitled to such holidays as are provided by the Legislature in the current Appropriations Act and as are approved annually by the Vice Chancellor for Administration, or to alternate holidays approved in the official calendars of the various institutions by the Vice Chancellor for Administration.

Sec. 2 Vacations. Vacations for eligible employees, including faculty appointed on a 12-month basis, shall be as provided by State law. Vacations for eligible full and part-time employees shall be on a percentage basis for the time appointed, regardless of whether they are paid on a monthly or hourly basis. Eligible employees accrue vacation hours based on length of state service.

2.1 Termination. An employee who leaves employment shall be entitled to be paid in "lump sum" for all vacation leave entitlement duly accrued at the date of termination; provided the employee has had continuous employment with the State of Texas for six months. The payment shall be calculated at the rate of compensation being paid the employee at the time of termination.

2.2 Death. In the case of death of an employee who has accumulated vacation leave, their estate will be paid for such leave. The payment shall be calculated at a rate of compensation being paid the employee at the time of his or her death.

Sec. 3 Leave Without Pay. With the interest of the institution being given first consideration and for good cause, leaves of absence without pay may be granted for a period within the term of appointment of any faculty or staff, subject to the general conditions included herein. Leaves of absence for a first year or portion thereof or a second consecutive year's leave may be granted by the Chancellor or president, or his or her designee. Leaves of absence for a third consecutive year will be granted only for the reasons outlined in Sections 3.2 and 3.3 below,

following review and approval by the appropriate Executive Vice Chancellor.

- 3.1 First Year of Leave. The maximum period for which a leave of absence will be granted is twelve months from when the leave begins.
 - 3.2 Second Year of Leave. Except in unusual circumstances such as military service, reasons of health, continued graduate study, and public service or other activity that reflects credit on the institution and enhances an individual's ability to make subsequent contributions to the institution, a second consecutive year of leave will not be granted.
 - 3.3 Third Year of Leave. Except in very unusual circumstances a third consecutive leave of absence for one year will not be granted.
 - 3.4 Return of Duty. After a return to duty of one year, the leave-of-absence privilege will again be available, subject to the conditions above.
 - 3.5 Exhaust Leave. Unless otherwise provided by or authorized pursuant to law, all accumulated paid leave entitlement must be exhausted before a leave of absence without pay may be granted, with the additional provision that sick leave must be exhausted only in those cases where the employee is eligible to take sick leave.
 - 3.6 Family and Medical Leave. Upon expiration of Family and Medical Leave pursuant to these *Rules and Regulations*, an employee may be eligible for a leave of absence under this section.
 - 3.7 Other Absences. For leave of absence to participate in a political campaign, faculty development leave, parental leave, sick leave, leave for jury duty, leave for military duty, and leave related to on-the-job injuries, see other sections of these *Rules and Regulations*.
- Sec. 4 Development Leave. Development leaves for faculty members may be granted as set out in *Texas Education Code Section 51.101 et seq.* upon approval by the president of a component institution. The law provides that after two consecutive

academic years at the same institution, faculty members as defined in this Act may be considered for a faculty development leave for one academic year at one-half his or her regular salary or for one-half academic year at his or her full regular salary. Such leaves shall be granted pursuant to procedures outlined in the Act and to the limitations therein.

- Sec. 5 Administrative Leave. As set out in the *Texas Government Code Section 661.911*, the Chancellor or president of an institution may grant administrative leave without a deduction in salary to an employee as a reward for outstanding performance as documented by employee performance appraisals. The total amount of administrative leave an employee may be granted under this law may not exceed 32 hours in a fiscal year.
- Sec. 6 Parental Leave. Parental leave for all employees shall be as provided by State law as set out in the *Texas Government Code Section 661.913* giving supervisors the responsibility for approving parental leave requests for those employees not eligible for Family and Medical leave for the birth of a natural child or adoption by or foster care placement with the employee of a child younger than 3 years of age. Employees must first use all available and appropriate vacation and sick leave and then the remainder of the leave period will be leave without pay. Parental leave of absence may not exceed twelve weeks.
- Sec. 7 Sick Leave. Sick leave for all employees, including faculty, non-teaching personnel, and classified personnel, shall be as provided by State law.
- 7.1 Death. In the case of death of an employee who has accumulated sick leave, the estate will be paid for such leave as permitted by law. The payment shall be calculated at the rate of compensation being paid the employee at the time of death.
- Sec. 8 Jury Duty. Necessary time off for jury duty is required to be given without loss of pay or vacation leave.
- Sec. 9 Military Duty. A leave of absence not to exceed 15 working days in any one federal fiscal year is granted employees who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Component institutions of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods,

the employee is absent without loss of efficiency rating, vacation time, or salary; and when relieved from military duty, the employee is restored to the position and status he or she previously held. A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall not be charged against the employee's vacation or sick leave privileges. The chief business officer of each institution may prescribe forms and procedures for such leaves.

- 9.1 Paid Emergency Leave. As set out in the *Texas Government Code Section 431.0825*, a state employee called by the Governor to state active duty as a member of the state military forces is entitled to receive paid emergency leave without loss of military leave under *Section 431.005* of the *Texas Government Code* or annual leave.
- 9.2 Use of Compensatory Time. As set out in the *Texas Government Code Section 659.023* a state agency shall provide an employee activated to military service as a member of the reserve component of the armed forces with a statement containing the balance of the employee's accrued stated compensatory time and shall accommodate the employee's request to use the balance of accrued state compensatory time before the compensatory time expires.
- 9.3 Unpaid Leave. As set out in the *Texas Government Code Section 661.904*, an employee called to active duty during a national emergency to serve in a reserve component of the armed forces of the United States under *Title 10 or 32* of the United States Code is entitled to an unpaid leave of absence. The employee continues to accrue state service credit for purpose of longevity pay while on military duty but does not accrue vacation or sick leave during an unpaid leave of absence.
 - (a) The employee may retain any accrued vacation or sick leave and is entitled to be credited with those balances on return to state employment. Leave earned while in a state-paid status is credited to the employee's balance when the employee returns to active state employment.

- (b) The employee may use any accrued vacation leave, earned state compensatory leave, or overtime compensatory leave earned under the federal *Fair Labor Standards Act* (U.S. Code Search29 United States Code 206(a)(1)) to maintain benefits for the employee or the employee's dependents while the employee is on military duty.
- (c) Before an employee leaves for military service, any issues related to maintaining state health insurance coverage during the employee's military duty must be discussed with him or her, including what the employee needs to do to maintain state health coverage, how health coverage is affected by paid or unpaid leave, and how to pay any premium required for health care coverage.
- (d) An employee activated for military service may continue to accrue service credit with the Teacher's Retirement System of Texas by receiving at least one hour of state pay during each month of active military service. The employee may use an combination of paid leave, including state compensatory leave, overtime leave under the federal *Fair Labor Standards Act* (29 United States Code 206(a)(1)), annual leave, military leave, or approved differential pay to qualify for this state pay.

9.4 In accordance with *Texas Government Code Section 661.9041*, the Chancellor or president of an institution shall grant sufficient emergency leave as differential pay to a state employee on unpaid military leave if the employee's military gross pay is less than the employee's state gross pay. The combination of emergency leave and military pay may not exceed the employee's actual state gross pay.

Sec. 10 Family and Medical Leave. Any employee may request and receive a leave of absence without pay for up to 12 weeks per year for family and medical reasons specified by the *Family and Medical Leave Act of 1993* (29 United States Code Sec. 2601) and accompanying regulations governing the Act, as set forth in approved institutional and System policies. Eligibility criteria are defined in the Act. Upon expiration of the 12 weeks of leave taken pursuant to the *Family and Medical Leave Act*, an

employee may be eligible for a leave of absence without pay pursuant to Section 3 above.

Sec. 11 Bone Marrow and Organ Donors. *Texas Government Code Section 661.916* provides that an employee is entitled to a leave of absence without a deduction in salary for the time necessary to permit the employee to serve as a bone marrow or organ donor. The leave of absence may not exceed five working days in a fiscal year to serve as a bone marrow donor or 30 working days in a fiscal year to serve as an organ donor.

Sec. 12 Blood Donors. In accordance with *Texas Government Code Section 661.917*, an employee shall be allowed sufficient time off, without a deduction in salary or accrued leave to donate blood.

12.1 Approval. An employee may not receive time off unless the employee obtains approval from the employee's supervisor before taking off.

12.2 Proof. On returning to work after taking time off, the employee shall provide the employee's supervisor with proof that the employee donated blood during the time off. If an employee fails to provide proof that the employee donated blood during the time off, the employee will deduct the time from accrued leave, if available, or be placed on leave without pay.

12.3 Limitation. An employee may receive time off under this section not more than four times a year.

Sec. 13 Authorization for Absence. Authorization for any staff member to be absent from his or her usual and regular duties for a purpose related to his or her duties will be granted only under the following conditions:

13.1 When such absence is on State business, and

13.2 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution; or

13.2 In the case of military leave, not to exceed 15 working days each year.

Sec. 14 Institutional Regulations. Permission to be absent from usual and regular duties shall be obtained as prescribed in institutional regulations.

3. Definitions

None

4. Relevant Federal and State Statutes

Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))

Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601)

Employment and Reemployment Rights of Members of the Uniform Services Act (38 U.S.C. Sec. 4301)

Title 10 U.S.C. (Armed Forces) Sec. 101 et seq.

Title 32 U.S.C. (National Guard) Sec. 101 et seq.

Texas Education Code Section 51.101 – Definitions

Texas Government Code Section 661.911 – Administrative Leave Without Pay

Texas Government Code Section 431.005 – Leave of Absence for Public Officers and Employees

Texas Government Code Section 431.0825 – Employees in National Guard

Texas Government Code Section 659.023 – Compensatory Time Policy

Texas Government Code Section 661.904 – Military Leave During National Emergency

Texas Government Code Section 661.9041 – Differential Pay

Texas Government Code Section 661.916 – Leave for Organ or Bone Marrow Donors

Texas Government Code Section 917 – Donation of Blood

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@ustystem.edu

1. Title

Employee Benefits

2. Rule and Regulation

Sec. 1 Optional Retirement Program. The Board of Regents shall select those companies accepted as vendors to participate in the Optional Retirement Program, based upon recommendation from the Chancellor. Within a reasonable time period following selection by the Board of Regents, each vendor must execute a contract for products and services. The contract must be acceptable to The University of Texas System and must include the selection criteria contained in the Request for Proposals.

Sec. 2 UTGRA. University of Texas Governmental Retirement Arrangement. The Board of Regents authorizes the establishment of a "governmental excess benefits plan" for the Optional Retirement Program, authorized under *Internal Revenue Code Section 415(m)* and *Texas Government Code Section 830.004* and designated as The University of Texas Governmental Retirement Arrangement (UTGRA).

2.1 Eligibility. Eligibility for participation shall be based on an employee's date of initial participation in the Optional Retirement Program and the employee's level of earnings. Participation in the program and all subsequent distributions shall be in accordance with the plan documents.

2.2 Delegation of Authority. The Board of Regents delegates to the Vice Chancellor for Administration the power and authority to amend the plan documents consistent with applicable law and to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate UTGRA consistent with the plan documents.

2.3 Ownership. All funds participating in UTGRA including the monthly State contribution, amounts reduced from each participant's salary, and any subsequent investment earnings are the property of the Board of Regents until such time as an authorized distribution is executed in accordance with the plan documents.

- 2.4 Trustee and Record Keeper. The University of Texas M. D. Anderson Cancer Center Physicians Referral Service Retirement Board (PRS Retirement Board) shall serve as trustee and record keeper for UTGRA.
- Sec. 3 Group Insurance Plans. The Chancellor on behalf of the Board of Regents shall administer all group insurance, health benefit programs, and cafeteria plans authorized by law for employees of the U. T. System and any of its institutions.
- 3.1 Administration. The Chancellor shall provide for the planning, implementation, management, and administration of the employee group insurance and health benefit programs through such U. T. System committees and administrators, as the Chancellor deems appropriate.
- 3.2 Recommendations. The Chancellor will submit for review and approval by the Board of Regents, recommendations on matters regarding the employee group insurance program.
- Sec. 4 Workers Compensation Insurance. Pursuant to *Texas Labor Code Section 503.001 et seq.*, a self-insured System-wide Workers' Compensation Insurance (W.C.I.) Program will provide certain benefits for injuries sustained in the course and scope of employment.
- 4.1 Investigation of Injuries. The Office of Risk Management shall investigate injuries, with the assistance of other appropriate U. T. System institutions offices.
- 4.2 Reporting. The institutions of the U. T. System shall be responsible for reporting all work-related injuries to the Office Risk Management. The Office of Risk Management shall file reports of lost time injuries and occupational diseases with the Texas Workers' Compensation Commission (T.W.C.C.).
- 4.3 Safety Activities. The Office of Risk Management shall coordinate occupational safety and health activities
- 4.4 Funding. A percentage of annual payroll, as approved by the Executive Vice Chancellor for Business Affairs, shall

be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).

(a) Each institutional chief business officer shall be responsible for the transmission of amounts to be added to the W.C.I. Fund for all salaries paid, as instructed by the Office of Risk Management, for receipt into the W.C.I. Fund no later than 20 days after the end of each month.

(b) The W.C.I. Fund must be deposited or invested in the same manner as other local institutional funds as specified in these *Rules and Regulations*.

4.5 Processing of Claims. The Office of Risk Management shall be responsible for processing all W.C.I. claims for medical care and compensation.

4.6 Report on Fund. The Office of Risk Management shall prepare an annual report on the status of the W.C.I. Fund for the Board of Regents.

Sec. 5 Unemployment Compensation Insurance. The Unemployment Compensation Insurance (U.C.I.) Fund is established by the Board of Regents to be deposited or invested in the same manner as other local institutional funds. The Office of Risk Management shall administer funding by assessment on all salary sources that are eligible for benefits from the System-wide U.C.I. program.

5.1 Reimbursements to the State. The System-wide U.C.I. Program will reimburse the State from the U.C.I. Fund for claims charge-backs paid by the State Comptroller for former employees in accordance with Texas Labor Code, Section 205.001 et seq.

5.2 Assessed Rates. Assessment rates shall be calculated to provide minimum U.C.I. Fund balance fluctuations and maximum rate stability. Each institutional chief business officer shall be responsible for the transmission of such assessed amounts, as instructed by the Office of Risk Management, for receipt into the U.C.I. Fund no later than 20 days after the end of the month.

- 5.3 Administrator. The Office of Risk Management, working in coordination with appropriate System and institution offices, shall administer the U.C.I. Program and provide assistance as necessary to the institutions of the U.T. System.
- 5.4 Annual Report. The Office of Risk Management shall prepare an annual report on the status of the U.C.I. Fund for the Board of Regents.
- Sec. 6 Deferred Compensation – Section 457(b) Plan. As authorized by *Texas Government Code Chapter 609*, any employee may participate in either the Deferred Compensation Plan administered by the Employees Retirement System or the U. T. Saver Deferred Compensation Plan administered by the U. T. System and established pursuant to Section 457(b) of the *Internal Revenue Code of 1986*, as amended. U. T. System employees may not participate simultaneously in both programs and may not participate in the Deferred Compensation Plan administered by the Employees Retirement System once participation has taken place in the U. T. Saver Deferred Compensation Plan.
- 6.1 Delegation of Authority. The Board of Regents delegates to the Vice Chancellor for Administration the power and authority to amend the U. T. Saver Deferred Compensation Plan consistent with applicable law and to take all action and to make all decisions and interpretations that may be necessary or appropriate to administer and operate The U. T. Saver Deferred Compensation Plan, as further provided in the U. T. Saver Deferred Compensation Plan. The Vice Chancellor for Administration will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Plan in accordance with Section 457(b) of the *Internal Revenue Code*, consistent with *Texas Government Code, Chapter 609*.
- Sec. 7 Deferred Compensation – Section 457(f) Plan. As authorized by *Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a)*, the Board has established a plan pursuant to Section 457(f) of the *Internal Revenue Code* of 1986, as amended, for the benefit of a select group of employees. Only employees designated by the Board as eligible employees may participate in the plan.

- 7.1 Delegation of Authority. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs the power and authority to amend the Plan consistent with applicable law and to take all action and to make all decisions and interpretations that may be necessary or appropriate to administer and operate The U. T. System Deferred Compensation Plan (the "Plan"), as further provided in the Plan. The Executive Vice Chancellor for Business Affairs will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Plan in accordance with Section 457(f) of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5.
- Sec. 8 Tax Sheltered Annuities – Voluntary Section 403(b) Plan. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2, the Board has established a voluntary program pursuant to Section 403(b) of the Internal Revenue Code of 1986, as amended, for the benefit of all employees.
- 8.1 Delegation of Authority. The Board of Regents delegates to the Vice Chancellor for Administration the power and authority to amend the U. T. Saver Tax Sheltered Annuity Program consistent with applicable law and to take all action and make all decisions and interpretations that may be necessary or appropriate to administer and operate The U. T. Saver Tax Sheltered Annuity Program. The Vice Chancellor for Administration will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Plan in accordance with Section 403(b) of the Internal Revenue Service Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2.
- 8.2 Authorized Companies. An employee may purchase annuities or any investment authorized in Section 403(b), Internal Revenue Code of 1986, as amended (Tax Sheltered Annuities or T.S.A.) from a company authorized to provide T.S.A. products and services to employees of the U. T. System.
- 8.3 Listing of Companies. The University of Texas System Office of Human Resources, in consultation with the

Office of the Vice Chancellor for Administration shall maintain a listing of companies authorized to offer annuities or other investments under the U. T. Saver Tax Sheltered Annuity Program.

3. Definitions

None

4. Relevant Federal and State Statutes

Internal Revenue Code Section 403(b)

Internal Revenue Code Section 415(m)

Internal Revenue Code Section 457(b)

Internal Revenue Code Section 457(f)

Texas Government Code Chapter 609 – Deferred Compensation Plans

Texas Government Code Section 830.001 et seq. – Optional Retirement Program.

Texas Government Code Section 830.004(c) - Administration

Texas Labor Code Section 207.001 et seq. – Payment of Benefits

Texas Labor Code Section 503.001 et seq. – Workers Compensation Insurance

Texas Revised Civil Statutes Annotated Article 6228a-5 – Annuities or Investments for Certain Public Employees

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers
Chief Human Resources Officers
Risk Managers
Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources
Office of General Counsel
Office of Risk Management

8. Dates Approved or Amended

December 10, 2004

9. Contract Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Sick Leave Pool

2. Rule and Regulation

Sec. 1 Introduction. Pursuant to *Texas Government Code Section 661.002* the Board of Regents is required to establish a program to allow a University of Texas System employee to voluntarily transfer previously earned sick leave to a sick leave pool. All institutions of the U. T. System shall establish and maintain a sick leave pool except for those institutions for which the Board of Regents has adopted a comprehensive leave policy in accordance with *Texas Education Code Government Code Section 51.961*. The Chancellor, or his or her designee, shall administer the sick leave pool. The Board of Regents is required to adopt rules and prescribe procedures relating to the operation of the sick leave pool.

Sec. 2 Sick Leave Pool Administrator. An administrator designated by the president shall administer this policy at each institution and at the U. T. System Administration by a pool administrator designated by the Chancellor.

2.1 Regulations. The administrator shall adopt forms and regulations appropriate for administration of this rule.

2.2 Withdrawals. The decision of the administrator regarding withdrawals from the sick leave pool shall be final.

Sec. 3 Sick Leave Pool. The U. T. System sick leave pool shall consist of the sick leave voluntarily contributed by employees.

3.1 Contributions. Contributions to the pool must be in units of eight (8) hours. Employees are permitted to contribute an unlimited number of hours to the sick leave pool. Retiring employees are also permitted to contribute to the sick leave pool and may do so in increments of less than eight (8) hours.

3.2 Crediting of Sick Leave. The pool administrator shall credit the sick leave pool with the sick leave contributed by an employee and shall direct the human resources office to deduct a corresponding amount from that employee's accrued sick leave.

- 3.3 Non-designation of Use. Sick leave contributed to the pool may not be designated for the use of a particular person.
 - 3.4 Encouragement to Contribute. Although contributions are voluntary, employees who leave State employment should be encouraged to contribute to the pool, unless there is a possibility that they will be reemployed by the State within twelve months and thereby eligible to have their sick leave balance restored.
- Sec. 4 Withdrawal of Leave. Applications to withdraw sick leave from the pool must be submitted on the form prescribed by the pool administrator. An application must be filed with the pool administrator and be accompanied by a statement from the licensed physician who treated the illness or injury that resulted in the exhaustion of the accrued annual and sick leave of the employee making the application. The pool administrator will consider applications in the order in which they are received and will approve or deny an application within ten (10) working days after receipt.
- 4.1 Eligibility. An employee is eligible to withdraw sick leave from the pool if the pool administrator finds that the employee has exhausted all accrued annual leave and sick leave because of a catastrophic illness or injury or because of a previous donation of sick leave to the pool.
 - 4.2 Amount Assigned. In determining the amount of sick leave to be assigned to an eligible employee from the pool, the pool administrator shall take into consideration the information contained in the employee's application, the number of applications then pending, and the amount of sick leave available in the pool. In no event shall the sick leave allocated to an eligible employee from the pool exceed ninety (90) days or one-third (1/3) of the sick leave pool balance, whichever is less. Upon approval of an employee's application, the pool administrator shall notify the human resources office of the amount of sick leave to be assigned to the employee.
 - 4.3 Use of Sick Leave. The employee may use sick leave assigned from the pool in the same manner as sick leave earned by the employee and shall be treated for all

purposes as if the employee were absent on earned sick leave.

4.4 Deceased Employees. The estate of a deceased employee shall not be entitled to payment for unused sick leave assigned from the pool.

4.5 Use of Sick Leave. Sick leave may be taken to care for members of an employee's family who do not reside in the same household only if the time taken is necessary to provide care to a spouse, child, or parent of the employee who needs care due to a documented medical condition. Sick leave may not be taken to care for an employee's parents-in-law if they do not live in the same household as the employee.

3. Definitions

Catastrophic Illness or Injury - a severe condition or combination of conditions affecting the mental or physical health of an employee or the employee's immediate family requiring the services of a licensed physician for a prolonged period of time and requires the employee to exhaust accrued leave and to lose compensation from the State.

Employee - an eligible employee of the U. T. System or any of its institutions. An eligible employee is defined as employed for at least 20 hours per week for a period of at least four and one-half months, and not employed in a position for which student status is required as a condition of the employment.

4. Relevant Federal and State Statutes

Texas Government Code Section 661.002 – Sick Leave Pool

Texas Education Code Section 51.961 – Leave Provisions for Employees

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

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3.2 Crediting of Sick Leave. The pool administrator shall credit the sick leave pool with the sick leave contributed by an employee and shall direct the human resources office to deduct a corresponding amount from that employee's accrued sick leave.

- 3.3 Non-designation of Use. Sick leave contributed to the pool may not be designated for the use of a particular person.
 - 3.4 Encouragement to Contribute. Although contributions are voluntary, employees who leave State employment should be encouraged to contribute to the pool, unless there is a possibility that they will be reemployed by the State within twelve months and thereby eligible to have their sick leave balance restored.
- Sec. 4 Withdrawal of Leave. Applications to withdraw sick leave from the pool must be submitted on the form prescribed by the pool administrator. An application must be filed with the pool administrator and be accompanied by a statement from the licensed physician who treated the illness or injury that resulted in the exhaustion of the accrued annual and sick leave of the employee making the application. The pool administrator will consider applications in the order in which they are received and will approve or deny an application within ten (10) working days after receipt.
- 4.1 Eligibility. An employee is eligible to withdraw sick leave from the pool if the pool administrator finds that the employee has exhausted all accrued annual leave and sick leave because of a catastrophic illness or injury or because of a previous donation of sick leave to the pool.
 - 4.2 Amount Assigned. In determining the amount of sick leave to be assigned to an eligible employee from the pool, the pool administrator shall take into consideration the information contained in the employee's application, the number of applications then pending, and the amount of sick leave available in the pool. In no event shall the sick leave allocated to an eligible employee from the pool exceed ninety (90) days or one-third (1/3) of the sick leave pool balance, whichever is less. Upon approval of an employee's application, the pool administrator shall notify the human resources office of the amount of sick leave to be assigned to the employee.
 - 4.3 Use of Sick Leave. The employee may use sick leave assigned from the pool in the same manner as sick leave earned by the employee and shall be treated for all

purposes as if the employee were absent on earned sick leave.

- 4.4 Deceased Employees. The estate of a deceased employee shall not be entitled to payment for unused sick leave assigned from the pool.
- 4.5 Use of Sick Leave. Sick leave may be taken to care for members of an employee's family who do not reside in the same household only if the time taken is necessary to provide care to a spouse, child, or parent of the employee who needs care due to a documented medical condition. Sick leave may not be taken to care for an employee's parents-in-law if they do not live in the same household as the employee.

3. Definitions

Catastrophic Illness or Injury - a severe condition or combination of conditions affecting the mental or physical health of an employee or the employee's immediate family requiring the services of a licensed physician for a prolonged period of time and requires the employee to exhaust accrued leave and to lose compensation from the State.

Employee - an eligible employee of the U. T. System or any of its institutions. An eligible employee is defined as employed for at least 20 hours per week for a period of at least four and one-half months, and not employed in a position for which student status is required as a condition of the employment.

4. Relevant Federal and State Statutes

Texas Government Code Section 661.002 – Sick Leave Pool

Texas Education Code Section 51.961 – Leave Provisions for Employees

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Employment of Retirees

2. Rule and Regulation

Sec. 1 Required Retirement. No person employed by the University of Texas System or any of its institutions shall be required to retire because of age except as permitted by law. However, a licensed pilot operating an aircraft under Part 91 of the *Federal Aviation Regulations* may be employed as a pilot until the end of the fiscal year that includes the pilot's 70th birthday.

Sec. 2 Modified Service. In accordance with the *Texas Education Code Section 51.964*, an institution of higher education may employ a person who has retired under the Teacher Retirement System of Texas (TRS) or the Optional Retirement Program if:

2.1 The Board of Regents determines that the employment is in the best interest of the U. T. System and,

2.2 A person retired under TRS must have been retired for at least 30 days before the effective date of reemployment.

2.3 A person retired under the optional retirement program may be rehired after retirement without a break in service.

Sec. 3 Restrictions. Appointment to modified service shall be without tenure, and for not more than one academic year. The notice provisions of Series 31002, Number 2, Section 1 of the Regents' *Rules and Regulations* shall not apply to non-renewal of such appointments. If the U. T. System or any of its institutions determines that it is in the best interest of the U. T. System, it may offer reappointment to modified service

3. Definitions

Retirement – withdrawal from employment with the U. T. System or any of its institutions with a retirement benefit or enrollment in retiree health insurance.

4. Relevant Federal and State Statutes

Texas Education Code Section 51.922 – Mandatory Retirement Prohibited

Texas Education Code Section 51.964 – Hiring of Certain Retirees

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Employees

7. System Administration Office(s) Responsible for Rule

Office of General Counsel
Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Employee and Faculty Advisory Councils

2. Rule and Regulation

Sec. 1 Employee Advisory Council. A staff Employee Advisory Council representing institutions in The University of Texas System shall be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. The Vice Chancellor for Administration or his or her designee will serve as System liaison to the Council. Representatives of the Employee Advisory Council may from time to time address the Board of Regents at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Employee Advisory Council Executive Committee and the Board of Regents.

Sec. 2 Faculty Advisory Council. A Faculty Advisory Council representing institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. The Executive Vice Chancellor for Academic Affairs or his or her designee will serve as System liaison to the Council. Representatives of the Faculty Advisory Council may from time to time address the Board of Regents at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Faculty Advisory Council Executive Committee and the Board.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Employee Evaluations

2. Rule and Regulation

Sec.1 Annual Evaluation. An annual evaluation program for all employees (administrative, faculty and classified) within The University of Texas System or any of its institutions is to be used for the improvement of performance, promotion consideration, and merit salary review.

Sec. 2 Development of Policies. System Administration and each institution of the U. T. System will develop policies and procedures regarding evaluations for inclusion in the *Handbook of Operating Procedures* or a Policies and Procedures Memorandum issued by System Administration's Office of Human Resources, as appropriate, after prior approval.

Sec. 3 Probationary Policies. System Administration and each institution of the U. T. System shall establish a probationary period not to exceed six months of actual service for all new classified employees. Probationary employees will be evaluated pursuant to procedures and criteria that have been approved for inclusion in the institutional *Handbook of Operating Procedures* or System Administration's Human Resources Manual, as appropriate.

Sec. 4 Faculty Evaluations. Faculty in tenure-track appointments will be evaluated pursuant to criteria contained in these *Rules and Regulations* and procedures and criteria that have been approved for inclusion in the institutional *Handbook of Operating Procedures*.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 31101 – Evaluation of Administrators

Regents' *Rules and Regulations* Series 30103 – Standards of Conduct

Regents' *Rules and Regulations* Series 31102 – Evaluation of Tenured Faculty

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Discipline and Dismissal of Employees

2. Rule and Regulation

Sec. 1 Policy. It is the policy of The University of Texas System or any of its institutions to encourage fair, efficient, and equitable solutions for problems arising out of the employment relationship and to meet the requirements of State and federal law.

Sec. 2 Applicability. These policies and procedures are applicable to conduct or job performance of an employee that results in a decision to impose a disciplinary penalty of demotion, suspension without pay, or dismissal. It does not apply to:

2.1 Faculty or Police. Institutional police or faculty who are subject to other approved discipline or dismissal procedures;

2.2 Suspension. Suspension with pay pending investigation of allegations relating to an employee;

2.3 Appointed Positions. Decisions not to offer reappointment to persons whose appointment for a stated period of one year or less expires at the end of such period without the necessity of notice of non-renewal as provided in the Regents' *Rules and Regulations* or the policies of the institution; or

2.4 Dismissal. Dismissal of employees

(a) who are appointed to positions without fixed term and under applicable rule or regulation serve at the pleasure of a specific administrative officer,

(b) who occupy positions that are dependent upon funding from a specific source and such funding is not received,

(c) as a result of a reorganization,

(d) due to financial exigency,

(e) during the 180-day probationary period,

(f) who are appointed for a stated period that is less than 180 days, or

(g) who are appointed at a per diem or hourly rate and work on an as needed basis.

Sec. 3 **Responsibility for Compliance.** Each employee is expected to acquaint themselves with performance criteria for their particular job and with all rules, procedures and standards of conduct established by the Board of Regents, the institution, and the employee's department or unit. An employee who does not fulfill the responsibilities set out by such performance criteria, rules, procedures, and standards of conduct may be subject to adverse personnel action.

Sec. 4 **Quality of Work.** Work performance is to be judged by the supervisor's evaluation of the quality and quantity of work performed by each employee. Failure of an employee to maintain satisfactory work performance standards can constitute good cause for disciplinary action including dismissal.

Sec. 5 **Unacceptable Conduct.** All employees are expected to maintain standards of conduct suitable and acceptable to the work environment. Disciplinary action, including dismissal, may be imposed for unacceptable conduct. Examples of unacceptable conduct include, but are not limited to:

5.1 falsifications of time sheets, personnel records, or other institutional records;

5.2 neglect of duties;

5.3 smoking anywhere except in designated smoking areas;

5.4 gambling, participating in lotteries or any other games of chance on the premises at any time;

5.5 soliciting, collecting money or circulating petitions on the premises other than within the rules and regulations of the institution;

5.6 bringing intoxicants or drugs onto the premises of the institution, using intoxicants or drugs, having intoxicants

- or drugs in one's possession, or being under the influence of intoxicants or drugs on the premises at any time;
- 5.7 abuses or waste of tools, equipment, fixtures, property, supplies or goods of the institution;
 - 5.8 creating or contributing to unhealthy or unsanitary conditions;
 - 5.9 violations of safety rules or accepted safety practices;
 - 5.10 failures to cooperate with supervisor or co-worker, impairment of function of work unit or disruptive conduct;
 - 5.11 disorderly conduct, harassment of other employees (including sexual harassment) or use of abusive language on the premises;
 - 5.12 fighting, encouraging a fight or threatening, attempting or causing injury to another person on the premises;
 - 5.13 theft, dishonesty, or unauthorized use of institutional property including records and confidential information;
 - 5.14 creating a condition hazardous to another person on the premises;
 - 5.15 destroying or defacing institutional property or records or the property of a student or employee;
 - 5.16 refusal of an employee to follow instructions or to perform designated work that may be required of an employee or refusal to adhere to established rules and regulations;
 - 5.17 repeated tardiness or absence, absence without proper notification to the supervisor or without satisfactory reason or unavailability for work; and
- Sec. 6 Initial Investigation. All incidents that involve the potential for disciplinary action shall be investigated by the employee's supervisor or other designated administrative official. If the investigation results in evidence that establishes with reasonable certainty that the employee engaged in conduct, which warrants disciplinary action, the supervisor shall follow

the pre-disciplinary hearing procedures before seeking approval for the proposed disciplinary action.

Sec. 7 Pre-disciplinary Hearing. An employee shall be informed of the basis for any proposed disciplinary action resulting in demotion, suspension without pay or dismissal and shall have an opportunity to respond before a final decision is made to take disciplinary action. This informal pre-disciplinary hearing serves as an opportunity to avoid mistaken decisions to impose discipline and is not intended to definitively resolve the propriety of the disciplinary action being considered. However, before reaching a final decision to impose discipline, the supervisor shall:

- 7.1 inform the employee, either in person or in writing, of the reasons for the proposed disciplinary action, the facts upon which the supervisor relies, the names of any persons who have made statements about the disciplinary incident and the content of such statements;
- 7.2 give the employee access to any documentary material which the supervisor has relied upon; and
- 7.3 give the employee an opportunity to respond to the charges either orally or in writing within a reasonable time and to persuade the supervisor that the evidence supporting the charges is not true.

Sec. 8 Review of Decision. If the supervisor is not persuaded that the evidence is untrue, the supervisor will review the evidence and proposed disciplinary action with the Director of Human Resources or his or her delegate and will obtain the approval of the appropriate department head or administrative equivalent before proceeding to impose the disciplinary penalty.

Sec. 9 Notice of Disciplinary Action. Upon completing the pre-disciplinary hearing procedures and obtaining the approval of the appropriate department head or administrative equivalent, the supervisor shall inform the employee in writing of the following:

- 9.1 whether the disciplinary penalty is demotion, suspension without pay or dismissal;
- 9.2 the effective date of demotion, suspension or dismissal;

- 9.3 a specific period for a suspension without pay, not to exceed one (1) month;
- 9.4 the specific incident, conduct, course of conduct, *unsatisfactory work performance or other basis for the disciplinary penalty*;
- 9.5 any previous efforts to make the employee aware of the need to change or improve work performance or conduct; and
- 9.6 *reference to any relevant rule, regulation or policy.*

Sec. 10 Employee Rights. An employee who is demoted or suspended without pay continues to accrue vacation and sick leave, to be covered by group insurance and to be entitled to other employee benefit programs. If a demotion or suspension without pay is appealed and it is determined that there was not good cause for the demotion or suspension, the employee shall be entitled to payment for wages lost as a result of the demotion or suspension. If it is determined upon appeal that a dismissal was not for good cause, the employee shall be reinstated to the same or similar position and shall be entitled to payment of back wages less any unemployment benefits received by the employee after the date of dismissal. Employee benefits such as vacation and sick leave shall be credited back to the date of dismissal.

Sec. 11 Appeals. Disciplinary actions resulting in dismissal, suspension without pay, or demotion may be appealed by the affected employee pursuant to the process set out below. The time limits set forth in the appeal procedure must be adhered to by both the employee and the appropriate supervisory and administrative personnel unless extended for good cause by the Director of Human Resources. The failure of the employee to process the appeal in a timely manner to the next level shall constitute a withdrawal of the appeal. The failure of supervisory or administrative personnel to timely respond to an appeal shall constitute authorization for the employee to process the appeal to the next step.

- 11.1 Step One. The employee may present a written appeal to the [title of administrative official] within five (5) working days from the date of the disciplinary action. The appeal

shall contain a clear and concise statement of why the disciplinary action is inappropriate. Within ten (10) working days of the date of the appeal, a written decision shall be mailed to the employee.

- 11.2 Step Two. The decision of the step one official may be appealed to the [title of administrative official] within five (5) working days of the date of the step one decision. The appeal must be in writing and shall state why the decision of the step one official is incorrect. A written decision on the appeal shall be mailed to the employee within ten (10) working days of the date of the appeal. Institutions may exclude this step.
- 11.3 Step Three. If the employee is not satisfied with the result of step one or two, the employee may present a written request for a hearing before the vice president or administrative equivalent for the employee's department. The request for a hearing must state with particularity why the disciplinary action was inappropriate and/or why the decision of the step one or two official should be changed. The request must be made within five (5) working days following the date of the appealed decision. The vice president or administrative equivalent shall, in his or her discretion, either hear the appeal in person or appoint a delegate(s) to hear the appeal. The hearing shall be conducted pursuant to the procedure set out in Section 13 below.
- 11.4 Step Four. If the employee is not satisfied with the result of step two or three, a written appeal may be made to the president of the institution within five (5) working days of the date of the step two or three decision and must state why such decision is incorrect. The review by the president shall be based solely upon the step two or three record and shall not include any new issue or evidence. Within a reasonable period of time, not to exceed thirty (30) days following the date of the appeal, a written decision shall be mailed to the employee. The decision of the president is final.

- Sec. 12 Documentation. Copies of all documents pertaining to disciplinary actions shall be filed in the employee's personnel file.

Sect. 13 Hearing Procedures. The following procedures should be adhered to for a hearing conducted under Section 11.3 above.

- 13.1 Naming of Delegate. If the vice president or administrative equivalent elects to appoint a delegate(s) to hear the appeal, the name or names will be furnished to the employee as soon as practical after the selection is made. If more than one person is appointed, one of such persons shall be designated in the notice to the employee to serve as chair.
- 13.2 Challenges as to Fairness. An employee may challenge the fairness and impartiality of the vice president or administrative equivalent or an appointed delegate(s). The challenge must be in writing and must clearly state the factual basis for the challenge. A challenge of the vice president or administrative equivalent must be made within five (5) days of the date of the request for a hearing and a challenge of a delegate(s) must be made within five (5) days after the date of the notice appointing the delegate(s). It shall be up to the person challenged to determine whether he or she can serve with fairness and impartiality. If the challenged vice president or administrative equivalent determines that he or she cannot be fair and impartial in the consideration of the appeal, he or she shall appoint a delegate(s) to hear the appeal. If a challenged delegate(s) determines that he or she cannot be fair and impartial in the consideration of the appeal, the vice president or administrative equivalent shall appoint another delegate(s).
- 13.3 Time Requirement. The hearing shall be conducted as soon as practical, but not later than twenty (20) working days following the date of the appeal or the appointment of delegate(s).
- 13.4 Access to Records. The employee may request institutional documents, records, or exhibits. Such request must accompany the written appeal requested in Section 11.3 above. The requested records will be furnished if, in the opinion of the vice president or administrative equivalent or the designated chair, they are relevant to the appeal and are not made confidential by law.

- 13.5 **Witness.** At least five (5) days prior to the time set for the hearing, the institutional representative for the appeal and the employee shall furnish each other with the names of the witnesses to be called, a summary of their expected testimony and a copy of each document, record or exhibit to be introduced at the hearing.
- 13.6 **Chair.** The vice president or administrative equivalent or the delegate designated as chair shall preside at the hearing and ensure the order of presentation as well as decide on questions of relevancy. The chair shall also have the discretion to determine the form and scope of cross-examination allowed during the hearing. Upon request, the chair may consult with and be advised by counsel during the hearing.
- 13.7 **Right to Representation.** The employee has the right to be represented at the hearing by an attorney or other individual representative. If the employee is represented by an attorney or an individual from an employee organization that does not claim the right to strike, the institution may be represented by an attorney from the Office of General Counsel of The University of Texas System Administration.
- 13.8 **Recordings and Transcripts.** In all appeal hearings where the employee is represented by an attorney or an individual from an employee organization, a court reporter shall be furnished by the institution to transcribe the hearing and swear in witnesses. The party requesting a copy of the transcript of the proceedings shall be responsible for its cost. In all other appeal hearings the institution shall tape the hearing and make a copy of the tape available to the employee on request. The transcript of the court reporter or the tape of the proceedings shall be the official record of the hearing.
- 13.9 **Burden of Proof.** The institution has the burden of proving by a preponderance of credible evidence that good cause exists for the disciplinary action and, therefore, shall have the right to open and close the proceedings.
- 13.10 **Evidence.** The hearing shall consist of opening statements on behalf of the institution and the employee

and testimony by witnesses called by the institution and the employee, with both parties having the right to cross-examine witnesses and make closing statements. Relevant exhibits may be introduced by either party and the chair shall take notice of the employee's personnel record.

- 13.11 **Witnesses.** Any employee can be asked to appear as a witness for either party. It shall be the duty of an employee requested to testify to do so as to any facts which may be relevant to the appeal.
- 13.12 **Notification to Vice President.** The delegate(s) shall deliberate, prepare, and forward written findings and recommendations to the vice president or administrative equivalent within ten (10) working days after the close of the hearing.
- 13.13 **Employee Notification.** The vice president or administrative equivalent shall mail his or her decision to the employee within ten (10) working days following the receipt of the findings and recommendations from the delegate(s).
- 13.14 **Employee Notification.** If the vice president or administrative equivalent has heard the appeal, he or she shall mail a written decision to the employee within ten (10) working days after the close of the hearing.

3. Definitions

Financial Exigency – a state where financial demands call for urgent action for budget cuts.

Work Performance – includes all aspects of an employee's work.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 30602 – Employee Grievance

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Employee Grievance

2. Rule and Regulation

Sec. 1 Policy. It is the policy of The University of Texas System or any of its institutions to encourage fair, efficient, and equitable solutions for problems arising out of the employment relationship and to meet the requirements of State and federal law.

Sec. 2 Scope of Policy. This policy shall be applicable to complaints concerning wages, hours of work, working conditions, performance evaluations, merit raises, job assignments, reprimands, the interpretation or application of a rule, regulation or policy, unlawful discrimination on any basis, or allegations that the termination of a probationary or temporary employee or an hourly or per diem employee who works on an as needed basis was for an unlawfully discriminatory reason. Such complaints shall be processed through the Discipline and Dismissal Appeal Procedure.

Sec. 3 Who is Covered. The complaint of all employees (except employees subject to another approved grievance procedure), including probationary and temporary employees and those hourly or per diem employees who work on an as needed basis, will be considered pursuant to the procedure provided below.

Sec. 4 Retaliation Prohibited. *Texas Government Code Section 554.002* states that "a state or local governmental entity may not suspend or terminate the employment of, or take other adverse personnel action against, a public employee who in good faith reports a violation of law by the employing governmental entity or another public employee to an appropriate law enforcement authority." Therefore, employees shall not be penalized, disciplined, or prejudiced for exercising the right to make a complaint or for aiding another employee in the presentation of that complaint.

Sec. 5 Presentation to Supervisor. The employee shall informally present the complaint to his or her supervisor for discussion, consideration, and resolution within five (5) working days from the date of the action, which is subject of the complaint. If the supervisor is the subject of the complaint, the employee may

address the complaint to the appropriate department head or administrative equivalent.

- Sec. 6 **Presentation to Department Head.** If the supervisor does not satisfactorily resolve the complaint within five (5) working days, the employee may present the complaint in writing within five (5) working days to the appropriate department head or administrative equivalent for consideration and action. The written complaint should be clearly identified as a grievance, contain a concise statement that explains the specific complaint, and contain the employee's recommendation for attaining a sufficient remedy of the complaint. A written decision shall be mailed to the employee within five (5) working days of receipt of the complaint.
- Sec. 7 **Presentation to Dean.** If the employee is not satisfied with the decision of the department head or administrative equivalent, a written appeal stating why the appealed decision is incorrect may be made to the appropriate dean, director or administrative equivalent within five (5) working days of the date of the appealed decision. A written decision shall be mailed to the employee within ten (10) working days of the date of the appeal.
- Sec. 8 **Presentation to Appropriate Vice President.** Complaints not satisfactorily resolved by the dean, director or administrative equivalent may be appealed in writing to the appropriate vice president or administrative equivalent for the employee's department within five (5) working days of the date of the appealed decision. The appeal shall state why the appealed decision is not correct. Within a reasonable time, not to exceed thirty (30) calendar days following receipt of the appeal, a written decision shall be mailed to the employee. This decision is final.
- Sec. 9 **Employee's File.** The written complaint and all decisions or responses regarding such complaint shall be a part of the employee's personnel file.

3. Definitions

Grievance – a statement of complaint arising from the employment relationship together with a recommendation for resolution of the complaint that is identified as a grievance.

4. Relevant Federal and State Statutes

Texas Government Code Section 617.005 – Collective Bargaining and Strikes

Texas Government Code Chapter 554 – Protection for Reporting Violations of Law

5. Relevant System Policies, Procedures, and Forms

U.T. System Policy – ADA Grievance

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Human Resources
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contract Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Faculty Appointments and Titles

2. Rule and Regulation

Sec. 1 Introduction. *Texas Education Code Section 51.943* outlines the steps institutions of The University of Texas System must follow in reappointing faculty. That statute specifies that faculty members who are to be reappointed shall be offered a written contract at least 30 days prior to the beginning of the academic year. The statute also outlines the steps an institution of the System must take if it is unable to provide a written contract within the specified time frame. It is important that the content of such contracts appropriately reflect the rights of the institution and the faculty. The terms and conditions of employment of all faculty members shall be embodied in a Memorandum of Appointment in the format and with the content specified in the standard contracts found on the web site of the U. T. System Administration's Office of General Counsel.

Sec. 2 Academic Titles. In order to achieve consistency in the use of academic titles among the institutions of the System the following subsections describe the use of titles to apply in all institutions.

2.1 Tenure Track Titles. Except for the title Regental Professor and, the additional technical titles of Master Technical Instructor, Associate Master Technical Instructor, and Assistant Master Technical Instructor as authorized in the U. T. Brownsville *Handbook of Operating Procedures* the only titles to be used henceforth in which faculty members may hold tenure are as follows:

(a) Professor

(b) Associate Professor

(c) Assistant Professor

2.2 Non-tenure Track Titles. The following academic titles may also be used by the institutions of the U. T. System. Tenure may not be awarded to a person appointed to these titles. With the exception of the titles of Instructor

and Technical Instructor academic service with these titles may not be counted toward the satisfaction of any maximum probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year except in the case of Lecturer, Senior Lecturer, a clinical or research position with a title authorized by Section 2.2(c) and (d) below when an appointment may be for periods of time not to exceed three academic years. With the exception of the titles of Instructor and Technical Instructor, such appointments shall terminate at the expiration of the stated period of appointment without notification of non-renewal. If an institution determines that it is to the benefit of the institution, it may offer reappointments to these titles in accordance with *Texas Education Code Section 51.943*

- (a) Instructor. This title denotes a probationary appointment.
- (b) Technical Instructor. This title denotes a probationary appointment and is only used at U. T. Brownsville.
- (c) Lecturer. This title may be used for individuals who will serve as Teachers and whose experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions. Upon approval by the president, an institution may identify up to three divisions within this rank to be designated Lecturer I, Lecturer II, and Lecturer III.
- (d) Senior Lecturer. This title may be used for Teachers who will augment and complement regular teaching faculty and whose experience and qualifications are comparable to those in tenure positions.
- (e) Assistant Instructor or Teaching Associate. These titles may be used interchangeably for:
 - (1) certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or
 - (2) persons who, because of the nature of their duties, such as in a laboratory or hospital, do not qualify

for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenured positions.

- (f) Teaching Assistant. This title usually applies to graduate students who assist faculty and who are employed on a part-time basis.
- (g) Faculty Associate. This title may be applied to a person assigned to a research or non-teaching center, institute, or other unit or interdisciplinary program of an institution.
- (h) Specialist. This title may be used for professional individuals who will serve as practitioners in specific areas of instruction, training, or supervision. In accordance with institutional policy, the title may carry appropriate descriptive prefixes so as to indicate the specific areas of proficiency, such as Practice Teaching Specialist, Physical Activity Specialist, or Social Work Field Training Specialist.
- (i) Patient Care or Research. Persons appointed to full-time positions for the primary purpose of patient care and other service activities or to full-time or part-time positions for the primary purpose of research activities shall be given one of the following titles, even though the individuals may be assigned teaching responsibilities:
 - (1) Professor of (title of specialty)

 - (2) Associate Professor of (title of specialty)

 - (3) Assistant Professor of (title of specialty)

 - (4) Instructor in (title of specialty)

2.3 Non-tenure Track Positions. Prefixes to academic and staff positions in which tenure cannot be acquired:

- (a) Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor. These titles are used only for temporary appointments of persons either visiting from other institutions where they hold similar ranks or who are brought to the institution on a trial basis. Such appointments are limited to two years.
- (b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor. One of these titles may be used when a qualified person from business, industry, government, private practice, or another institution of higher education may be teaching a course or participating in the teaching of a course at one of the institutions. For the health institutions, this prefix should be used only for those persons not involved in patient care who otherwise satisfy the above criteria. Appointments to the faculty with an adjunct title may be with or without pay and shall be for a stated period of time not to exceed one academic year. Such appointments shall terminate upon expiration of the stated period of appointment without notification of non-renewal. If an institution determines that it is to the benefit of the institution, it may offer reappointment to an adjunct faculty member in accordance with the *Texas Education Code* Section 51.943.
- (c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor, and Clinical Instructor. These titles may be used by the institutions of the U. T. System to designate regular part-time or full-time service on the faculty while involved in a professional clinical experience program. Appointments to the faculty with a clinical title may be with or without pay and shall be for a period of time not to exceed three academic years. Such appointments shall terminate upon expiration of the stated period of appointment without notification of non-renewal. If an institution determines that it is to the benefit of the institution, it may offer reappointment to a clinical faculty member in accordance with the *Texas Education Code*, Section 51.943.

(d) Adjoint Professor, Adjoint Associate Professor, and Adjoint Assistant Professor. These titles may be used by the institutions of the U. T. System to designate faculty who serve the institution in cooperative or joint programs pursuant to a memorandum of understanding, cooperative research and development agreement, or similar partnership instrument. Persons holding these titles will be employees of and compensated by the partnership organization. They will not be deemed employees of the institution. They will, however, have the same obligations, responsibilities, and authority as regular faculty employed directly by the institution when performing faculty functions pursuant to the agreement. Appointments will usually be part-time for the purpose of supervising theses and dissertations or for the teaching of highly specialized courses. The term of the appointment shall be specified in the agreement with the partner organization.

2.4 Honoric Titles

(a) Regental Professor. Any faculty member who is awarded the Nobel Prize or who has in the past been awarded the Nobel Prize may, upon recommendation of the president of the institution, the appropriate Executive Vice Chancellor, and the Chancellor, be given the title Regental Professor. Because of the great honor associated with the award of a Nobel Prize, institutional tenure is awarded to Regental Professors by virtue of the appointment to this rank.

(b) Distinguished Teaching Professor. Members of the U. T. Austin Academy of Distinguished Teachers or a similar approved academy may use the honorific title Distinguished Teaching Professor to recognize faculty members who have made significant contributions to education.

Sec. 3 Departure from an Administrative Position. Administrative and academic (faculty) titles, duties, and pay rates for individuals who hold both administrative and academic appointments are distinct and severable. Departure or removal from an administrative position does not impair the individual's rights and responsibilities as a faculty member.

3. Definitions

Faculty Member – a faculty member is any individual holding an academic title listed above, with the exception of Assistant Instructors or Teaching Assistants.

4. Relevant Federal and State Statutes

Texas Education Code Section 51.943 – Renewal of Faculty Employment Contracts

5. Relevant System Policies, Procedures, and Forms

U. T. System, Office of General Counsel, Standard Contracts – Memorandum of Appointment

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Notice of Non-Renewal to Non-Tenured Faculty Members

2. Rule and Regulation

Sec. 1 Notice of Non-tenured Faculty. In the event of decision not to reappoint a non-tenured faculty member in an academic rank specified in Series 31007, Number 2, Section 3 of the Regents' *Rules and Regulations* written notice will be given them not later than March 1 of the first academic year of probationary service if the appointment expires at the end of that academic year, or not later than December 15 of the second academic year of probationary service if the appointment expires at the end of that academic year. After two or more academic years, written notice shall be given not later than 30 days prior to the end of the then current academic year that the subsequent year will be the terminal academic year of appointment and a Memorandum of Appointment shall be provided to such faculty member in accordance with *Texas Education Code Section 51.943*. The notice required by this Subsection is not applicable where termination of employment is for good cause under Series 31008, Number 2, Section 1 of the Regents' *Rules and Regulations*.

Sec. 2 Notice of Faculty on Term Tenure. A faculty member serving a seven-year term appointment shall be given notice not later than 30 days prior to the end of the sixth academic year of such appointment period that the subsequent academic year will be the terminal year of employment or that, subject to the approval of the Board of Regents, at the conclusion of the subsequent academic year he or she will be reappointed to a seven-year term appointment. A Memorandum of Appointment shall be provided to such faculty member in accordance with *Texas Education Code Section 51.943*.

Sec. 3 Notice Required. Reappointment of non-tenured members of the faculty to a succeeding academic year, reappointment of members of the faculty who are serving a seven-year term appointment to a succeeding seven-year term appointment, or the award of tenure or a seven-year term appointment, may be accomplished only by notice by the president of an institution or his or her delegate with the approval of the Board of Regents. Notwithstanding any provisions of Series 31007, Number 2, Section 5 of the Regents' *Rules and Regulations*, or Sections 1

and 2 of this Series to the contrary, no person shall be deemed to have been reappointed or to have been awarded tenure or a seven-year appointment because notice is not given or received by the time prescribed in Series 31007, Number 2, Section 5 of the *Regents' Rules and Regulations*, or Sections 1 and 2 of this Series or in the manner prescribed in Section 1 of Series x of the *Regents' Rules and Regulations*. Should it occur that no notice is received by the time prescribed in Series 31007, Number 2, Section 5 of the *Regents' Rules and Regulations*, or Sections 1 and 2 of this Series, it is the duty of the faculty member concerned to make inquiry to determine the decision of the president of an institution, who shall without delay give the required notice to the faculty member.

Sec. 4 Current Mailing Address. Each faculty member shall keep the president of the institution or his or her delegate notified of his or her current mailing address. The written notice required by this Series and Series 31007, Number 2, Section 5 concerning tenure shall be sent by certified mail, return receipt requested, to the last address given by the faculty member.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.943 – Renewal of Faculty Employment Contracts.

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, Series 31001 – Faculty Appointments and Titles

Regents' Rules and Regulations, Series 31007 – Tenure

Regents' Rules and Regulations, Series 31008 – Termination of a Faculty Member

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of General Counsel
Office of Human Resources

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Abandonment of Academic Positions or Programs

2. **Rule and Regulation**

Sec. 1 **President's Responsibility.** The president of an institution of The University of Texas System has the responsibility for determining when to eliminate occupied academic positions, the titles of which are given in the Regents' *Rules and Regulations* Series 31001, or abandon academic programs or both, subject to approval by the appropriate Executive Vice Chancellor. The decision of the president and the implementation of that decision shall be subject to the following minimum procedural requirements.

Sec. 2 **Elimination for Academic Reasons.** An academic program under consideration for abandonment or an academic position that is under consideration for elimination for bona fide academic reasons should be reviewed in depth through a procedure determined by the president.

2.1 **Notification.** Tenured faculty in a program that is under consideration for abandonment or in an academic position that is under consideration for elimination will be notified and afforded an opportunity to contribute to the review process and have those contributions fairly considered.

2.2 **Supporting Rationale.** Upon completion of the review process, a recommendation with supporting rationale should be submitted to the chief academic officer for review and recommendation to the president.

2.3 **Review by Executive Vice Chancellor.** If the president determines that an academic program should be abandoned, a request for approval with supporting documentation should be forwarded to the appropriate Executive Vice Chancellor.

2.4 **Appeal Procedures.** The president of an institution shall appoint a hearing committee to consider any appeals for reconsideration of termination decisions. Within 30 days from the date of notice of termination, a person shall have the right to appeal to the hearing committee for

reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the president of the institution. A person to be terminated who appeals to the hearing committee shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given any written data or information relied upon in arriving at such decision. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures:

- (a) The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within 30 days of the date of the written request unless the person to be terminated waives such time requirement; however, such hearing shall be held within 90 days from the date of the request.
- (b) The hearing will be closed to the public unless requested to be open by the appealing person.
- (c) The appealing person may be represented by legal counsel at their expense.
- (d) The appealing person and the institution may offer any written evidence or oral testimony that is material to the issues.
- (e) The burden shall be upon the appealing person to show by a preponderance of the credible evidence that the decision to terminate the appealing person as compared to another individual in the same discipline or teaching specialty was arbitrary and unreasonable.
- (f) No other issues shall be heard or considered by the hearing committee.

- 2.5 Establishment of Date. The date for abandoning or phasing out an academic program should take into consideration the time required for anticipated completion by students currently enrolled or to facilitate their placement in acceptable alternative programs.

- 2.6 Requests for Reassignment. The administration will notify tenured faculty in the program to be abandoned and ask each faculty member to inform the president or designee, in writing, of the faculty member's request for reassignment to other academic program(s) and to provide details of their qualifications to teach in such academic program(s).
- 2.7 Employment Alternatives. The president or designee will meet individually with tenured faculty who respond to discuss possible employment alternatives to termination.
- 2.8 Non-retention. If the decision is not to retain, the president or designee will send a written response stating reasons for non-retention.
- 2.9 Displacement. If retention of a tenured faculty member results in displacement of a tenured faculty member in another area, the displaced faculty member is entitled to the above procedures.
- 2.10 Benefit Information. Any faculty member whose employment is terminated pursuant to this Subsection shall be informed of applicable benefits available upon termination, such as retirement, accrued leave, and opportunity to continue insurance coverage.
- 2.11 Employment Assistance. U. T. System institutions shall provide appropriate assistance to affected faculty members concerning available alternative employment opportunities.
- Sec. 3 Elimination Due to Financial Exigency. When such reductions are necessary as a result of financial exigency, the procedure for the selection and notification of those academic positions that are to be terminated shall be governed by this Section, and neither the procedures specified in Series 31008 of the Regents' *Rules and Regulations* concerning termination of a faculty member, nor the notice requirements of Series 31007, Number 2, Section 5 concerning tenure, or Series 31002, Number 2, Sections 1 and 2, concerning notice of non-renewal to non-tenured faculty members, of the Regents' *Rules and Regulations* shall be applicable.

- 3.1 **Committee Recommendations.** Upon determining the existence of a financial exigency and the need to reduce academic positions or academic programs, or both, the president of an institution shall appoint a committee composed of faculty and administrative personnel to make recommendations to the president as to which academic positions and/or academic programs should be eliminated as a result of the financial exigency.
- 3.2 **Assessment of Academic Program.** The committee will review and assess the academic programs of the institution and identify those academic positions that may be eliminated with minimum effect upon the degree programs that should be continued. The review will include, but not be limited to, an examination of the course offerings, degree programs, supporting degree programs, teaching specialties, and semester credit hour production.
- 3.3 **Review Consideration.** Upon determining that one or more academic positions in a degree program or teaching specialty should be eliminated, the committee will recommend the particular position or positions to be terminated by reviewing the academic qualifications and talents of holders of all academic positions in those degree programs or teaching specialties, the needs of the program they serve, past academic performance, and the potential for future contributions to the development of the institution. Tenure status of a faculty member shall not be a consideration in the determination of whether a particular position should be eliminated except as permitted in Section 3.4 below.
- 3.4 **Tenure Preference.** If, in the opinion of the committee, two or more faculty members are equally qualified and capable of performing a particular teaching role, the faculty member or members having tenure shall be given preference over non-tenured faculty. However, if such faculty member has the same tenure status, consideration will be given to other documented needs of the institution.
- 3.5 **Recommendation.** Upon completion of its review, the committee shall promptly recommend to the president those persons who may be terminated, ranked in order of

priority, with the reasons for their selection. The president shall, with such consultation with institutional administrative officers as they may deem appropriate, determine which academic positions are to be terminated because of the financial exigency and shall give the holders of these positions written notice of the decision.

- 3.6 Notification of Vacancies. Any person terminated due to financial exigency will be notified when a vacancy occurs in the same component institution in their field of teaching within the next two academic years following the termination. If such person makes timely application and is qualified for the position to be filled, they shall be offered employment in that position. If the vacancy is in a field of teaching in which two or more persons have been terminated because of financial exigency, all will be notified of the vacancy and of those so notified and making timely application, employment will be offered to the person who is the better qualified for the position to be filled.
- 3.7 Hearing Committee. The president shall appoint a hearing committee to hear any appeals for reconsideration of termination decisions based upon financial exigency. Within 30 days from the date of the notice of termination, a person shall have the right to appeal to the hearing committee for reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the president. A person to be terminated who appeals to the hearing committee shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given any written data or information relied upon in arriving at such decision.
- 3.8 Appeal Procedures. The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within 30 days of the date of the written request unless the person to be terminated waives such time requirement; however, such hearing shall be held within 90 days from the date of the request. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures.

- (a) The hearing will be closed to the public unless requested to be open by the appealing person.
- (b) The appealing person may be represented by legal counsel at their expense.
- (c) The appealing person and the institution may offer any written evidence or oral testimony that is material to the issues.
- (d) The burden shall be upon the appealing person to show by a preponderance of the credible evidence that:
 - (1) Financial exigency was not in fact the reason for the initial decision to reduce academic positions; or
 - (2) The decision to terminate the appealing person as compared to another individual in the same discipline or teaching specialty was arbitrary and unreasonable.
- (e) No other issues shall be heard or considered by the hearing committee.
- (f) The hearing committee shall make written findings of fact and recommendations to the president of a component institution as soon as practical following the hearing. The president shall have the final decision to either accept or reject the recommendation of the hearing committee.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Rights and Responsibilities of Faculty Members

2. Rule and Regulation

- Sec. 1 Freedom in Research. Faculty members are entitled to full freedom in research and in the publication of the results.
- Sec. 2 Freedom in the Classroom. Faculty members are entitled to freedom in the classroom in discussing his or her subject, but are expected not to introduce into their teaching controversial matter that has no relation to his or her subject.
- Sec. 3 Clarification of Role. Faculty members are citizens, members of learned professions, and officers of an educational institution supported by the State of Texas. When the faculty member speaks or writes as a citizen, he or she should be free from institutional censorship or discipline, but should make it plain that the faculty member is not an institutional spokesperson.
- Sec. 4 Primary Duties. The primary duties of a member of the faculty are to:
- 4.1 Teaching. Teach in the classroom, laboratory, seminar, or clinical setting.
 - 4.2 Research. Study, investigate, discover, create, and develop professionally.
 - 4.3 Administration. Perform curricular tasks auxiliary to teaching and research, e.g., serving on faculty committees, attending to administrative and disciplinary tasks, fostering intellectual curiosity and integrity in the student body.
 - 4.4 Contribution to Society. Use their professional expertise to benefit society.
- Sec. 5 Compensation Restriction. Full-time faculty or staff of the rank of instructor or above on 12-month appointments may receive additional compensation for correspondence course and/or extension center teaching, but may not receive additional compensation for summer school teaching. Full-time faculty on nine-month appointments may receive additional compensation

for correspondence course and/or extension center teaching during the nine-month period and also may be paid for summer school teaching.

- Sec. 6 Textbook and Course Materials. The policy of the Board of Regents concerning textbooks and other materials prescribed for the use of students is as follows:
- 6.1 Choice of Materials. Individual faculty members or the department should have discretion in the choice of materials to be used in the courses offered by the department.
- Sec. 7 Materials Authored by Faculty. Although the authorship of books, outlines, manuals, and similar materials by members of the faculty and staff should be encouraged, the prescribed use of these for students is a responsibility that goes beyond that of the individual author. Whenever an approved fee includes a charge for such materials distributed through the classroom, the prices should be as low as possible, consistent with the payment of any required royalty to the author or authors.
- 7.1 Required Approval. Textbooks, notebooks, manuals, or other materials for the use of students of an institution, written or prepared by a member of the faculty of that institution, shall not be prescribed for the use of students in that institution or sold to such students until approved by the dean, chief academic officer, and president of an institution, pursuant to policies included in the institutional *Handbook of Operating Procedures*. At a minimum, these policies should provide for consultation with departmental faculty.
- Sec. 8 Nonsectarian. In accordance with *Texas Education Code Section 65.38*, no course of instruction of a sectarian character shall be taught in the System.
- Sec. 9 Fees. Faculty members without previous and special approval of the Board of Regents, shall not collect from students any fees or charges to be expended for institutional purposes, and shall not sell to students books, notes, or similar student supplies.
- 9.1 Prohibited Fees. A member of the faculty may not accept pay for extra instruction or teaching of students registered in the institution where he or she is employed.

- 9.2 Allowed Fees. With written approval, teaching assistants and other like instructional employees below the rank of an instructor may accept pay from students for extra-class instruction or coaching but only in courses or sections of courses with which they have no instructional connection. The *Handbook of Operating Procedures* of the institution shall specify the procedure for approval at the institutional level.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 65.38 - Nonsectarian

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Faculty or Staff Absence

2. Rule and Regulation

Sec. 1 **Statutory Requirement.** In accordance with *Texas Education Code Section 51.108*, the Board of Regents is required to issue regulations concerning the authorized and unauthorized absence from duty of faculty members, including teaching assistants and research assistants.

Sec. 2 **Required Authorization.** Authorization for any member of a faculty or staff to be absent from his or her usual and regular duties will be granted only, with permission from the Chancellor or president of the institution or their designee, under the following conditions:

2.1 When such absence is on State business, and

2.2 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution; or

2.3 In the case of military leave, not to exceed 15 working days each year.

Sec. 3 **Institutional Regulations.** Permission to be absent from usual and regular duties shall be obtained as prescribed in institutional regulations.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.108 – Regulations Concerning Absence.

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Academic Workload Requirements

2. **Rule and Regulation**

Sec. 1 **Statutory Requirement.** State law requires the Board of Regents to adopt rules concerning faculty academic workloads. *Texas Education Code Section 51.402* recognizes that important elements of workload include classroom teaching, basic and applied research, and professional development. Workload for the faculty members of the institutions of The University of Texas System is expressed in terms of classroom teaching, teaching equivalencies, and presidential credits for assigned activities

Sec. 2 **Minimum Workload.** Each person paid full time from the appropriations item "Faculty Salaries" shall be assigned a minimum workload equivalent to 18 semester credit hours of instruction in organized undergraduate classes each nine-month academic year, or fiscal year at an institution's option, in accordance with guidelines listed below.

Sec. 3 **Source of Funding.** When a faculty member is paid partially from a source of funds other than the "Faculty Salaries" line item, the minimum workload shall be proportioned to the percentage of salary paid from the appropriations item "Faculty Salaries."

Sec. 4 **Supervision of Teaching Assistants.** Teaching assistants shall be used only when given proper guidance and supervision to ensure quality instruction. The minimum faculty workload established below does not apply to graduate teaching assistants or assistant instructors who are pursuing degrees. The institutional head is responsible for assuring that all teaching assistants are carefully supervised.

Sec. 5 **Institutional Requirements.** This policy sets the minimum workload and equivalencies only; an institution may enact more intensive and/or more detailed minimum requirements for inclusion in the institutional *Handbook of Operating Procedures*, following appropriate approvals. For example, an institution may set individual minimum requirements, consistent with these minimum guidelines, for a specific school or college.

- Sec. 6 Equivalencies. The following equivalencies are available to meet workload requirements:
- 6.1 Graduate Instructions. One semester credit hour of graduate instruction will be considered the equivalent of one and one-half semester credit hours of undergraduate instruction.
 - 6.2 Labs. One and one-half contact hours of instruction of regularly scheduled laboratory and clinical courses, physical activity courses, studio art, studio music instruction, and primary music performance organizations, such as ensembles and marching bands, for each week of a long-term semester will be considered the equivalent of one semester credit hour of undergraduate instruction.
 - 6.3 Supervision. Supervision of student teachers, clinical supervision, and intern supervision shall be credited such that 12 total student semester credit hours taught will be considered the equivalent of one semester credit hour.
 - 6.4 Honors Program or Individual Research Projects. Supervision of student practicum and individual instruction courses, such as honors programs and individual research projects, shall provide equivalency at the rate of one-tenth semester credit hour for each student semester hour of undergraduate instruction and one-fifth semester hour for each student semester hour of graduate instruction per long-term semester. In no case will individual instruction in a single course generate more semester credit hour equivalence than if the course were taught as a regularly scheduled, organized course.
 - 6.5 Thesis or Dissertation Supervision. Graduate thesis or dissertation supervision shall provide equivalent credit hours only to the chairperson of the thesis or dissertation committee at the rate of one semester credit hour for each six total student semester hours of thesis research credit and at the rate of one semester credit hour for each three total student semester hours of dissertation credit.
 - 6.6 Coordination of Courses. A faculty member who coordinates several sections of a single course shall be

given one semester hour of workload credit for each six sections coordinated up to a maximum of three semester hours of credit per semester.

- 6.7 Large Classes. Workload credit may be proportionally increased for teaching a large class that requires extensive grading or evaluation of students' work by the faculty member according to the following weighing factors:

<u>Weighing Class Size</u>	<u>Factor</u>
59 or less	1.0
60 - 69	1.1
70 - 79	1.2
80 - 89	1.3
90 - 99	1.4
100 - 124	1.5
125 - 149	1.6
150 - 174	1.7
175 - 199	1.8
200 - 249	1.9
250 or more	2.0

- 6.8 Proportional Credit. When more than one teacher participates in the instruction of a single course, the credit is proportioned according to the effort expended.
- 6.9 Insufficient Enrollment. A reduced workload may be granted temporarily if assigned classes do not materialize because of insufficient enrollment and when additional classes or other academic duties cannot be assigned to the faculty member. This exception may be granted for two consecutive long-term semesters only for any particular faculty member.
- 6.10 Administrative Services. Workload credit may be granted for a faculty member who is head of a department or head of a comparable administrative unit up to a maximum of six semester hours of workload credit per semester. When justified by the department/unit head and approved by the institutional head, three hours of credit may be given to faculty members who provide non-teaching academic services to the department/unit head. In no case will the total for departmental administration,

including the head, exceed nine workload credits per semester unless the institution's organizational structure includes academic units composed of more than one academic discipline.

- 6.11 **New Faculty Members.** At the recommendation of the head of the department or comparable unit and upon approval of the institutional head, up to three semester hours of workload credit for each of two semesters may be given to a newly-appointed faculty member during the first year of employment for the purpose of developing instructional materials for the courses he or she will teach.
- 6.12 **Course Development.** At the recommendation of the departmental chair and upon approval of the institutional head, workload credit may be granted to a faculty member involved in the creation of a new course, new course format, or new course materials.
- 6.13 **Credit Granted by Institution Head.** Academic workload credit granted by the head of the institution for all other purposes is limited to 1% of the total semester credit hours taught at the institution during the comparable (fall or spring) semester in the previous year. With the approval of the institutional head, limited faculty workload credit (within the 1% limit above) may be granted for major academic advising responsibilities, for basic and applied research following a research work plan approved pursuant to institutional policy, for preparing major documents in the fulfillment of programmatic needs or accreditation requirements, or for duties performed in the best interest of the institution's instructional programs as determined by the head of the institution.
- 6.14 **Clock-hour Basis.** Instructional workload equivalents for faculty members holding technical rank may be determined on a clock-hour basis where full-time employment is equivalent to not less than 30 hours of instructionally related activities each week for contact hour courses taught on a quarterly basis.
- Sec. 7** **Monitoring of Workloads.** The president of an institution shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to

the institutional head for approval and comment, as appropriate, prior to submitting the reports to the Board of Regents through the System Administration following the standard reporting format and deadlines as provided by the Texas Higher Education Coordinating Board in accordance with *Texas Education Code Section 51.402* and any applicable riders in the current *General Appropriations Act*.

Sec. 8 Compliance Assessment. Every faculty member's compliance with these minimum academic workload requirements shall be assessed each academic year. If a faculty member is found to be out of compliance, the institution shall take appropriate steps to address the noncompliance and to prevent such noncompliance in the future.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.402 – Report of Institutional and Academic Duties

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Tenure

2. Rule and Regulation

Sec. 1 Granting of Tenure. Tenure denotes a status of continuing appointment as a member of the faculty at an institution of The University of Texas System. Academic titles in which faculty members can hold tenure are listed in Series 31001, Number 2, Section 2.1 of the Regents' *Rules and Regulations*. Tenure may be granted at the time of appointment to any of such academic ranks, or tenure may be withheld pending satisfactory completion of a probationary period of faculty service. Such tenure status shall not be applicable to the faculty of The University of Texas M. D. Anderson Cancer Center.

Sec. 2 Seven-Year Term Appointment. The University of Texas M. D. Anderson Cancer Center is authorized to award a seven-year term appointment that will denote a status of continuing appointment at that institution as a member of the faculty for a period of seven years. Only members of the faculty with academic titles of Professor, Associate Professor, or Assistant Professor may be granted a seven-year term appointment. A seven-year term appointment may be granted at the time of appointment to any of such academic rank or may be withheld pending satisfactory completion of a probationary period of faculty service. No component institution may adopt or implement a seven-year term appointment policy except The University of Texas M. D. Anderson Cancer Center.

Sec. 3 Full-time Service Requirement. Only full-time service in the academic ranks of Professor, Associate Professor, Assistant Professor, and Instructor, or any combination thereof, or in the academic ranks of Master Technical Instructor, Associate Master Technical Instructor, Assistant Master Technical or Technical Instructor, or any combination thereof, shall be counted toward fulfillment of a required probationary period related to the award of tenure or a seven-year term appointment. Periods during which a faculty member is on leave of absence shall not be counted toward fulfillment of a required probationary period.

Sec. 4 Prior Service. Prior service at other academic institutions, whether inside or outside the U. T. System, shall not be counted

toward fulfillment of the required probationary period unless specifically permitted under the provisions of an institution's *Handbook of Operating Procedures*.

Sec. 5 Probationary Service. The maximum period of probationary faculty service in non-tenured status with any academic title or combination of academic titles specified in Section 3 of this Series shall not be more than seven years of full-time academic service at the general academic institutions of the U. T. System and not more than nine years of full-time academic service at the health-related institutions of the U. T. System. In the event that an institution fails to specify the maximum length of probationary service in its *Handbook of Operating Procedures*, such period shall be seven years at the general academic institutions of the U. T. System and nine years at the health-related institutions of the U. T. System. No later than 30 days prior to the beginning of the next to the last academic year of the maximum probationary period in effect at any institution, all non-tenured faculty appointed to a title that accrues time toward satisfaction of a probationary period shall be given notice that the subsequent academic year will be the terminal year of employment or that, subject to the approval of the Board of Regents, beginning with the subsequent academic year tenure or a seven-year term appointment will be granted according to local institutional policy. A Memorandum of Appointment shall be provided to such faculty member in accordance with Series 31001, Number 2, Section 1 of the Regents' *Rules and Regulations* concerning faculty appointments and titles. In the event that the employment of a non-tenured faculty member in any academic rank specified in Series 31001, Number 2, Section 2.2 is to be terminated prior to the end of the maximum probationary period, notice shall be given in accordance with Series 31002, Number 2, Section 1 of the Regents' *Rules and Regulations* concerning the notice of non-renewal to non-tenured faculty members..

5.1 Calculation of Service. For purposes of calculating the period of probationary service, an "academic year" shall be the period from September 1 through the following August 31.

(a) If a faculty member is initially appointed during an academic year, the period of service from the date of appointment until the following September 1 shall not be counted as academic service toward fulfillment of

the maximum probationary period. One year of probationary service is accrued by at least nine months full-time academic service during any academic year. A faculty member shall be considered to be on full-time academic service when in full compliance with Regental standards pertaining to minimum faculty workloads or when in compliance with the academic service standard of any health-related institution. All institutional requirements shall be contained in the *Handbook of Operating Procedures*.

- (b) Each institution with tenured faculty will establish and appropriately communicate a policy for the extension of the maximum probationary period and include the policy in the institutional *Handbook of Operating Procedures* following the standard review and approval process. In the case of the University of Texas M. D. Anderson Cancer Center, the institution may establish a policy that allows the extension of a term-tenure appointment consistent with these guidelines and the term-tenure policy. Institutional policies are to be consistent with the following guidelines:
- (1) A faculty member who determines that certain personal circumstances may impede his or her progress toward achieving demonstration of eligibility for recommendation of award of tenure may make a written request for extension specifying the reason(s) for the requested extension. Personal circumstances that may justify the extension include, but are not restricted to, disability or illness of the faculty member; status of the faculty member as a principal caregiver of a preschool child; or status of the faculty member as a principal caregiver of a disabled, elderly, or ill member of the family of the faculty member. It is the responsibility of the faculty member to provide appropriate documentation to adequately demonstrate why the request should be granted.
 - (2) The request for extension shall be limited to one academic year. A request for an additional

academic year's extension will follow the established request process, with the maximum duration of extension, whether consecutive or nonconsecutive, to be two academic years.

(3) Normally, requests for extension must be made in advance of the academic year or semester for which the extension is desired and may be made no later than three months prior to the deadline for initiation of the mandatory review process to determine recommended award of tenure or notice as provided under Series 31002, Number 2, Section 1 of the Regents' *Rules and Regulations*, concerning notice of non-renewal, that the next year will be the faculty member's terminal year of appointment.

(4) The decision regarding the request shall be made by the chief academic officer of the institution, upon recommendation of the department chair and the dean, within a reasonable period of time and in a manner specified by institutional policy.

Sec. 6 Board Approval. All faculty appointments are subject to the approval of the Board of Regents. No non-tenured member of the faculty shall expect continued employment beyond the period of his or her current appointment as approved by the Board. Any commitment to employ a non-tenured member of the faculty beyond the period of his or her current appointment shall have no force and effect until approved by the Board.

Sec. 7 Prohibition. A person appointed to a faculty position with the title of Instructor, Assistant Professor, Associate Professor, or Professor or with the title of Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor at a component institution of the System may not, during the term of such appointment, hold a tenured position on the faculty of another educational institution outside the U. T. System or any of its institutions unless the institutional *Handbook of Operating Procedures* specifically authorizes the holding of such position as a part of the initial appointment.

7.1 Resignation of Outside Tenure. Unless an exception is approved as authorized above, appointments within the

U. T. System to the above-specified titles shall be conditioned upon the appointee having resigned any tenured position that the appointee may then hold on the faculty of an educational institution outside the U. T. System or any of its institutions. Such resignation must be completed and effective prior to the effective date of the appointment at the U. T. System institution; otherwise, such appointment shall be void and of no effect.

- 7.2 **Acceptance Considered Resignation.** The acceptance of an appointment to a tenured position on the faculty of an educational institution outside the U. T. System or any of its institutions shall be considered as a resignation of any faculty position with the title of Instructor, Assistant Professor, Associate Professor, Professor Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor that such appointee may hold at a System component institution.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 65.32 – Removal of Officers, Etc.

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Termination of a Faculty Member

2. Rule and Regulation

Sec. 1 Termination for Good Cause. Termination by an institution of the employment of a faculty member, who has been granted tenure and of all other faculty members who hold an academic title as listed in Series 31001, Number 2, Section 2, before the expiration of the stated period of appointment, except as is otherwise provided in Series 31007, Number 2, Section 5, and the *Texas Education Code Section 51.943*, or by resignation or retirement, will be only for good cause shown. Faculty member, as used in this section, includes a professional librarian with an academic title. In each case the issue of good cause will be determined according to the equitable procedures provided in this section.

Sec. 2 Review of Allegation. The president of the institution shall assure that all allegations against a faculty member that involve the potential for termination are reviewed under the direction of the chief academic officer unless another officer is designated by the president. The faculty member who is the subject of the allegations shall be given an opportunity to be interviewed and shall have the right to present a grievance, in person or through a representative, to the chief academic officer on an issue or subject related to the allegations under review. The chief academic officer or another individual designated by the president if the allegations pertain to the chief academic officer shall take the grievance, if any, into consideration prior to making a determination whether the allegations are supported by evidence that constitutes good cause for termination. Upon making that determination, the chief academic officer or other appropriate designee will recommend to the president whether to proceed with charges for termination. Failure to present a grievance to the chief academic officer or other appropriate designee prior to his or her recommendation shall not preclude a faculty member from presenting an issue or subject to the special hearing tribunal in defense of charges for termination that may result from the review. A tenured faculty member who is recommended for termination on the basis of periodic evaluation must be given the opportunity for referral of the matter to non-binding alternative dispute resolution, as required by *Texas Education Code Section 51.942* and in compliance

with applicable policies and procedures for alternative dispute resolution within The University of Texas System or any of its institutions, prior to referral of the charges to a hearing tribunal under Section 4 of this series.

Sec. 3 Response to Allegation. If the president of the institution determines that the allegations are supported by evidence that constitutes good cause for termination, the president will meet with the faculty member, explain the allegations and supporting evidence, and give the faculty member a reasonable amount of time, as determined by the president, to respond either orally or in writing. In cases of in-competency or gross immorality, where the facts are admitted, or in cases of felony conviction, the hearing procedures of Section 4 of this series shall not apply, and dismissal by the president will follow.

Sec. 4 Hearings Tribunal. In cases where other offenses are charged, and in all cases where the facts are in dispute, the accused faculty member will be informed in writing of the charges. If the president of the institution determines that the nature of the charges and the evidence are such that it is in the best interest of the institution, the accused faculty member may be suspended with pay pending the completion of the hearing and final decision by the Board of Regents. A special hearing tribunal of at least three faculty members will hear the charges. The academic rank of each member of the tribunal must be at least equal to that of the accused faculty member. The accused faculty member will be notified of the names of the faculty members selected for the tribunal and of the date, time, and place for the hearing. Such notification shall be made at least eight working days prior to the hearing. The hearing tribunal members are appointed by the president from a standing panel (pool) of members of the faculty. At least 50% of the panel members from which the hearing tribunal members are appointed shall be selected by a procedure established by the faculty governance organization, an existing faculty committee with oversight for university-wide faculty committee selection. The president of an institution shall appoint the remaining members of the panel. A minimum of one member of a hearing tribunal appointed by a president is to be from among panel members selected by the faculty input, existent faculty committee or faculty governance procedure.

4.1 Right to Cross-examine. In every such hearing the accused faculty member will have the right to appear in

- person and by counsel of the accused's selection and to confront and cross-examine witnesses who may appear. If counsel represents the accused faculty member, the institution is entitled to be represented by counsel from System Administration's Office of General Counsel.
- 4.2 **Right to Testify.** The accused faculty member shall have the right to testify, but may not be required to do so. He or she may introduce in his or her behalf all evidence, written or oral, which may be relevant and material to the charges.
- 4.3 **Record of Proceeding.** A stenographic or electronic record of the proceedings will be taken and filed with the Board of Regents, and such record shall be made accessible to the accused.
- 4.4 **Burden to Prove Good Cause.** A representative of the institution may appear before the hearing tribunal to present witnesses and evidence in support of the charge against such faculty member, and such institutional representatives shall have the right to cross-examine the accused faculty member (if the faculty member testifies) and the witnesses offered in behalf of the faculty member. The institution has the burden to prove good cause for termination by the greater weight of the credible evidence.
- 4.5 **Make-up of Hearing Tribunal.** The hearing tribunal shall not include any accuser of the faculty member. If the accused faculty member is not satisfied with the fairness or objectivity of any member or members of the hearing tribunal, the faculty member may challenge the alleged lack of fairness or objectivity, but any such challenge must be made in writing to the hearing tribunal at least three workdays prior to the date for the hearing. The accused faculty member shall have no right to disqualify any member or members from serving on the tribunal. It shall be up to each challenged member to determine whether he or she can serve with fairness and objectivity in the matter, and if any challenged member should voluntarily disqualify himself or herself, the president of an institution shall appoint a substitute member of the tribunal from the panel described in Section 4 of this series.

4.6 Findings and Recommendations. The hearing tribunal, by a majority of the total membership, will make written findings on the material facts and will make a recommendation of the continuance or termination of the accused faculty member. The hearing tribunal, by a majority of its total membership, may make any supplementary suggestions it deems proper concerning the disposal of the case. The original of such findings and the recommendation, with any supplementary suggestions, shall be delivered to the Board of Regents and a copy to the accused. If minority findings, recommendations, or suggestions are made, they shall be similarly treated. The original transcript of the testimony and the exhibits shall also be forwarded to the Board.

Sec. 5 Board Review. The Board of Regents, by a majority of the total membership, will approve, reject, or amend such findings, recommendations, and suggestions, if any, or will recommit the report to the same tribunal for hearing additional evidence and reconsidering its findings, recommendations, and suggestions, if any. Reasons for approval, rejection, or amendment of such findings, recommendations, or suggestions will be stated in writing and communicated to the accused.

Sec. 6. Reasons for Termination Not Required. Full-time faculty members who are notified in accordance with Series 31002, Number 2, Section 1 of the Regents' *Rules and Regulations*, concerning notice of non-renewal, that they will not be reappointed or who are notified in accordance with Series 31007, Number 2, Section 5 and Series 31002, Number 2, Sections 1 and 2 that the subsequent academic year will be the terminal year of appointment shall not be entitled to a statement of the reasons upon which the decision for such action is based. Such a decision shall only be subject to review pursuant to the following procedures:

6.1 Grievance. The affected faculty member may present a grievance, in person or through a representative, to the chief academic officer or another individual designated by the president if the allegations pertain to chief academic officer on an issue or subject related to the non-renewal decision. The chief academic officer shall meet with the faculty member. Unless a review by a hearing tribunal is

requested and granted, pursuant to Series 31008, Number 2, Section 6.2, of the Regents' *Rules and Regulations* the non-renewal decision shall not be subject to further review.

- 6.2 Hearing Tribunal to Hear Grievance. A review by a hearing tribunal shall be granted only in those cases where the affected faculty member submits a written request for review by a hearing tribunal to the president of an institution and describes in detail the facts relied upon to prove that the decision was made for reasons that are unlawful under the Constitution or laws of Texas or the United States. If the president determines that the alleged facts, if proven by credible evidence, support a conclusion that the decision was made for unlawful reasons, such allegations shall be heard by a hearing tribunal under the procedures in Series 31008, Number 2, Section 1 as in the case of dismissal for cause, with the following exceptions:
- (a) The burden of proof is upon the affected faculty member to establish by the greater weight of the credible evidence that the decision in question was made for reasons that are unlawful under the Constitution or laws of Texas or the United States.
 - (b) The administration of the institution need not state the reasons for the questioned decision or offer evidence in support thereof unless the affected faculty member presents credible evidence that, if unchallenged, proves the decision was made for unlawful reasons.
 - (c) The hearing tribunal shall make written findings and recommendations based on the evidence presented at the hearing and shall forward such findings and recommendations with the transcript and exhibits from the hearing to the president.
 - (d) The president may approve, reject, or amend the recommendations of the hearing tribunal or may reach different conclusions based upon the record of the hearing. The decision of the president shall be final.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.942 – Performance Evaluation of Tenured Faculty.

Texas Education Code Section 51.943 – Renewal of Faculty Employment Contracts

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Evaluation of Administrators

2. Rule and Regulation

Sec. 1 President's Evaluation. Evaluation of the president of each institution is primarily the responsibility of the appropriate Executive Vice Chancellor.

Sec. 2 President's Responsibility. Subject to the requirements of Series 31102 of the Regents' *Rules and Regulations* concerning the evaluation of tenured faculty and Section 3 of this Series, the evaluation of the vice presidents and deans is primarily the responsibility of the president or delegate.

Sec. 3 Administrative Evaluations. Each academic administrator below the level of president of a component institution should be reviewed at least every six years. A written report will contain the substance of the review.

3.1 Development Policies. The institutional Academic Senate or other representative faculty body should be consulted in the development of the review policies and procedures.

3.2 Faculty Input. A summary of faculty input, to be provided to the administrator under review and to the administrator's supervisor, should constitute a significant component of the evaluation report.

3.3 Involvement by Staff and Students. The U. T. System Administration also recognizes and supports comparable involvement by staff members and students, as is now the practice for evaluation of academic administrators at several U. T. System component institutions.

3. Definitions

Administrator – unless otherwise defined by approved institutional policy, administrator is intended to refer to chief academic officer (Vice President for Academic Affairs or Provost); deans, department chairs, and directors of academic units.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 30501* – Employee Evaluations

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comment regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Evaluation of Tenured Faculty

2. Rule and Regulation

Sec. 1 **Statutory Requirements.** In accordance with the *Texas Education Code Section 51.942*, the Board of Regents is required to adopt rules and procedures providing for a periodic performance evaluation process for all tenured faculty. The Board is required to seek advice and comment from the faculty before adopting any rules pursuant to that section. The advice and comment from the faculty on the performance evaluation of tenured faculty shall be given the utmost consideration by the Board.

Sec. 2 **Importance of Tenure.** The Board of Regents recognizes the time-honored practice of tenure for university faculty as an important protection of free inquiry, open intellectual and scientific debate, and unfettered criticism of the accepted body of knowledge. Academic institutions have a special need for practices that protect freedom of expression, since the core of the academic enterprise involves a continual reexamination of ideas. Academic disciplines thrive and grow through critical analysis of conventions and theories. Throughout history, the process of exploring and expanding the frontiers of learning has necessarily challenged the established order. That is why tenure is so valuable, not merely for the protection of individual faculty members but also as an assurance to society that the pursuit of truth and knowledge commands our first priority. Without freedom to question, there can be no freedom to learn.

Sec. 3 **Purpose of Evaluation.** The Board of Regents supports a system of periodic evaluation of all tenured faculty. Periodic evaluation is intended to enhance and protect, not diminish, the important guarantees of tenure and academic freedom. The purpose of periodic evaluation is to provide guidance for continuing and meaningful faculty development; to assist faculty to enhance professional skills and goals; to refocus academic and professional efforts, when appropriate; and to assure that faculty members are meeting their responsibilities to the University and the State of Texas. The Board is pledged to regular monitoring of this system to make sure that it is serving its intended purposes and does not in any way threaten tenure as a concept and practice. In implementing the plan,

component institutions shall maintain an appropriate balance of emphasis on teaching, research, service, and other duties of faculty.

- Sec. 4 Institutional Policies. Each institution of The University of Texas System shall have an institutional policy and plan consistent with the following guidelines for the periodic performance evaluation of tenured faculty. Institutional policies shall be developed with appropriate faculty input, including consultation with and guidance from faculty governance organizations, and shall be included in each institutional *Handbook of Operating Procedures* after review and appropriate administrative approval and submission to the Board of Regents for review and final approval. Periodic evaluations, while distinct from the annual evaluation process required of all employees, may be integrated with the annual evaluation process to form a single comprehensive faculty development and evaluation process. Nothing in these guidelines or the application of institutional evaluation policies shall be interpreted or applied to infringe on the tenure system, academic freedom, due process, or other protected rights nor to establish new term-tenure systems or to require faculty to reestablish their credentials for tenure.
- Sec. 5 Minimum Elements. Institutional *Handbook of Operating Procedures* policies should include the following minimum elements for periodic evaluation:
- 5.1 Scheduled Reviews. Evaluation of tenured faculty will be performed annually with a comprehensive periodic evaluation of all tenured faculty performed every six years. The evaluation may not be waived for any tenured faculty member but may be deferred in rare circumstances when the review period will coincide with approved leave, comprehensive review for tenure or promotion, or appointment to an endowed position. No deferral of review of an active faculty member may extend beyond one year from the scheduled review. Institutional policy may specify that periods when a faculty member is on leave need not be counted in calculating when the comprehensive evaluation is required. The requirement of periodic review does not imply that individuals with unsatisfactory annual evaluations may not be subject to further review and/or appropriate administrative action.

- 5.2 **Responsibilities Reviewed.** The evaluation shall include review of the faculty member's professional responsibilities in teaching, research, service, patient care, and administration.
- 5.3 **Notice of Evaluation.** Reasonable individual notice of at least six months of intent to review will be provided to a faculty member.
- 5.4 **Material Submitted.** The faculty member being evaluated shall submit a résumé, including a summary statement of professional accomplishments, and shall submit or arrange for the submission of annual reports and teaching evaluations. The faculty member may provide copies of a statement of professional goals, a proposed professional development plan, and any other additional materials the faculty member deems appropriate.
- 5.5 **Review of Evaluation.** In accordance with institutional policy, initial evaluation of the faculty member's performance may be carried out by the department, department chair (or equivalent), dean, or peer review panel, but in any event must be reported to the chair (or equivalent) and dean for review. Evaluation shall include review of the current résumé, student evaluations of teaching for the review period, annual reports for the review period, and all materials submitted by the faculty member.
- 5.6 **Peer Review.** If peer review is not required by institutional policy, the peer review process may be initiated by the faculty member, department chair (or equivalent), or dean. If peer committees are involved, the members shall be representative of the college/school and will be appointed, on the basis of their objectivity and academic strength, by the dean in consultation with the tenured faculty in the college/school or pursuant to other process as defined in institutional policies. If peer review is involved, the faculty member will be provided with an opportunity to meet with the committee or committees.
- 5.7 **Communication of Results.** Results of the evaluation will be communicated in writing to the faculty member, the department chair/dean, the chief academic officer, and

the president for review and appropriate action. Possible uses of the information contained in the report should include the following:

- (a) For individuals found to be performing well, the evaluation may be used to determine salary recommendations, nomination for awards, or other forms of performance recognition.
- (b) For individuals whose performance indicates they would benefit from additional institutional support, the evaluation may be used to provide such support (e.g., teaching effectiveness assistance, counseling, or mentoring in research issues/service expectations).
- (c) For individuals found to be performing unsatisfactorily, review to determine if good cause exists for termination under the current Regents' *Rules and Regulations* may be considered. All proceedings for termination of tenured faculty on the basis of periodic performance evaluation shall be only for incompetence, neglect of duty, or other good cause shown and must be conducted in accordance with the due process procedures of the Regents' *Rules and Regulations* Series 31008, including an opportunity for referral of the matter to alternative dispute resolution. Such proceedings must also include a list of specific charges by the president and an opportunity for a hearing before a faculty tribunal. In all such cases, the burden of proof shall be on the institution, and the rights of a faculty member to due process and academic freedom shall be protected.

Sec. 6 Follow-up Review. The acceptance and success of periodic evaluation for tenured faculty will be dependent upon a well-executed, critical process and an institutional commitment to assist and support faculty development. Thus, remediation and follow-up review for faculty, who would benefit from such support, as well as the designation of an academic administrator with primary responsibility for monitoring such needed follow-up activities, are essential.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.942 – Performance Evaluation of Tenured Faculty

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Faculty Role in Educational Policy Formulation

2. Rule and Regulation

Sec. 1 Board Commitment. The Board of Regents will devote its best efforts to making all of the institutions of The University of Texas System of the "first class," as the *Texas Constitution* directs in Article VII, Section 10. The Board will be guided in general by the best practices of the top universities in the United States and abroad, especially by the best practices of state universities in the United States.

Sec. 2 Advice on Board Policies. The Board of Regents will ordinarily seek the advice of the faculty on important matters of academic policy.

Sec. 3 General Authority. Subject to the authority of the Board of Regents and subject further to the authority that the Board has vested in the various administrative officers and subdivisions of the System, the faculties of the institutions regularly offering instruction shall have a major role in the governance of their respective institutions in the following areas:

- 3.1 General academic policies and welfare.
- 3.2 Student life and activities.
- 3.3 Requirements of admission and graduation.
- 3.4 Honors and scholastic performance.
- 3.5 Approval of candidates for degrees.
- 3.6 Faculty rules of procedure.

Sec. 4 Necessity of Approval by Regents. Legislation recommended by an institutional faculty, or legislative body thereof, requiring approval of the Board of Regents, shall not be effective unless and until approved by the Board. Such legislation by a college or school faculty shall not be presented to the Board and until it has been approved by the institutional faculty, either directly or through its legislative body, and has received the consideration and recommendation of the institutional president, the appropriate Executive Vice Chancellor, and the Chancellor. The faculty affected will be notified by the Board, through administrative channels, of its action on recommended faculty legislation.

Sec. 5 Approval of Degree Candidates. It shall be the duty of the several institutional faculties to recommend approval or disapproval of all candidates for degrees. This duty may be delegated by affirmative vote of the institutional faculty, or its legislative body, to the respective deans or other appropriate official. Should this duty not be delegated, the institutional registrar, or his or her equivalent, shall furnish to the members of the institutional faculty a complete list of the degree candidates for recommendation.

Sec. 6 List of Degree Candidates. The institutional registrar, as soon as possible after each commencement, shall provide the secretary of his or her institutional faculty, or its legislative body, with a complete list of all successful degree candidates.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article VII, Section 10 – Establishment of University

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Registered Organizations

2. **Rule and Regulation**

Sec. 1 **Procedures for Registration.** Each institution shall adopt procedures for the registration of faculty, staff, and student organizations at that institution. The period of registered status of an organization shall not exceed one academic year and such status shall automatically terminate at the end of each academic year; provided, however, an organization previously registered as a faculty, staff, or student organization may apply for and be granted registration for subsequent periods of one academic year if it meets all applicable criteria in effect for the period for which registration is sought.

Sec. 2 **Suspension of Registered Status.** A registered faculty, staff, or student organization shall be subject to all applicable rules and regulations of the institution and The University of Texas System. Action taken by or on behalf of a registered faculty, staff, or student organization that results in a violation of such rules and regulations is subject to disciplinary action that may result in the suspension or revocation of the registered status of the organization.

Sec. 3 **Membership Restricted.** No organization may become registered or remain registered at a component institution as a faculty, staff, or student organization unless the membership of the organization is restricted to the faculty, staff or students of that component institution.

3.1 At the time of application for registration and at the beginning of each semester that an organization is registered as a faculty, staff, or student organization, each such organization shall file with the appropriate officer at the institution a statement that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a student, faculty or staff member at the institution.

3.2 If the president of the institution, or his or her designee, determines that the statement filed above is false, registration shall be denied. If the president, or his or her designee, later determines that statements made by an organization in its application for registration have

become false during a registration period, the organization's registration shall be cancelled.

Sec. 4 Required Contact Information. Each application for registration as a faculty, staff, or student organization shall be accompanied by a complete list of the names and addresses of all officers of the organization as well as all person(s) authorized to speak for, represent, or receive official notices, directives, or instructions from the institution on behalf of the organization. This information shall be updated by the organization as necessary during any period of registration. If at any time during a period of registration it is determined that the organization's required contact information is not current, the organization shall be notified of the deficiency. If the organization fails to update its information within 10 days of notification, the organization's registration shall be cancelled unless good cause is shown for an extension of deadline.

Sec. 5 Prohibition. A registered faculty, staff, or student organization may state that its membership is composed of the faculty, staff or students of an institution, but it shall not suggest or imply that it is acting with the authority or as an agency of the institution. A faculty, staff or student organization shall not use the name of an institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either an institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

General Admission Policy

2. Rule and Regulation

Sec. 1 Policy. The institutions of The University of Texas System will make maximum use of resources, consistent with standards of appropriate accrediting bodies and enrollment and admissions policies approved by the Board of Regents, to admit and educate as many qualified students as possible.

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

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Provisional Admission Policy

2. Rule and Regulation

- Sec. 1 Institutions Covered by Policy. The Provisional Admission Program for freshmen shall apply to all of The University of Texas System four-year general academic components, with the exception of The University of Texas at Austin. Prospective students interested in admission to U. T. Austin should refer to U. T. Austin's Coordinated Admission Program Policy in Regents' *Rules and Regulations* Series 40305 and U. T. Austin's Summer Enrollment Plan Policy in Series 40307
- Sec. 2 Prospective Enrollees. Any Texas resident may enter any U. T. System institution regardless of his or her high school record or score on the Scholastic Aptitude Test (SAT) or American College Test (ACT) provided that he or she has graduated from an accredited high school with the required units and subjects as prescribed by the institution.
- Sec. 3 Semesters to Enroll. Generally, provisional admission students may enroll initially in the summer session (both summer terms) or the spring semester following the student's graduation from high school provided the student has not previously enrolled in credit courses in any other institution of higher education following high school graduation. However, The University of Texas at El Paso has, with concurrence of the Board of Regents, admitted provisional students in the fall semester since 1973. Also, a fall semester program, called the Academic Enhancement Program, was approved for The University of Texas at Arlington in 1981.
- Sec. 4 Minimum GPA. The student who demonstrates an ability to perform college level work by achieving a GPA of 2.0 or above during the entire summer session (both summer terms) or during the spring semester may be admitted as a regular university student in subsequent semesters. Students who achieve a GPA of at least a 1.5 in their first semester or summer session (both summer terms) may be allowed to continue for the next semester or summer session. At the conclusion of the second period of enrollment, the student must have achieved a cumulative GPA of 2.0 or above to continue in the institution. A component institution may establish higher grade point average

requirements or adopt provisional admission enrollment limits based on institutional enrollment management needs or capacity by including such provisions in the institutional General Admissions Policies for approval by the Board of Regents.

- Sec. 5 Academic Advisement. Each institution will provide some means of academic advisement or counseling for provisional students to enhance their chances of success.
- Sec. 6 Adequate Record Keeping. Each institution will maintain an adequate system of record keeping on provisional students for the purpose of evaluating their academic performance.
- Sec. 7 Deviations from Guidelines. Any deviations from these basic guidelines will require approval by the Board of Regents as a part of general campus admissions policy statements.

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 Series 40306 - Summer Enrollment Plan.

Regents' Rules and Regulations Series 40305 - Coordinated Admission Program

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Establishing Both Admission Policies and Criteria for Award of Scholarships and Fellowships

2. Rule and Regulation

Sec. 1 Establishing Admission Policies. *Texas Education Code* Section 51.352 assigns responsibility to governing boards to "set campus admission standards consistent with the role and mission of the institution and considering the admission standards of similar institutions. . . ." In addition, Chapter 51 (Subchapter S) establishes guidelines for admission of freshman students and requires that institutions of higher education adopt guidelines for admission of students to other programs. The policies governing admission to academic programs shall be designed to maximize opportunity and access for all Texans, within parameters established by applicable laws.

1.1 Automatic Admission. Each covered institution shall adopt a policy for admission of first-time freshman students that incorporates criteria consistent with the *Texas Education Code* Sections 51.803, 51.804, and 51.805. The admissions policy must provide, in keeping with regulations promulgated by the Texas Higher Education Coordinating Board, for automatic admission for students who have graduated in the top ten percent of the graduating class from an accredited Texas high school. For students who do not qualify for automatic admission, the policy shall specify the criteria, which will be considered in making the admission decision.

1.2 Graduate and Professional School Admissions. Each covered institution shall also adopt policies for admission of transfer students and for admission to graduate, postgraduate, and/or professional programs. The factors to be considered in graduate and professional school admissions decisions must be consistent with *Texas Education Code* Section 51.822.

1.3 Delegation to President. In keeping with the requirement of the *Texas Education Code* Section 51.804, that governing boards determine for each academic year whether automatic admission to a general academic component shall be granted to students who graduate in

the top 25 percent of their graduating class, the responsibility for this annual determination is delegated to the president of each institution covered by this policy. If a change in the admissions policy were proposed, Board of Regents' approval would follow established procedures for administrative approval and inclusion in the institutional docket.

- Sec. 2 **Establishing Scholarship Award Policies.** The *Texas Education Code Chapter 51 (Subchapter S)* requires that institutions of higher education adopt guidelines for awarding of competitive scholarships and fellowships. For the award of institutional competitive scholarships and fellowships, each covered institution shall adopt policies that identify the criteria to be considered in making the awards. The policies governing the award of institutional competitive scholarships and fellowships shall be designed to maximize opportunity and access for all Texans, within parameters established by applicable laws.
- Sec. 3 **Inclusion in Catalog.** The admissions policies and criteria for award of scholarships and fellowships shall be included in the institutional catalog(s) and shall otherwise be available to the public on request. Changes in admission policies must be made and publicized a year prior to the beginning of the semester or term for which persons are being admitted. Changes in policies for award of competitive scholarships/fellowships must be adopted and publicized prior to the deadline for which the applications are received.
- Sec. 4 **Board Approval.** Regental approval of the initial policies and subsequent amendments, if any, shall be made via the docket following administrative review and approval by the appropriate Executive Vice Chancellor for inclusion in the institutional catalog(s).

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.352 – Responsibility of Governing Boards

Texas Education Code Section 51.803 – Automatic Admissions: All Programs

Texas Education Code Section 51.804 – Graduates of Certain Special High School Programs

Texas Education Code Section 51.805 – Other Admissions

Texas Education Code Section 51 Subchapter S

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Affirmative Action Plans

2. Rule and Regulation

Sec. 1 Authorization to Develop Plans. Each institution is authorized to develop and propose plans regarding whether to consider an applicant's race and ethnicity, as part of the institution's admissions or financial assistance policies, in accordance with the standards enunciated in the United States Supreme Court cases of *Grutter v. Bollinger* and *Gratz v. Bollinger*. Initial responsibility for developing and proposing such admissions and financial assistance policies may be further delegated within each institution to colleges, departments, or other programs.

Sec. 2 Inadequacy of Race--Neutral Alternatives. No institution or program shall propose to consider race or ethnicity unless it finds, after serious and good faith consideration, that race-neutral alternatives are inadequate. This consideration may include the degree of diversity attainable with race-neutral methods and the impact on other academic objectives of exclusive reliance on those race-neutral methods.

Sec. 3 Development of a Plan. Any institution or program that proposes to consider race or ethnicity shall develop a written plan. Any such plan must provide for individualized and holistic review of applicant files, in which race and ethnicity are among a broader array of qualifications and characteristics considered. Any such plan must also provide for periodic review of whether, and to what extent, the plan is still needed or needs revisions.

Sec. 4 Approval of Plan. Any proposal for admissions or financial assistance policies that considers race and ethnicity among an array of qualifications and characteristics, and any subsequent revisions to such policies, must be reviewed and approved by System Administration's Office of General Counsel, and by the appropriate Executive Vice Chancellor, prior to implementation.

Sec. 5 Review of Plans. The Board of Regents shall review the policy expressed herein every five years. The next review shall be performed no later than August 2008, which is five years from date this rule was first adopted.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Admission Officers
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Coordinated Admission Program

2. Rule and Regulation

Sec. 1 Applicability. The Coordinated Admission Program applies only to The University of Texas at Austin and is effective summer 2001.

Sec. 2 Program. Fall freshman applicants for U. T. Austin, who are not offered fall admission or admission to the newly proposed Summer Enrollment Plan will be offered admission through the Coordinated Admission Program. Upon completion of a required 30-credit sequence of courses and the maintenance of at least a 3.0 GPA at another institution of The University of Texas System, these students will be accepted unconditionally into the College of Liberal Arts or the College of Natural Sciences at U. T. Austin. They may also compete for admission into the major of their choice once they arrive on campus. Should they fail to attain the required credits and GPA within their first year at another component institution of the U. T. System, they would no longer be eligible for automatic admission and would compete for admission to U. T. Austin as regular transfer students.

Sec. 3 Review of Program. On November 16, 2000, the Board of Regents approved a revision to the Provisional Admission Policy for U. T. Austin, which allows for the Coordinated Admission Program. The revised Program will be evaluated at the end of the third year.

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

None

6. Who Should Know

Administrators
Admission Officers
Students
Prospective Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Summer Enrollment Plan

2. **Rule and Regulation**

Sec. 1 **Applicability.** This rule applies only to The University of Texas at Austin. Summer enrollment is covered for other component institutions under the Regents' *Rules and Regulations, Series 40302*, which pertains to provisional admission.

Sec. 2 **Background.** To better control overall student enrollment while admitting quality students, the Board of Regents approved a Summer Enrollment Plan for U. T. Austin. The Plan, effective Summer 2001, is designed to yield approximately 600 regularly admitted students, as set out below. The top students who are not offered regular Fall Admission would be offered the Summer Enrollment Plan. The revised Program will be evaluated at the end of the third year.

Sec. 3 **Program.** Students will enroll in typical first-semester freshman courses and be held to the same GPA requirements placed on students entering in the fall.

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* Series 40302 - Provisional Admission.

6. **Who Should Know**

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Academic Program Approval Standards

2. Rule and Regulation

Sec. 1 Overarching Principles. The standards used for review and approval of academic program proposals are derived from three overarching principles that guide decisions about program goals, design, and implementation at The University of Texas System institutions. These principles are:

1.1 Mission. New university degree and certificate programs should be consistent with the higher education goals and mission of the State of Texas, The U. T. System, and the offering institution. This principle has implications not only for which programs should be offered by U. T. System institutions, but also for how they are designed and delivered so as to be responsive to the needs of students, parents, and the private and public sectors.

1.2 Quality. U. T. System degree and certificate programs should be of excellent quality. Program design, resources, and implementation plan, judged critically in view of the stated goals for a particular program, should compare favorably with State, national and international standards and competing programs. In general, they should exceed minimum standards of the Texas Higher Education Coordinating Board or appropriate accrediting bodies.

1.3 Efficient Use of Resources. Academic programs at institutions of the U. T. System should represent good investments and efficient use of public and private resources. Program choice, design, and implementation plans should reflect wise use of institutional and inter-institutional or shared resources.

Sec. 2 Standards. Applying these principles of excellence to review of proposed new academic degree or certificate programs, the Academic or Health Affairs Committee approves proposals that provide good evidence of meeting the following standards:

2.1 Standards Relating to Goals, Need, Fit

- (a) Program goals and educational objectives are clear.
- (b) Connections between proposed program goals and State and U. T. System goals and mission are strong and convincing.
- (c) Program goals advance institutional mission and strategic plan. Program is on the approved Table of Programs.
- (d) Program would meet a well-documented unmet need related to present or future manpower or social needs or regional priorities.
- (e) Program complements and builds upon existing university programs, strengths, and resources.

2.2 Standards for Quality of Implementation

- (a) Design of the degree or certificate program reflects understanding of state-of-the-art in the discipline.
- (b) Resources, including faculty, facilities, special equipment, field placement sites for internships, library and information access, and others as necessary, are adequate to deliver a program of excellent quality, meeting or exceeding Southern Association of Colleges and Schools (SACS) standards and those of other professional accrediting bodies where applicable.
- (c) Faculty responsible for program design and delivery have appropriate, relevant content expertise, scholarship records, and other professional experience and credentials.
- (d) New graduate programs are built upon demonstrated competence in related areas at the undergraduate or, where appropriate, master's level.
- (e) Program implementation and delivery plans are responsive to student needs and supportive of student retention and graduation, in light of program goals and resource availability.

- (f) The program proposal includes a plan for periodic program evaluation focusing on the program objectives, productivity, faculty and resources, changes in environment such as competition and delivery modes, student outcomes, retention, and graduation.
- (g) An efficient administration plan for the program is described with clear accountability and appropriate roles for faculty committees and unit administrators.
- (h) Interdisciplinary, cross-departmental, or cross-college programs are supported by administrative reporting structures likely to preserve interdisciplinary cooperation.

2.3 Standards for Costs and Revenues

- (a) Program proposal presents clear, logically consistent estimates of program costs and revenues.
- (b) Prospective student demand adequate for an efficient program is convincingly demonstrated, with specific attention to competing programs, other providers, and other delivery systems.
- (c) Proposal establishes growth potential to generate adequate resources to support program costs from State formula funding sources after the first three years and, where appropriate, from non-State sources.
- (d) Available inter-institutional, shared resources are utilized where appropriate.
- (e) Overall program costs are justifiable in light of potential program benefits and impact.

2.4 Compliance Standard

- (a) Program proposal complies in content and format with the Texas Higher Education Coordinating Board rules and instructions for program authorization.

2.5 Additional Standards for Doctoral Programs

- (a) There is a sufficient base of sponsored research programs in place to support student and faculty research.
- (b) Proposal presents convincing plans for recruitment of a critical mass of very talented students, carefully screened in accord with the goals of the program.
- (c) Proposed program addresses preparation for graduates' future roles of teaching, research or creative endeavor, and work in nonacademic professional settings as appropriate.
- (d) Appropriate student support is available and/or there is a convincing plan for development of future support.
- (e) Because of the high level of resource requirements for doctoral programs, particularly rigorous attention must be applied to almost all approval standards in this document.

Sec. 3 Changes in Degree Requirements. Changes in degree requirements shall not become effective until approved by the Board of Regents and published in the appropriate catalog; provided, however, that students may be given the benefit of any action reducing or modifying the requirements for their degree immediately upon Board approval.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Review of Excess Core Curricula

2. **Rule and Regulation**

Sec. 1 Background. In July 1998, the Texas Higher Education Coordinating Board adopted new rules requiring that core curricula in excess of 42 semester credit hours have prior approval of an institution's governing board before submission to them. The rules further require that the institution provide a narrative justifying the need for a larger core curriculum, that the larger core curriculum be consistent with the institution's role and mission, and that a proposed upper-division core course not compare substantially in content or depth of study to a lower-division course listed in the "Texas Common Course Numbering System."

Sec. 2 Authorization. To streamline this submission process, the Board of Regents delegate to the appropriate Executive Vice Chancellor:

2.1 Authorization to review and approve on behalf of the Board of Regents, all institutional core curricula in excess of 42 semester credit hours for The University of Texas System institutions; and

2.2 Authorization to submit, on behalf of the institutions and the Board of Regents, such core curricula to the Texas Higher Education Coordinating Board for review and approval.

3. **Definitions**

None

4. **Relevant Federal and State Statutes**

None

5. **Relevant System Policies, Procedures, and Forms**

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 20, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

bor@utsystem.edu

1. Title

Administration of Courses Offered in Shortened Format

2. Rule and Regulation

Sec. 1 Purpose. To delegate to the president of an institution the responsibility for developing policies and procedures that ensure courses offered in a shortened format are of the same quality and rigor as courses offered during a normal semester or summer session.

Sec. 2 Delegated Responsibility. The president of each institution shall cause to be developed such additional policies and procedures as are necessary to assure compliance with the intent and spirit of this rule for the administration of courses offered in shortened formats. These additional requirements should address specific standards such as minimum class contact hours per credit hour and the minimum duration per credit hour among others. Such requirements will be published in the institution's *Handbook of Operating Procedures* following normal approval procedures.

Sec. 3 Oversight of Courses. The president of each institution shall designate an individual or individuals who shall have the authority to approve the scheduling of courses offered in shortened formats. Those so designated shall also be responsible for monitoring academic expectations and for the scheduling of all such courses and shall maintain records of compliance with institutional standards for all such course requests considered and approved.

3. Definitions

Course Offered in Shortened Format. A course offered in a shortened format is any course for which academic credit is given and for which the elapsed time from the first class meeting until the last class meeting or examination period is less than a normal semester or summer session term.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

bor@utsystem.edu

1. Title

Accessibility of Teacher Certification Courses

2. Rule and Regulation

Sec. 1 Plan. Pursuant to *Texas Education Code Section 54.214(g)* the Board of Regents directs the Executive Vice Chancellor for Academic Affairs to work with each of the teacher preparation programs at The University of Texas System general academic institutions to develop and monitor a plan, which includes implementation of timelines and strategies, to make teacher certification courses more accessible to students seeking teacher certification. The plans will consider evening classes, internet classes, or other means approved by the Texas Higher Education Coordinating Board.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 54.214(g) – Educational Aides

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Executive Vice Chancellor for Academic Affairs

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Graduate Education

2. Rule and Regulation

Sec. 1 Responsibility for Graduate Programs. The institutions of the U. T. System authorized to offer graduate degrees shall provide and maintain an appropriate faculty and administrative organization for such graduate degrees. The president of each institution of the U. T. System shall be responsible through the appropriate Executive Vice Chancellor to the Chancellor, and through him or her, to the Board of Regents for policies and administration of the graduate programs.

Sec. 2 Program Requirements. Within the general academic institutions, the designation "Graduate School" will be used if (a) there is a minimum of three distinct programs approved for doctoral degrees and 30 such doctoral degrees have been awarded; or, (b) there is a minimum of 10 distinct programs approved for master's degrees and 50 master's degrees have been awarded. In institutions that do not meet these requirements, graduate study will be in a "Division of Graduate Studies."

Sec. 3 Health Institutions. Graduate programs in the health institutions shall be administered as follows:

3.1 Biomedical Sciences. In the health-related institutions at Dallas, Galveston, Houston, and San Antonio, the graduate programs will be administered through a Graduate School of Biomedical Sciences.

3.2 Nursing Schools. In the Nursing Schools of institutions, graduate education will be administered as specific graduate programs coordinated by an administrative officer designated by the president of the institution.

3.3 U. T. M. D. Anderson Cancer Center. In the U. T. M. D. Anderson Cancer Center, research and graduate instruction will be offered in cooperation with other institutions that are authorized to award graduate degrees.

- Sec. 4 Exceptions. Institutions which offer graduate degrees and elect an administrative organization and designations different from those authorized above may do so only upon the recommendation of the president, the concurrence of the appropriate Executive Vice Chancellor, and the Chancellor, and the approval of the Board of Regents.
- Sec. 5 Establishment of Policies and Procedures. The policies and procedures for staffing and administering the graduate programs at all institutions shall be set forth in the institutional *Handbook of Operating Procedures*. These policies and procedures shall include qualifications for faculty members assigned to teach graduate courses, supervise graduate programs, and advise graduate students.
- Sec. 6 Joint or Cooperative Degree Programs. Where two or more institutions of the U. T. System are authorized to conduct joint or cooperative degree programs, the presidents of the cooperating institutions shall be authorized to establish, subject to the approval of the appropriate Executive Vice Chancellor, special procedures and organizations for the administration of such programs.

3. Definitions

Graduate Programs – as the term is used in these *Rules*, does not include the programs that lead to the M.D., D.D.S., M.P.H., Dr. P.H., J.D., LL.M., and M.C.J. degrees, or others that may be excluded upon recommendation by the president of the institution and concurrence by the appropriate Executive Vice Chancellor and the Chancellor.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Executive Vice Chancellor for Academic Affairs

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Assessment, Collection, and Waiver of Tuition and Fees

2. Rule and Regulation

Sec. 1 **Published Fees.** Tuition, fees, and other charges will be fixed as prescribed or authorized by statute and will be published in the institutional catalog with a description of the criteria for any authorized exemptions and waivers.

Sec. 2 **Exemptions and Waivers.** *The authority of the Board of Regents to grant exemptions and waivers from tuition, fees, and other charges in accordance with statute, is delegated to the presidents of the institutions.*

Sec. 3 **Approval of Certain Fee Changes.** The Board of Regents delegates to the presidents of the institutions the authority to approve changes in the amounts of other fees or charges authorized by *Texas Education Code Sections 54.504, 54.007, 54.501(a), 54.051(1), or 55.16* that have previously been approved by the Board. As a condition for approval of any increase in such fees and charges, the institutional president must find that such increase is required in order for the fee or charge to reasonably reflect the actual cost to the institution of the materials or services to be provided.

Sec. 4 **Approval to Collect Payment.** The Board of Regents delegates to the presidents of the institutions the authority to collect the payment of tuition, fees, and other charges in accordance with those methods prescribed or authorized by statute.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 54.504 – Incidental Fees

Texas Education Code Section 54.007 – Option to Pay Tuition By Installment

Texas Education Code Section 54.501(a) – Laboratory Fees

Texas Education Code Section 54.051(1) – Tuition Rates

Texas Education Code Section 55.16 – Board Responsibility

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Emergency Student Loan Program for Tuitions and Fees

2. Rule and Regulation

Sec. 1 Introduction. Pursuant to *Texas Education Code Section 56.053* the Board of Regents is required to adopt rules providing the terms of an emergency student loan program.

Sec. 2 Eligibility Rules. The eligibility rules for a student emergency loan program are as follows:

2.1 To be eligible for emergency loans, a student must have been accepted for enrollment and be enrolled on at least a half-time basis at the institution.

2.2 To be eligible for the emergency loan program a student must face an emergency situation and must not have received loan or grant funds from the Financial Aide Office to pay tuition and fees for the current semester.

2.3 Loans to eligible students shall be granted on the basis of the order in which the institution receives applications.

Sec. 3 Terms. The terms for a student emergency loan program are as follows:

3.1 As long as funds are available in the emergency loan program, an eligible student must be allowed to receive a loan in an amount equal to tuition and required fees for the courses in which the student is enrolling.

3.2 The maximum loan amount per student may not exceed charges for tuition, mandatory fees, and optional fees for the courses in which the student is enrolling, unless the institution determines that a lower amount would be in the best interest of the student.

3.3 The loan must be evidenced by a promissory note containing terms approved by The University of Texas System Administration's Office of General Counsel and bearing interest at a rate of not less than three percent or more than five percent per year.

- 3.4 The loan must be repaid within 90 days or five days before the last class day of the semester, in which the student is enrolled, whichever period is shorter. Students enrolled in programs not on a semester basis must repay the loan prior to 30 days before the last class day of the annual academic term in which the loan is made.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 56.053 - Terms

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Financial Aid Officers
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Fees for Continuing Education Courses

2. Rule and Regulation

Sec. 1 Authorization. Institutions are authorized by the Board of Regents in accordance with Section 54.545 of the *Texas Education Code* to charge a reasonable fee to each person registered in an extension, correspondence or other self-supporting course at the institution and to set the fee in an amount sufficient to recover the costs for providing the course. Such courses may not include any course for which the institution collects tuition or receives formula funding.

Sec. 2 Delegation. The Board of Regents delegates to the president of the respective institutions the authority and responsibility for approving the amount of the fee to be charged for each course.

Sec. 3 Handbook of Operating Procedures. Each institution shall adopt provisions in the institutional *Handbook of Operating Procedures* to reflect this policy and to incorporate institutional procedures for the approval process.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 54.545 – Fees for Continuing Education Courses

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Tuition Rates for Students Residing in Certain Counties and States

2. Rule and Regulation

Sec. 1 Background. Pursuant to *Texas Education Code Section 54.060(g)* the Board of Regents may agree to admit nonresident students at resident tuition rates as allowed under *Texas Education Code Section 54.060*. That statute provides that a student who resides in a county or parish of Arkansas, Louisiana, New Mexico, or Oklahoma, that is adjacent to Texas, is eligible for such a tuition concession provided the adjoining state allows a Texas resident of a county adjoining that state enrolled at a public institution in that state to pay the tuition rate charged for residents of that state. Pursuant to *Texas Education Code Section 54.061*, the Board may also request permission from the Texas Higher Education Coordinating Board to set a nonresident tuition rate that is lower than the regular nonresident tuition rate for a general academic teaching institution located not more than 100 miles from the boundaries of Texas with another state.

Sec. 2 Authorizations. As a result, the Board of Regents authorized the following:

2.1 The University of Texas at El Paso was authorized to establish resident tuition rates for students residing in counties in New Mexico that are adjacent to Texas, effective with the Fall Semester 1995.

2.2 The Board of Regents authorized The University of Texas at Dallas, The University of Texas of the Permian Basin, and The University of Texas at Tyler, respectively, to charge, effective with the Spring Semester 1996, a reduced tuition rate equal to the statutory rate for Texas residents, plus \$30 per semester credit hour, for citizens of states within 100 miles of each institution as indicated below:

Institution	State(s) within 100 Miles
U. T. Dallas	OK
U. T. Permian Basin	NM
U. T. Tyler	AR, LA, OK

3. Definitions

Student – the Texas Higher Education Coordinating Board has defined a student for the purposes of this Rule as applying only to an undergraduate student.

4. Relevant Federal and State Statutes

Texas Education Code Section 54.060 – Resident of Bordering States or Nation

Texas Education Code Section 54.061 – Penalty for Noncompliance with Rules

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Tuition Rates for Undergraduate Students with Excessive Semester Credit Hours

2. Rule and Regulation

Sec. 1 Background. Pursuant to *Texas Education Code Section 54.068*, institutions of higher education may charge a resident student a tuition rate that is higher than the regular resident tuition, but does not exceed the nonresident tuition rate, if the student has previously attempted 170 or more semester credit hours without earning a baccalaureate degree. *Section 61.0595* of the *Texas Education Code* directs the Texas Higher Education Coordinating Board to withhold formula funding for students who have previously attempted 170 or more semester credit hours for courses taken at any institution of higher education while classified as a resident of Texas for tuition purposes.

Sec. 2 Delegation. The Board of Regents delegates to the presidents of institutions authority to charge a tuition rate that is higher than the regular tuition rate but that does not exceed the statutory nonresident tuition rate to resident undergraduate students who accumulate excessive hours.

3. Definitions

Excessive Semester Credit Hours – An undergraduate student who has previously attempted 170 or more semester credit hours without earning a baccalaureate degree.

4. Relevant Federal and State Statutes

Texas Education Code Section 54.068 – Tuition for Excessive Undergraduate Hours

Texas Education Code Section 61.0595 – Funding for Certain Excess Undergraduate Hours

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Administration of Scholarships

2. **Rule and Regulation**

Sec. 1 **Background.** The General Appropriations Act calls for the adoption of rules and regulations by the Board of Regents relating to the administration of scholarships.

Sec. 2 **Eligible Students.** Scholarships from said fund may be awarded only to students who have been accepted for enrollment and who actually enroll on at least a half-time basis in the term or terms for which the scholarship is awarded.

Sec. 3 **Financial Need.** Scholarships are to be awarded based on the financial need of the applicant as determined by the institution and based on accepted need analysis procedures generally in use in other "need-based" financial assistance programs.

Sec. 4 **Use of Other Grants.** Each student shall first use any other grant funds for support of educational expenses for which the student may reasonably be eligible before receiving state scholarship funds.

Sec. 5 **Amount of Award.** The amount of the scholarship award, when combined with all other grant or gift funds awarded to the student, shall not exceed 70% of the reasonable expenses to be incurred by the student in the semester or term for which the scholarship is awarded.

Sec. 6 **Demonstrated Need.** No student shall receive an amount in excess of demonstrated need.

Sec. 7 **Non-Resident Students.** No more than 10% of total scholarship funds awarded through the program in a fiscal year shall be awarded to nonresident students.

Sec. 8 **College Work-Study Program.** Any or all of the scholarship funds appropriated may be used for the institutional matching share of earnings in the College Work-Study Program. Funds used in this manner will not be subject to the restriction governing the scholarships.

Sec. 9 Prohibition. No funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

3. Definitions

None

4. Relevant Federal and State Statutes

General Appropriations Act 78th Legislative Session Article 3 Section 11

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Financial Aid Officers
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Texas Public Education Grants/Loan Program

2. Rule and Regulation

Sec. 1 Establishment of Percentage. The Board of Regents authorizes each degree-granting component institution to set aside from each resident student's tuition charge the percentage specified by the *General Appropriations Act* for the applicable academic year as provided by Section 56.033(a)(2) of the *Texas Education Code* and 3% of each nonresident's tuition charge for use as Texas Public Educational Grants and Emergency Loans. In allocating the set-aside funds, the allocation shall reflect the legislatively mandated parameter that "not less than 90 percent [of the set-aside funds] shall be used for Texas Public Educational Grants (TPEG) and not more than 10 percent [of the set-aside funds] shall be use for emergency loans...." Within this parameter, each institution may adjust the allocation in accordance with its needs after consultation with the appropriate Executive Vice Chancellor. Each institution shall establish administrative procedures to insure that Texas Public Educational Grants and Emergency Loans are awarded on the basis of projected set-aside revenues for each semester or annual academic term.

Sec. 2 Criteria for Awarding Grants. The following criteria shall be used in awarding Texas Public Education Grants.

2.1 Enrolled Students. Grants are to be made only to students who have been accepted for enrollment and who actually enroll in the term or terms for which the grant is awarded.

2.2 Financial Need. Grants are to be awarded based upon the financial need of the applicant.

2.3 Method for Determining Need. Financial need is to be determined by use of accepted needs analysis procedures generally in use in other "needs based" financial assistance programs. Deviation from such procedures shall be properly documented.

2.4 Restrictions on Awards. Awards to residents may only be funded through funds set aside from resident student

tuition revenues. Awards to nonresident and foreign students may only come from funds set aside from the tuition revenues of such students. After the end of the sixth class week of each semester, an institution may transfer any excess funds set aside from tuition paid by resident or nonresident students to the funds set aside for grants awarded to the other class of students. Priority for awarding grants from any excess funds set aside from tuition paid by resident students shall be given to resident students.

- 2.5 Use of Interest Earned. Interest earned from the funds set aside for Texas Public Educational Grants may be spent only for grants to students under the Texas Public Educational Grants Program.
- 2.6 Transfer of Funds. Any or all of the funds set aside for making Texas Public Educational Grants may be transferred to the Texas Higher Education Coordinating Board to be used for matching federal or other grant funds for awarding to students at each U. T. System institution. Generally only such amounts as can be equally matched by funds held by the Coordinating Board shall be transferred to the Coordinating Board and any unmatched funds transferred to the Coordinating Board shall be returned to each institution upon request of the president.
- 2.7 Excess Funds. At the end of a fiscal year, if the total amount of unencumbered funds that has been set aside under this program by each U. T. System institution, together with the total amount of unencumbered funds transferred to the Texas Higher Education Coordinating Board, exceeds 150 percent of the amount of funds set aside by that institution in the fiscal year, each institution within the U. T. System shall transfer the excess amount to the Coordinating Board for the purpose of awarding scholarships as provided by law to students at institutions other than the institution that transferred funds.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 56.033 – Source of Program Funding

Texas Education Code Section 56.034 – Guidelines for Determining Eligibility and Awarding of Grants

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Speech and Assembly

2. Rule and Regulation

Sec. 1 Time, Place, and Manner. The freedoms of speech and assembly are basic and essential to intellectual development. However, these activities are subject to the well-established right of colleges and universities to regulate time, place, and manner so that the activities do not intrude upon or interfere with the academic programs and administrative processes of The University of Texas System or any of its institutions. Each institution may designate one or more appropriate areas on the campus where students, faculty, and staff may engage in rallies, group demonstrations, or public oratory without prior administrative approval. All rallies, group demonstrations, and public oratory must be conducted in accordance with the provisions of this Series and the reasonable and nondiscriminatory rules and regulations of the component institution.

Sec. 2 Campaign for Public Office. Students, faculty, or staff who are candidates for public office, or who wish to campaign on behalf of a particular candidate or candidates, may engage in conduct in behalf of such candidacy in the areas designated pursuant to this Section or in accordance with the provisions of Section 3 below relating to off-campus speakers. A person who is not a student, a faculty member, or a staff member may speak on behalf of such a candidacy only in accordance with the provisions of Section 3 below relating to off-campus speakers.

Sec. 3 Regulation of Off-Campus Speakers. The Board of Regents has, and reserves the right to, regulate the presentation of guest speakers on the campus who are unaffiliated with the U. T. System or any of its institutions thereof (hereafter referred to as off-campus speakers).

3.1 Only registered student organizations, faculty or staff organizations, System-owned dormitories, and Student Government may present off-campus speakers on the campus.

3.2 The organization sponsoring an off-campus speaker has the responsibility of making clear the fact that the

organization, not the institution, is extending the invitation to speak and that any views the speaker may express are his or her own and not necessarily those of the System or of any component institution.

- 3.3 An off-campus speaker is subject to all provisions of federal, State, and local laws.
- 3.4 Registered student organizations, faculty or staff organizations, University-owned dormitories, and the students' association may be permitted the use of System-owned facilities to present off-campus speakers on campus pursuant to the facilities use regulations of the System and the institution.
- 3.5 An application for the use of any facility of the System or any of its institutions must be made to the Chancellor of the U. T. System or the president of an institution, or his or her delegate, at least 48 hours before the time the event is scheduled to take place.
- 3.6 No person shall be permitted on any campus of the System to engage in speech, either orally or in writing, which is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.
- 3.7 No off-campus speaker who is to be paid from State funds as consideration for his or her speech shall be permitted to speak on the campus of any institution of the System unless the university facility in which the speech is to be delivered will be open to the public, including members of the news media, who will be entitled to record, videotape, or telecast live portions of the speech. The provisions of this Subdivision do not apply to classes, seminars, symposia, and conferences intended for the use and benefit of students, faculty, staff, and invited guests. No person may in any way obstruct or lessen in any way the opportunity for the audience to take the fullest advantage of the speech, including the opportunity to see and hear the speaker during the entire speech.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students
Faculty
Staff

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Negotiations Related to Disruptive Activities Prohibited

2. Rule and Regulation

Sec. 1 *Prohibition.* Neither the Chancellor of The University of Texas System, the president of an institution, any officer in the System Administration, nor any representative of either of them when dealing with disruptive activities, shall negotiate or attempt to negotiate with any person or persons engaged in any disruptive activity on the campus of any institution of the U. T. System.

Sec. 2 *Discretion.* When such a situation arises, the Chancellor of the U. T. System, the president of an institution, any officer in the System Administration, or any representative of either of them, shall take immediate action to utilize all lawful measures to halt and eliminate any and all such disruptive activities that come to their attention: provided, however, the Chief of Police of the U. T. System or any of its institutions and those people designated by any such Chief of Police are authorized to use their sound discretion under the attendant circumstances in addressing any such disruptive behavior.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Anonymous Publications

2. Rule and Regulation

Sec. 1 Prohibition. Anonymous publications are prohibited, and any individual or organization publishing, aiding in publishing, or circulating or aiding in circulating any anonymous publication will be subject to disciplinary action.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Institutions Comprising The University of Texas System

2. Rule and Regulation

Sec. 1 Official Titles. The U. T. System is composed of the institutions and entities set forth below. To insure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used:

- 1.1 The University of Texas System Board of Regents
(U. T. Board of Regents)
- 1.2 The University of Texas System Administration
(U. T. System Administration)
 - (a) The University of Texas System Bauer House
(U. T. Bauer House)
- 1.3 The University of Texas at Arlington (U. T. Arlington)
 - (a) The University of Texas at Arlington School of Architecture
 - (b) The University of Texas at Arlington College of Business Administration
 - (c) The University of Texas at Arlington College of Education
 - (d) The University of Texas at Arlington College of Engineering
 - (e) The University of Texas at Arlington Graduate School
 - (f) The University of Texas at Arlington Honors College
 - (g) The University of Texas at Arlington College of Liberal Arts
 - (h) The University of Texas at Arlington School of Nursing

- (i) The University of Texas at Arlington College of Science
 - (j) The University of Texas at Arlington School of Social Work
 - (k) The University of Texas at Arlington School of Urban and Public Affairs
- 1.4 The University of Texas at Austin (U. T. Austin)
- (a) The University of Texas at Austin School of Architecture
 - (b) The University of Texas at Austin McCombs School of Business
 - (c) The University of Texas at Austin College of Communication
 - (d) The University of Texas at Austin Division of Continuing and Extended Education
 - (e) The University of Texas at Austin College of Education
 - (f) The University of Texas at Austin College of Engineering
 - (g) The University of Texas at Austin College of Fine Arts
 - (h) The University of Texas at Austin Graduate School
 - (i) The University of Texas at Austin School of Information
 - (j) The University of Texas at Austin School of Law
 - (k) The University of Texas at Austin LBJ School of Public Affairs
 - (l) The University of Texas at Austin College of Liberal Arts

- (m) The University of Texas at Austin McDonald Observatory at Mount Locke (U. T. Austin McDonald Observatory)
 - (n) The University of Texas at Austin College of Natural Sciences
 - (o) The University of Texas at Austin School of Nursing
 - (p) The University of Texas at Austin College of Pharmacy
 - (q) The University of Texas at Austin School of Social Work
- 1.5 The University of Texas at Brownsville (U. T. Brownsville)
- (a) The University of Texas at Brownsville School of Business
 - (b) The University of Texas at Brownsville Division of Continuing Education
 - (c) The University of Texas at Brownsville School of Education
 - (d) The University of Texas at Brownsville School of Health Sciences
 - (e) The University of Texas at Brownsville College of Liberal Arts
 - (f) The University of Texas at Brownsville College of Science, Mathematics and Technology
- 1.6 The University of Texas at Dallas (U. T. Dallas)
- (a) The University of Texas at Dallas School of Arts and Humanities
 - (b) The University of Texas at Dallas School of Behavioral and Brain Sciences
 - (c) The University of Texas at Dallas Callier Center for Communication Disorders

- (d) The University of Texas at Dallas Erik Jonsson School of Engineering and Computer Science
 - (e) The University of Texas at Dallas School of General Studies
 - (f) The University of Texas at Dallas School of Management
 - (g) The University of Texas at Dallas School of Natural Sciences and Mathematics
 - (h) The University of Texas at Dallas School of Social Sciences
- 1.7 The University of Texas at El Paso (U. T. El Paso)
- (a) The University of Texas at El Paso College of Business Administration
 - (b) The University of Texas at El Paso College of Education
 - (c) The University of Texas at El Paso College of Engineering
 - (d) The University of Texas at El Paso Graduate School
 - (e) The University of Texas at El Paso College of Health Science
 - (f) The University of Texas at El Paso College of Liberal Arts
 - (g) The University of Texas at El Paso College of Natural Sciences
 - (h) The University of Texas at El Paso College of Science
 - (i) The University of Texas at El Paso University College
- 1.8 The University of Texas – Pan American (U. T. Pan American)

- (a) The University of Texas – Pan American College of Arts and Humanities
 - (b) The University of Texas – Pan American College of Business Administration
 - (c) The University of Texas – Pan American College of Education
 - (d) The University of Texas – Pan American College of Health Sciences and Human Services
 - (e) The University of Texas – Pan American College of Science and Engineering
 - (f) The University of Texas – Pan American College of Social and Behavioral Sciences
- 1.9 The University of Texas of the Permian Basin (U. T. Permian Basin)
- (a) The University of Texas of the Permian Basin College of Arts and Sciences
 - (b) The University of Texas of the Permian Basin School of Business
 - (c) The University of Texas of the Permian Basin School of Education
- 1.10 The University of Texas at San Antonio (U. T. San Antonio)
- (a) The University of Texas at San Antonio School of Architecture
 - (b) The University of Texas at San Antonio College of Business
 - (c) The University of Texas at San Antonio College of Education and Human Development
 - (d) The University of Texas at San Antonio College of Engineering

- (e) The University of Texas at San Antonio Honors College
 - (f) The University of Texas at San Antonio College of Liberal and Fine Arts
 - (g) The University of Texas at San Antonio College of Public Policy
 - (h) The University of Texas at San Antonio College of Sciences
 - (i) The University of Texas Institute of Texan Cultures at San Antonio (U. T. Institute of Texas Cultures – San Antonio)
 - (j) The University of Texas at San Antonio Downtown Campus (U. T. San Antonio Downtown Campus)
- 1.11 The University of Texas at Tyler (U. T. Tyler)
- (a) The University of Texas at Tyler College of Arts and Sciences
 - (b) The University of Texas at Tyler College of Business and Technology
 - (c) The University of Texas at Tyler College of Education and Psychology
 - (d) The University of Texas at Tyler College of Engineering and Computer Science
 - (e) The University of Texas at Tyler College of Liberal Arts
 - (f) The University of Texas at Tyler College of Nursing and Health Sciences
 - (g) The University of Texas at Tyler College of Science and Mathematics
- 1.12 The University of Texas Southwestern Medical Center at Dallas (U. T. Southwestern Medical Center – Dallas)

- (a) The University of Texas Southwestern Allied Health Sciences School at Dallas (U. T. Southwestern A.H.S.S. – Dallas)
 - (b) The University of Texas Southwestern Graduate School of Biomedical Sciences at Dallas (U. T. Southwestern G.S.B.S. – Dallas)
 - (c) The University of Texas Southwestern Medical School at Dallas (U. T. Southwestern Medical School – Dallas)
- 1.13 The University of Texas Medical Branch at Galveston (U. T. Medical Branch – Galveston)
- (a) The University of Texas School of Allied Health Sciences at Galveston (U. T. Allied Health Sciences School – Galveston)
 - (b) The University of Texas Graduate School of Biomedical Sciences at Galveston (U. T. G.S. B.S. – Galveston)
 - (c) The University of Texas Hospitals at Galveston (U. T. Hospitals – Galveston)
 - (d) The University of Texas School of Nursing at Galveston (U. T. Nursing School – Galveston)
 - (e) The University of Texas Marine Biomedical Institute at Galveston (U. T. Marine Biomedical Institute – Galveston)
 - (f) The University of Texas Institute for the Medical Humanities at Galveston (U. T. Medical Humanities Institute – Galveston)
- 1.14 The University of Texas Health Science Center at Houston (U. T. Health Science Center – Houston)
- (a) The University of Texas Dental Branch at Houston (U. T. Dental Branch – Houston)

- (b) The University of Texas Graduate School of Biomedical Sciences at Houston (U. T. G.S.B.S. – Houston)
 - (c) The University of Texas School of Health Information Sciences at Houston (U. T. Health Information Sciences – Houston)
 - (d) The University of Texas Medical School at Houston (U. T. Medical School – Houston)
 - (e) The University of Texas School of Nursing at Houston (U. T. Nursing School – Houston)
 - (f) The University of Texas School of Public Health at Houston (U. T. Public Health School – Houston)
- 1.15 The University of Texas Health Science Center at San Antonio (U. T. Health Science Center – San Antonio)
- (a) The University of Texas School of Allied Health Sciences at San Antonio (U. T. Allied Health Sciences School – San Antonio)
 - (b) The University of Texas Graduate School of Biomedical Sciences at San Antonio (U. T. G.S.B.S. – San Antonio)
 - (c) The University of Texas Dental School at San Antonio (U. T. Dental School – San Antonio)
 - (d) The University of Texas Medical School at San Antonio (U. T. Medical School – San Antonio)
 - (e) The University of Texas School of Nursing at San Antonio – (U. T. Nursing School – San Antonio)
- 1.16 The University of Texas M. D. Anderson Cancer Center (U. T. M. D. Anderson Cancer Center)
- (a) The University of Texas M. D. Anderson Hospital (U. T. M. D. Anderson Hospital)
 - (b) The University of Texas M. D. Anderson Science Park (U. T. M. D. Anderson Science Park)

(c) The University of Texas M. D. Anderson Tumor
Institute (U. T. M. D. Anderson Tumor Institute)

(d) The University of Texas M. D. Anderson School of
Health Sciences

1.17 The University of Texas Health Center at Tyler
(U. T. Health Center – Tyler)

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 65.11 – Board of Regents

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Medical and Hospital Services

2. Rule and Regulation

Sec. 1 Compensation for Service. With exceptions as outlined below, *no health care services shall be provided by any institution of The University of Texas System to any person without compensation or reimbursement to the U. T. System. In the case of health care facilities operated by the U. T. System, which under the law are open to the general public, free or partly free health care services may be rendered to persons who are indigent and who are able to offer proof that they are not financially able to pay either all or any part of their health care expenses. In the case of health care services provided by faculty of a general academic institution in the conduct of an educational program, persons receiving such services need not be charged for such services.*

Sec. 2 Acceptance of Patients. Health institutions may accept patients for acute or continuing, or both, care without referral by another physician or agency. The patients are accepted for total and continuing care including the obligation to obtain the services of other physicians when indicated.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Healthcare Risk Management

2. Rule and Regulation

Sec. 1 Focus of Risk Management. All risks of loss should be minimized by risk management and prevention programs, including risks associated with the provision of healthcare. Health components shall establish and maintain programs whose purpose is to promote the quality of care provided to patients. Wherever possible, the focus of these programs is to prevent loss or injury through:

- 1.1 Striving for quality in all aspects of patient care.
- 1.2 Education of all levels of staff and employees.
- 1.3 Providing basic elements for each component's quality and risk management program.
- 1.4 Monitoring of activities resulting in loss of time, equipment and resources.
- 1.5 Compliance with federal, state and local codes, rules and regulations.
- 1.6 Coordination and integration of programs in risk management and in quality improvement.
- 1.7 Timely reporting of quality issues and adverse occurrences within component organizations and from components to U. T. System Administration.

Sec. 2 Responsibility for Implementation. By this policy, each component is hereby delegated the operational responsibility to implement a health risk management and risk prevention program which will reflect the principles stated above. Each program should reflect the principle that an effective risk management program is the responsibility of all levels of management and all personnel.

3. Definitions

Risk Management/Risk Prevention – as used in this rule includes programs dealing with medical liability and quality management.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Official Seal, Colors, Logo, and Mascot

2. Rule and Regulation

Sec. 1 Official Seal. The official seal of The University of Texas System shall be the seal held in the custody of the Counsel and Secretary to the Board of Regents on which shall be inscribed, "Seal of The University of Texas." The official seal of each institution shall consist of the System seal with such heraldic variations as may be approved by the Board of Regents upon recommendation of the president of the institution, the appropriate Executive Vice Chancellor, and the Chancellor. This official seal shall be used for the purpose of certifying diplomas, official transcripts for students, and for such other official purposes as may be approved by the Board of Regents, by System Administration, or by the president of an institution. Provided, however, that if any institution has previously adopted and presently uses an institutional seal, such institution may continue to use such seal in lieu of the seal hereby provided for. Provided further, however, no institution shall use as its official seal that seal approved herein as the official seal of the System, unless the full title of the institution as designated in the Regents' *Rules and Regulations* Series 40601 is also used as an integral part of the seal.

Sec. 2 Official Colors. The official colors for the U. T. System shall be orange and white; provided, however, that an institution may adopt one additional color to be used in connection with athletic and other activities of the institution when approved by the Board of Regents upon recommendation of the president of the institution, the appropriate Executive Vice Chancellor, and the Chancellor.

Sec. 3 Themes, Logos, and Mascots. Each institution may adopt a theme, a logo, and a mascot, provided same are approved by the Board of Regents via the Docket following recommendation of the president of the institution, the appropriate Executive Vice Chancellor, and the Chancellor.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 40601* – Institutions Comprising The University of Texas System.

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Charter Schools

2. Rule and Regulation

Sec. 1 Conditions for Starting a Charter School. Upon a finding by the Chancellor and the Executive Vice Chancellor for Academic Affairs that a proposed application to operate a charter school as authorized by *Texas Education Code Chapter 12* meets requirements of State law and furthers the institutional mission, an institution may apply to the State Board of Education to operate a charter school. Charter school operations will adhere to all applicable provisions of State law including the *Texas Public Information Act*.

Sec. 2 Oversight. The oversight and supervision of the charter school is delegated to the institutional president, with a report to the Board each year, detailing activities and performance of the charter school.

Sec. 3 Advisory Council. A board or council may be appointed by the president to advise him or her on operation of the charter school. The board or council will comply with all provisions of the *Texas Open Meetings Act* applicable to the Board of Regents.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 12.101 – Authorization

Texas Government Code Chapter 551 – Open Meetings

Texas Government Code Chapter 552 – Public Information

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Guidelines for Cooperative Use of Courses and Facilities with Texas A&M University

2. Rule and Regulation

- Sec. 1 Purpose. Establishment of a simplified procedure for the cooperative use of courses and facilities in graduate education to allow graduate students from The University of Texas System or Texas A&M University to benefit from the laboratory facilities and/or graduate course offerings unique to each institution.
- Sec. 2 Background. The following guidelines were developed with representatives from The Texas A&M University System and the concept was approved by the offices of General Counsel in both systems for transmission to the Texas Higher Education Coordinating Board. Participation in the program will be voluntary and operating details will be written by the graduate deans and approved by the presidents of the institutions concerned.
- Sec. 3 Cooperative Use. A graduate student from one institution may study at a cooperating institution with its sister System when there exists a unique educational opportunity related to the student's program and interest (laboratory or course), but only with the consent of the instructor or director of the laboratory and when all concerned recognize that it is in the best interest of all parties. Such arrangements are contingent on space being readily available in the laboratory or course.
- Sec. 4 Registration. The graduate student will maintain registration only at the home institution. Credit for any course or work taken at an institution with its sister System will be through student registration in an appropriate course at the home institution (such as graduate special problems). The graduate dean of the sister institution will certify the course grade to the graduate dean of the home institution by letter or on a form adopted for this purpose.
- Sec. 5 Compliance. Graduate students doing work at a sister System institution will comply with all appropriate rules of the sister institution.

- Sec. 6 Fees. Graduate students will pay all applicable fees at the home institution, but none at the cooperating sister system institution. It is anticipated that the number of students participating in this program will be small and that the paperwork associated with money exchanges will not justify such a practice.
- Sec. 7 Financial Assistance. Students on a fellowship or receiving financial assistance at the home institution may continue receiving such assistance, if otherwise appropriate, while doing research in a laboratory or taking courses with its sister system institution, but will not at the same time receive financial support from the sister system institution. The cooperating sister system institution assumes no financial responsibility for the student.
- Sec. 8 Operating Details. Other operating details which may be needed will be worked out within these guidelines by the graduate deans of the individual cooperating institutions with the approval of the presidents of the institutions concerned.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 50701 – Visiting Students Program

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Conduct and Discipline

2. Rule and Regulation

Sec. 1 Institutional Rules. The institutions shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in compliance with the Regents' *Rules and Regulations* and shall become effective upon review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs. Each student is responsible for notice of and compliance with the provisions of the Regents' *Rules and Regulations* and the rules of the institution.

Sec. 2 Standards of Conduct. All students are expected and required to obey federal, State, and local laws, to comply with the Regents' *Rules and Regulations*, with The University of Texas System and institutional rules and regulations, with directives issued by an administrative official of the U. T. System or institution in the course of his or her authorized duties, and to observe standards of conduct appropriate for an academic institution.

2.1 Who is Subject to Discipline. Any student who engages in conduct that violates the Regents' *Rules and Regulations*, the U. T. System or institutional rules and regulations, specific instructions issued by an administrative official of the institution or the U. T. System acting in the course of his or her authorized duties, or federal, State, or local laws is subject to discipline whether such conduct takes place on or off campus or whether civil or criminal penalties are also imposed for such conduct.

2.2 Scholastic Dishonesty. Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

- 2.3 Drugs. Any student who is guilty of the illegal use, possession and/or sale of a drug or narcotic on the campus of an institution is subject to discipline. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the recommended penalty shall be suspension from the institution for a specified period of time and/or suspension of rights and privileges.
- 2.4 Health or Safety. Any student who engages in conduct that endangers the health or safety of any person on the campus of an institution or on any property, or in any building or facility owned or controlled by the U. T. System or institution is subject to discipline.
- 2.5 Disruptions. Any student who, acting singly or in concert with others, obstructs, disrupts, or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity or public performance authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the U. T. System or institution is subject to discipline. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through the university's computer resources.
- 2.6 Inciting Lawless Action. Any student who engages in speech, either orally or in writing, which is directed to inciting or producing imminent lawless action and is likely to incite or produce such action is subject to discipline.
- 2.7 Unauthorized Use of Property. Any student who engages in the unauthorized use of property, equipment, supplies, buildings, or facilities owned or controlled by the U. T. System or institution is subject to discipline.
- 2.8 Hazing. Any student who, acting singly or in concert with others, engages in hazing is subject to discipline. Hazing in State educational institutions is prohibited by State law (*Texas Education Code Section 51.936*). Hazing with or without the consent of a student whether on or off

campus is prohibited, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline. Initiations or activities of organizations may include no feature that is dangerous, harmful, or degrading to the student, and a violation of this prohibition renders both the organization and participating individuals subject to discipline.

- 2.9 **Altering of Official Documents.** A student who alters or assists in the altering of any official record of the U. T. System or institution or who submits false information or omits requested information that is required for or related to an application for admission, the award of a degree, or any official record of the U. T. System or institution is subject to discipline. A former student who engages in such conduct is subject to bar against readmission, revocation of degree, and withdrawal of diploma.
- 2.10 **Vandalism.** Any student who defaces, mutilates, destroys, or takes unauthorized possession of any property, equipment, supplies, buildings, or facilities owned or controlled by an institution or the U. T. System is subject to discipline.
- 2.11 **Prohibited Conduct.** A student is subject to discipline for prohibited conduct that occurs while participating in off-campus activities sponsored by a component institution or the U. T. System including field trips, internships, rotations, or clinical assignments.
- 2.12 **Use of Explosives, Weapons or Hazardous Chemicals.** Unless authorized by federal, State, or local laws, a student who possesses or uses any type of explosive, firearm, imitation firearm, ammunition, hazardous chemical, or weapon as defined by State or federal law, while on campus or on any property or in any building or facility owned or controlled by the U. T. System or institution, is subject to discipline.
- 2.13 **Prohibited Conduct During Suspension.** A student who receives a period of suspension as a disciplinary penalty is subject to further disciplinary action for prohibited conduct that takes place on campus during the period of suspension.

- Sec. 3 Bar from Campus. A former student who has been suspended or expelled for disciplinary reasons is prohibited from being on the campus of any institution during the period of such suspension or expulsion without prior written approval of the chief student affairs officer of the institution at which the suspended or expelled student wishes to be present.
- Sec. 4 Disciplinary Process. A student may be summoned by written request of the Dean for a meeting to discuss the allegations. The written request shall specify a place for the meeting and a time at least three weekdays after the date of the written request. The written request may be mailed to the address appearing in the records of the registrar or may be hand delivered to the student. If a student fails to appear without good cause, as determined by the Dean, the Dean may bar or cancel the student's enrollment or otherwise alter the status of the student until the student complies with the summons, or the Dean may proceed to implement the disciplinary procedures provided for in Number 2, Section 5 of this Series. The refusal of a student to accept delivery of the notice or the failure to maintain a current address with the registrar shall not be good cause for the failure to respond to a summons.
- 4.1 Interim Disciplinary Action. Pending a hearing or other disposition of the allegations against a student, the Dean may take such immediate interim disciplinary action as is appropriate to the circumstances, including:
- (a) suspension and bar from the campus when it reasonably appears to the Dean from the circumstances that the continuing presence of the student poses a potential danger to persons or property or a potential threat for disrupting any activity authorized by the institution; or (b) the withholding of grades, degree, or official transcript when such action is in the best interest of the institution.
- 4.2 Timeliness of Hearing. When interim disciplinary action has been taken by the Dean under Section 4.1 immediately above, a hearing of the charges against the student will be held under the procedures specified in Section 5 immediately below, but will be held within 10 days after the interim disciplinary action was taken unless the student agrees in writing to a hearing at a later time or unless the student waives a hearing and accepts

the decision of the Dean in accordance with Section 4.3 immediately below.

- 4.3 **Assessment of Penalty.** In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Section 5 immediately below, the Dean shall assess one or more of the penalties specified in Section 6 immediately below that is appropriate to the charges and inform the student of such action in writing. The recommended penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Section 2.3 immediately above. The decision of the Dean on penalty only may be appealed to the president of an institution.

Sec. 5 **Hearing Process.** In those cases in which the accused student disputes the facts upon which the charges are based, such charges shall be heard and determined by a fair and impartial Hearing Officer.

- 5.1 **Notice of Hearing.** Except in those cases where immediate interim disciplinary action has been taken, the accused student shall be given at least 10 days written notice of the date, time, and place for such hearing and the name of the Hearing Officer. The notice shall include a statement of the charge(s) and a summary statement of the evidence supporting such charge(s). The notice shall be delivered in person to the student or mailed to the student at the address appearing in the registrar's records. A notice sent by mail will be considered to have been received on the third day after the date of mailing, excluding any intervening Sunday. The date for a hearing may be postponed by the Hearing Officer for good cause or by agreement of the student and Dean.
- 5.2 **Impartiality of the Hearing Officer.** The accused student may challenge the impartiality of the Hearing Officer. The challenge must be in writing, state the reasons for the challenge, and be submitted to the Hearing Officer through the Office of the Dean at least three days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies

himself or herself, a substitute will be chosen in accordance with procedures of the institution.

- 5.3 **Burden of Proof.** Upon a hearing of the charges, the Dean or other institutional representative has the burden of going forward with the evidence and has the burden of proving the charges by the greater weight of the credible evidence.
- 5.4 **Duties of Hearing Officer.** The Hearing Officer is responsible for conducting the hearing in an orderly manner and controlling the conduct of the witnesses and participants in the hearing. The Hearing Officer shall rule on all procedural matters and on objections regarding exhibits and testimony of witnesses, may question witnesses, and is entitled to have the advice and assistance of legal counsel from the Office of General Counsel of the System. The Hearing Officer shall render and send to the Dean and the accused student a written decision that contains findings of fact and a conclusion as to the guilt or innocence of the accused student. Upon a conclusion of guilt the Hearing Officer shall assess a penalty or penalties specified in Section 6 immediately below. Guilt of the illegal use, possession, or sale of a drug or narcotic on campus requires the assessment of a minimum penalty provided in Section 2.3 immediately above.
- 5.5 **Minimal Rights.** The hearing shall be conducted in accordance with procedures adopted by the institution that assure the institutional representative and the accused student the following minimal rights:
- (a) Each party shall provide the other party a list of witnesses, a brief summary of the testimony to be given by each, and a copy of documents to be introduced at the hearing at least five days prior to the hearing.
 - (b) Each party shall have the right to appear, present testimony of witnesses and documentary evidence, cross-examine witnesses, and be assisted by an advisor of choice. The advisor may be an attorney. If the accused student's advisor is an attorney, the Dean's advisor may be an attorney from the Office of

General Counsel of the System. An advisor may confer with and advise the Dean or accused student, but shall not be permitted to question witnesses, introduce evidence, make objections, or present argument to the Hearing Officer.

(c) The Dean may recommend a penalty to be assessed by the Hearing Officer. The recommendation may be based upon past practice of the component institution for violations of a similar nature, the past disciplinary record of the student, or other factors deemed relevant by the Dean. The accused student shall be entitled to respond to the recommendation of the Dean.

(d) The hearing will be recorded. If either party desires to appeal the decision of the Hearing Officer, the official record will consist of the recording of the hearing, the documents received in evidence, and the decision of the Hearing Officer. At the request of the president of an institution the recording of the hearing will be transcribed and both parties will be furnished a copy of the transcript.

Sec. 6 Penalties. The following penalties may be assessed by the Dean pursuant to Section 4.3 immediately above or by the Hearing Officer after a hearing in accordance with the procedures specified in Section 5.5 immediately above:

- 6.1 Disciplinary probation.
- 6.2 Withholding of grades, official transcript, and/or degree.
- 6.3 Bar against readmission.
- 6.4 Restitution or reimbursement for damage to or misappropriation of institutional or U. T. System property.
- 6.5 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
- 6.6 Failing grade for an examination or assignment or for a course and/or cancellation of all or any portion of prior course credit.

- 6.7 Denial of degree.
 - 6.8 Suspension from the institution for a specified period of time.
 - 6.9 Expulsion (permanent separation from the institution).
 - 6.10 Revocation of degree and withdrawal of diploma.
 - 6.11 Other penalty as deemed appropriate under the circumstances.
- Sec. 7 Appeal. A student may appeal a disciplinary penalty assessed by the Dean in accordance with Section 4.3 immediately above. Either the Dean or the student may appeal the decision of the Hearing Officer. An appeal shall be in accordance with the following procedures:
- 7.1 Appeal Procedures. Written notice of appeal must be delivered to the president of the institution within 14 days after the appealing party has been notified of the penalty assessed by the Dean or the decision of the Hearing Officer. If the notice of penalty assessed by the Dean or the decision of the Hearing Officer is sent by mail, the date the notice or decision is mailed initiates the 14-day period for giving notice of appeal. An appeal of the penalty assessed by the Dean in accordance with Section 4.3 immediately above will be reviewed solely on the basis of the written argument of the student and the Dean. The appeal of the decision of the Hearing Officer will be reviewed solely on the basis of the record from the hearing. In order for the appeal to be considered, all the necessary documentation to be filed by the appealing party, including written argument must be filed with the president within 14 days after notice of appeal is given. At the discretion of the president, both parties may present oral argument in an appeal from the decision of the Hearing Officer.
 - 7.2 President's Authority. The president may approve, reject, or modify the decision in question or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession,

and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the recommended penalty prescribed by Section 2.3 immediately above.

7.3 Communication of Decision. The action of the president shall be communicated in writing to the student and the Dean within 30 days after the appeal and related documents have been received. The decision of the president is the final appellate review.

Sec. 8 Disciplinary Record. Each institution shall maintain a permanent written disciplinary record for every student assessed a penalty of suspension, expulsion, denial or revocation of degree, and/or withdrawal of diploma. A record of scholastic dishonesty shall be maintained for at least five years unless the record is permanent in conjunction with the above stated penalties. A disciplinary record shall reflect the nature of the charge, the disposition of the charge, the penalty assessed, and any other pertinent information. This disciplinary record shall be maintained separately from the student's academic record, shall be treated as confidential, and shall not be accessible to or used by anyone other than the Dean, except upon written authorization of the student or in accordance with applicable State or federal laws or court order or subpoena.

3. Definitions

Chief Student Affairs Officer – the administrative officer primarily responsible for the development and administration of policies relating to students, for the development and implementation of services to students, and for the initial preparation of institutional regulations that will implement the policies and regulations set forth in this rule.

Dean or Dean of Students – refers to the administrative officer or officers responsible for the administration of the disciplinary process at each institution.

Hearing Officer – An individual or individuals selected in accordance with procedures adopted by the institution to hear disciplinary charges, make findings of fact, and, upon a finding of guilt, impose an appropriate sanction(s).

Student – The following persons shall be considered students for purposes of these policies and regulations:

1. A person currently enrolled at an institution of the U. T. System.
2. A person accepted for admission or readmission to an institution of the U. T. System.
3. A person who has been enrolled at an institution of the U. T. System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.
4. A person who engaged in prohibited conduct at a time when he or she met the criteria of 1, 2, and 3 immediately above.

Campus – consists of all real property, buildings, or facilities owned or controlled by the component institution.

Weekday - Monday through Friday, excluding any day that is an official holiday of the component institution.

Day – a calendar day.

4. Relevant Federal and State Statutes

Texas Education Code Section 51.936 – Hazing

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Dean of Students
Hearing Officers
Students
Office of General Counsel

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Advisory Council

2. Rule and Regulation

Sec. 1 Formation of Council. A Student Advisory Council, representing institutions in the University of Texas System, shall be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions. The Executive Vice Chancellor for Academic Affairs will serve as U. T. System liaison to the Council. Representatives of the Student Advisory Council may from time to time address the Board of Regents at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Student Advisory Council Executive Committee and the Board.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Organizations

2. Rule and Regulation

- Sec. 1 Registration Procedures. An organization in which membership is limited to students (recognizing that faculty and staff may also be members) of an institution may become a registered student organization at that institution by complying with the registration procedures established by the chief student affairs officer or his or her designee.
- Sec. 2 Advisors. The chief student affairs officer, with the approval of the president of an institution, may establish regulations requiring faculty or staff advisers for registered student organizations.
- Sec. 3 Limitation on Representations. A registered student organization may state that its membership is composed of students, or of students, faculty, and/or staff, of an institution, but it shall not suggest or imply that it is acting with the authority or as an agency of that institution. A student organization shall not use the name of an institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either an institution or the U. T. System in connection with any activity of the organization nor use such seal or seals as a part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.
- Sec. 4 Eligibility. The chief student affairs officer, with the approval of the president of an institution, may issue regulations governing the eligibility of students for participation in organized activities.
- Sec. 5 Disciplinary Action. Any student organization is subject to disciplinary action or revocation of registration as a student organization for violation of a rule or regulation of the U. T. System and/or of the institution at which the organization is registered.
- Sec. 6 Coordination of Registration. The president of each institution of the System shall require and enforce the following:

- 6.1 List of Officers and Members. As a condition to being a registered student organization or group during a semester, every registered student organization or group shall furnish to the appropriate institutional officer at the beginning of each such semester a complete list of officers or other members of the organization or group who are authorized to speak for or represent the organization or group in its relations with the institution and who are authorized to receive for the organization or group official notices, directives, or information from the institution. Each such list shall be kept current and accurate throughout the semester by the organization or group, and it shall be conclusively presumed that the officers or members whose names are on the list most recently filed by the organization or group are authorized to speak for and represent the organization or group in its relations with the institution and are authorized to receive for the organization or group official notices, directives, or information from the institution.
- 6.2 Restrictions on Membership. No registered student organization or group may have any person as a member who is not either a student or a member of the faculty or staff of the institution. Except pursuant to the provisions of the Regents' *Rules and Regulations* Series 80106, no organization or group, whether registered or not, may use any facility of any institution of the System if it has as a member any person who is not either a student or a member of the faculty or staff of the institution.
- 6.3 Statement as to Make-up of Members. At the beginning of each semester, each registered student organization or group must file with the appropriate institutional officer a written statement that the organization or group does not, and will not during the semester, have as a member any person who is not either a student or a member of the faculty or staff of the institution. If an organization or group fails or refuses to file the required statement, or if the Dean of Students determines that the statement is or has become false, the Dean of Students, after providing notice, shall begin disciplinary proceedings. The Dean or Hearing Officer may cancel the registered status of the organization or group or impose other appropriate penalties.

6.4 Debts to the Institution. No organization or group, whether registered or not, may use the facilities of any institution as long as it owes a monetary debt to the institution and the debt is considered delinquent by the crediting institutional agency.

Sec. 7 Limit on Registration. Any institution may require student organizations or groups to sign an agreement to comply with institutional rules and may refuse to register any organization that refuses to sign such an agreement.

Sec. 8 Application for Re-registration. A registered student organization whose registered status has been cancelled by the Dean of Students pursuant to Section 7.3 immediately above or Series 80103 Number 2, Section 4 of the Regents' *Rules and Regulations* may apply for re-registration not less than six months following the date of such cancellation.

3. Definitions

Chief Student Affairs Officer – the administrative officer or officers directly responsible for student affairs at each institution

Dean or Dean of Students – refers to the administrative officer or officers responsible for the administration of the disciplinary process at each institution.

Hearing Officer - An individual selected in accordance with procedures adopted by the institution to hear disciplinary charges, make findings of fact, and, upon a finding of guilt, imposes an appropriate sanction(s).

Student - The following persons shall be considered students for purposes of these policies and regulations:

1. A person currently enrolled at an institution of the System.
2. A person accepted for admission or readmission to an institution of the System.
3. A person who has been enrolled at an institution of the System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.

4. A person who engaged in prohibited conduct at a time when he or she met the criteria of 1, 2, and 3 immediately above.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Dean of Students
Chief Student Affairs Officer
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Participation in Student Government

2. Rule and Regulation

Sec. 1 Student Associations. Students' associations currently authorized at the institutions of The University of Texas System are hereby approved. They shall have such jurisdictions and shall exercise such powers as the Board of Regents may now or hereafter delegate to them.

- 1.1 Associations in Force. The constitutions and bylaws of the several associations in force at the date of adoption of these *Rules and Regulations* are hereby approved.
- 1.2 Approval of Changes. An amendment to the constitution or bylaws of a students' association may be adopted by an association, in accordance with its constitution and bylaws, but the change shall not become effective until transmitted to and approved by the chief student affairs officer, the president, and the appropriate Executive Vice Chancellor.
- 1.3 Amendment or Repeal of Provisions. The chief student affairs officer shall have the power, when in his or her judgment the interests of the institution require it, to amend or repeal any provision in the constitution or bylaws of the particular association, but such action shall not be effective until approved by the president and the appropriate Executive Vice Chancellor.
- 1.4 Approval of Employees. All persons officially employed on salary by or under the direct supervision of a students' association shall be subject to approval by the chief student affairs officer and the president.
- 1.5 Required Financial Reports. Every officially recognized students association shall make annually a complete financial report to the institutional chief business officer and shall make such special reports as may be called for by such business officer. A duplicate copy of each report shall be filed with the chief student affairs officer. Committees and administrative units of a students' association shall make such interim reports of financial

condition as may be required by the chief student affairs officer.

- Sec. 2 Student Opinion. The students' association on each campus shall be a recognized forum of student opinion.
- 2.1 Recommendations to the Board of Regents. When a students' association takes a position with reference to issues directly related to a component institution and its operations, its recommendations to the Board of Regents shall go through the chief student affairs officer, the president, the appropriate Executive Vice Chancellor, and the Chancellor.
 - 2.2 Position on Non-University Issues. When a students association takes a position on non-University issues, it shall make clear the fact that it does not speak for the institution.
 - 2.3 Conditions for Getting Feedback. A students' association may conduct polls, initiate petitions, and/or establish forums for debate or discussion under conditions approved by the chief student affairs officer.
 - 2.4 Personal Views of Officers. Officers of a students association may so identify themselves when they express their personal views, but they shall then make it clear that they are not speaking for the institution, or for the student body, and they shall make it clear they are not speaking for the students' association unless the legislative body of that association has authorized the statement in advance.

3. Definitions

Chief Student Affairs Officer – the administrative officer or officers directly responsible for student affairs at each component institution

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Dean of Students
Chief Student Affairs Officer
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Off-Campus Student Housing

2. Rule and Regulation

Sec. 1 Approved Housing Status. The institutions of The University of Texas System will not extend Approved Housing status to any student residential units except those directly operated by the System. Each student at an institution will have free choice in the selection of his or her residential accommodations not operated by the University, subject to parietal rules.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Participation in Selection and Monitoring of Food Service Contractors

2. Rule and Regulation

Sec. 1 Establishment of Policies. As required by the *Texas Education Code Section 51.945*, each U. T. System general academic institution and each health institution which offers degree programs shall include as part of the respective institutional *Handbook of Operating Procedures*, a policy and procedure for student participation in the selection and monitoring of food service vendors which contract to provide regular and ongoing food or beverage services for students. The policies, at a minimum, shall provide for:

- 1.1 Input on Initial Selection or Renewal. Meaningful input from student patrons in the initial selection or the renewal of a contract of a food service vendor, including input in the development of desired qualifications of food service providers.
- 1.2 Continued Input. Inclusion in a food service contract of a commitment by the vendor to hold periodic meetings or forums for student patrons to discuss the performance of the food service provider.

Sec. 2 Services Covered. The policies are intended to cover contracts for food and beverage services located in or in conjunction with student unions, residence halls, or campus-wide cafeterias, and contracts for vending machine food and beverage services. Contracts with vendors for concessions at athletic facilities, food services for special events, hospital food services, or faculty/staff dining facilities do not require policies for student involvement.

Sec. 3 Required Approval. The institutional policies and procedures, which implement this requirement, are subject to approval by the appropriate Executive Vice Chancellor for inclusion in the institutional *Handbook of Operating Procedures*.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.945 – Student Participation in Selection of Food Service Contracts

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Debts of Students

2. Rule and Regulation

Sec. 1 Student Responsibilities. The University of Texas System is not responsible for debts contracted by individual students or by student organizations. However, students and student organizations are expected to conduct themselves honorably in all commercial transactions. The U. T. System will not assume the role of a collection agency except for monies owed to the System, nor will the System adjudicate disputes between students and creditors over the existence or the amounts of debts.

Sec. 2 Penalties for Nonpayment. In the event of nonpayment to the U. T. System, one or more of the following actions may be taken: (a) a bar against readmission for the student; (b) withholding of the student's grades and official transcript; (c) withholding of a degree to which the student otherwise would be entitled.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. **Dates Approved or Amended**

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Debit Cards

2. Rule and Regulation

Sec. 1 Delegation. The Board of Regents delegates to each institution's president the authority to establish a program to provide students enrolled at the institution with a debit card. The debit card program must comply with applicable State and federal law. Before implementing a debit card program at the institution, the president must obtain the prior approval of the Executive Vice Chancellor for Business Affairs. In addition, the president shall comply with applicable guidelines issued by the Office of General Counsel.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Employment of a Student's Attorney

2. Rule and Regulation

- Sec. 1 **Limitation on Representation.** If an attorney is retained in any manner by an institution or by a Students' Association or other agency of student government or other agency of an institution of The University of Texas System to serve as a students' attorney, said attorney shall not act as counsel of record nor represent any student, faculty member, or staff member; any group or combination of students, faculty members, or staff members; or System Administration or any institution of the System:
- 1.1 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of an institution of the U. T. System, the System, or the Board of Regents.
 - 1.2 At any stage of any felony criminal proceeding in any court, or if a student suspect is attending the same campus as the victim of the alleged crime. Further, no representation is to be provided at trial if the detention or arrest involved university police.
 - 1.3 At any stage of any civil proceeding in any federal, State, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interests of the U. T. System or any institution thereof, or against or antagonistic to the interests of any person who is sued in his or her official capacity as an officer of the System or any institution thereof.
- Sec. 2 **Contracts Subject to Rules.** Any contract or agreement for legal services entered into by a students' association or other agency of student government or other agency of an institution with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents, including funds from student fees whether compulsory or voluntary, is expressly subject to the applicable provisions of the Regents' *Rules and Regulations*.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Immunization of Students Against Hepatitis B

2. Rule and Regulation

Sec. 1 Legislative Requirement. Pursuant to *Texas Education Code Section 51.933(b)* the Texas Board of Health may require immunizations against diseases for students at any institution of higher education who are pursuing a course of study in a human or animal health profession. Texas Department of Health Administrative Rules, found in the *Texas Administrative Code Title 25, Part 1 Section 97.63* requires all students enrolled in health-related courses which will involve direct patient contact in medical or direct care facilities to receive a complete series of hepatitis B vaccine prior to the start of direct patient care or show serologic confirmation of immunity to hepatitis B virus.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.933(b) – Immunization Requirements

Texas Administrative Code Title 25 Part 1 Section 97.63 – Required Immunizations

5. Relevant System Policies, Procedures, and Forms

University of Texas System Policy on AIDS, HIV, and Hepatitis B Virus

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

International Student Health Insurance Requirement

2. Rule and Regulation

Sec. 1 Requirement. International students holding nonimmigrant visas and living in the United States are required to maintain approved comprehensive health insurance or coverage while enrolled at institutions of The University of Texas System, except as provided in item d. below

Sec. 2 Assessment of Fee. Each institution of the U. T. System is authorized to assess each such international student a health insurance fee (as an incidental fee authorized by *Texas Education Code Section 54.504*) in the amount of the premium approved for the U. T. System Student Health Insurance Plan for the actual cost of the insurance provided where there is no evidence of continuing coverage under the U. T. System Employee Health Plan or a comparable mandatory employee plan, continuing mandatory coverage through a government sponsored health plan (which covers health care in the United States and complies with the federal *Civil Rights Restoration Act of 1987*) or continuing coverage that satisfies the requirements of the Department of State (DOS) regulations with regard to J-1 and J-2 visa holders. Further, authorized the assessment of an incidental fee in the amount of the appropriate premium for dependents of J-1 visa holders as required by these federal regulations and required international students to immediately notify the institution should there be a lapse in approved alternative coverage

Sec. 3 Participation Encouraged. All international students are encouraged to participate in the U. T. System Student Health Insurance Plan

Sec. 4 Exceptions. Excepted from the insurance requirement are students from a bordering nation attending a component institution in a county adjacent to the nation in which the student legally resides

3. Definitions

U. T. System Student Health Insurance Plan – more information on the health insurance plan and its coverage can be found at <http://www.student-resources.net/>

4. Relevant Federal and State Statutes

Texas Education Code Section 54.504 – Incidental Fees

Civil Rights Restoration Act of 1987 20 U.S.C Section 1687, 29 U.S.C. Section 794, 42 U.S.C. Section 2000d-4a, and 42 U.S.C. Section 6101

United States Information Agency (USIA) regulations with regard to J-1 and J-2 visa holders – 8 CFR Part 214, Section 214.2(i)

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
International Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Health Insurance Requirement

2. Rule and Regulation

Sec. 1 Delegation. In accordance with *Texas Education Code Section 51.952*, the Board of Regents authorizes The University of Texas System health institutions to require enrolled students to have health insurance coverage and further delegated policy authority to the Chancellor.

Sec. 2 Satisfaction of Requirement. This requirement may be satisfied by either the student's enrollment in the U. T. System endorsed student health insurance plan or by the student presenting evidence of comparable health insurance from a source other than the University, following policy guidelines to be issued by the Chancellor.

Sec. 3 Notification of Requirement. Catalog supplements will be published by the health institutions regarding this requirement.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.952 – Student Health Insurance

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students at Health Institutions

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Liability Insurance for Students

2. Rule and Regulation

- Sec. 1 Students in Field Experience Courses. The institutions of The University of Texas System may require students enrolled in field experience courses to show evidence of student liability insurance when enrolled in field experience courses, which utilize off-campus facilities, if such facilities require the insurance. The requirement shall be included in each institution's catalog.
- Sec. 2 Students in Allied Health and Nursing. Allied health and nursing students shall, prior to official registration provide evidence of professional liability (malpractice) insurance coverage in a minimum amount determined by the president of the institution. Nursing students receiving stipends may be reimbursed for this fee through that source. The requirement shall be included in each institution's catalog.
- Sec. 3 Students in Pharmacy. All pharmacy students enrolling in fifth-year clinical and/or pharmacy internship courses shall provide evidence of professional liability insurance coverage paid for the duration of the course or courses as a prerequisite to enrollment. The effective date of the policy shall be on or before the first regular class period of the clinical and/or pharmacy internship course for which the student is enrolling. The requirement shall be included in each institution's catalog.
- Sec. 4 Students Enrolled in Health Components. All students enrolled in a health institution of the U. T. System in a program that involves direct patient care activities shall be required to purchase professional liability insurance as a prerequisite to enrollment. Such coverage shall be for at least \$5,000 per incident/\$15,000 per year, however, the chief administrative officer of the institution may set higher minimum amounts for specific programs that involve greater risk. This policy does not eliminate the requirement for nursing students enrolled in a general academic institution. The requirement shall be included in each institution's catalog.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 54.504 – Incidental Fees

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Student Travel

2. Rule and Regulation

Sec. 1 Establishment of Policies. Consistent with the requirements of *Texas Education Code Section 51.950*, each institution of The University of Texas System shall adopt a policy governing student travel. Such a policy, at a minimum, shall comply with the guidelines below and become effective upon approval by the appropriate Executive Vice Chancellor. Approved policies shall be published in the institutional *Handbook of Operating Procedures* and catalogs and filed with the Texas Higher Education Coordinating Board.

Sec. 2 Activities Governed. This Policy is applicable to student travel undertaken by one or more currently enrolled students to reach an activity or event that meets all of the following criteria:

2.1 An activity or event organized and sponsored by the component institution. An activity or event is considered to be organized and sponsored if it has been planned and funded by the institution and approved by an administrator designated by the institution.

2.2 The activity or event is located more than 25 miles from the institution; and:

(a) Travel to the activity or event is funded and undertaken using a vehicle owned or leased by the institution; or

(b) Attendance at the activity or event is required by a registered student organization and approved in accordance with Section 3 of this Policy

Sec. 3 Required Approval. Registered student organizations that require their members to travel 25 miles or more from the institution to attend an activity or event covered by this Policy must obtain prior written approval for the proposed travel by the institutional officer designated by the institution.

- Sec. 4 Required Provisions. The policy adopted by an institution shall incorporate the following provisions concerning safety and modes of travel likely to be used by students:
- 4.1 Seat Belts. Occupants of motor vehicles shall use seat belts or other approved safety restraint devices required by law or regulation at all times when the vehicle is in operation.
 - 4.2 Alcohol and Illegal Substances. Occupants of motor vehicles shall not consume, possess, or transport any alcoholic beverages or illegal substances.
 - 4.3 Passenger Capacity. The total number of passengers in any vehicle at any time it is in operation shall not exceed the manufacturer's recommended capacity or the number specified in applicable federal or State law or regulations, or applicable requirements of The University of Texas System *Business Procedures Memoranda No. 16*, whichever is lower.
 - 4.4 License and Training. Each operator of a motor vehicle shall have a valid operator's license and be trained as required by law to drive the vehicle that will be used, and comply with applicable requirements of The University of Texas System *Business Procedures Memoranda No. 16*.
 - 4.5 Insurance, Inspection, and Safety Devices. Each motor vehicle must have a current proof of liability insurance card and State inspection certification, be equipped with all safety devices or equipment required by federal or State law or regulation, and comply with all other applicable requirements of federal or State law or regulations and The University of Texas System *Business Procedures Memoranda No. 16*.
 - 4.6 Legal Operation. Operators of motor vehicles shall comply with all laws, regulations, and posted signs regarding speed and traffic control and shall not operate the vehicle for a continuous period that is longer than the maximum provided by guidelines promulgated by federal or State law or regulations or guidelines promulgated by the component institution, whichever is lower, without scheduled rest stops or overnight stops.

- 4.7 Service and Maintenance. Each vehicle owned or leased by an institution must be subject to scheduled periodic service and maintenance by qualified persons and comply with all applicable requirements of The University of Texas System *Business Procedures Memoranda No. 16*.
- 4.8 Operators of Vehicle. All operators of vehicles owned or leased by an institution shall be employees of the institution and shall have a valid operator's license for the operation of the particular vehicle. In addition, operators of vehicles owned or leased by an institution shall only be operated by persons authorized to operate such vehicles in accordance with The University of Texas System *Business Procedures Memoranda No. 16*.
- 4.9 Rented Vehicles. Each institution shall adopt rules concerning the use of rental vehicles for travel covered by this Policy. The rules shall comply, where applicable, with the State contracts for rental cars and all applicable requirements of The University of Texas System *Business Procedures Memoranda No. 16*.
- 4.10 Common Carrier. When a common carrier is used for student travel covered by this policy, each component institution shall take reasonable steps to assure the travel is undertaken in conformance with this Policy.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.949 – Policy Regulating Student Travel

5. Relevant System Policies, Procedures, and Forms

Business Procedures Memoranda No. 16 – Automobile Insurance Coverage for Officers and Employees and General Requirements for Use of Vehicles

6. Who Should Know

Administrators
Students
Student Organizations

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Visiting Students Program

2. Rule and Regulation

Sec. 1 Purpose. The visiting students program is designed to allow upper-level and graduate or professional students enrolled in an institution of The University of Texas System to take courses or engage in research at another institution within the System during a regular semester or summer session.

Sec. 2 Qualifying Students. The U. T. System visiting students program is limited to upper-level students (students with more than 60 semester credit hours of degree-related college level work) and graduate or professional students.

Sec. 3 Establishment of Requirements. Each U. T. System institution with degree programs will establish requirements for eligibility for participation such as a *minimum grade point average* and completion of a minimum number of semester credit hours at the home institution. The requirements may vary among programs at an institution.

Sec. 4 Designation of Coordinators. Each institution will designate individuals to coordinate visiting student programs at home and host institutions. Coordinators will facilitate communication between the student and appropriate major advisors at both institutions. The advisor at the home institution will have final authority on courses, which may receive credit under the visitation program.

Sec. 5 Coordinator Approval. A student's proposed visitation should clearly relate to the student's program and academic interest and be approved by the designated program coordinator (*undergraduate or graduate/professional*) at both the home institution and the proposed host institution.

Sec. 6 Course Availability. Approval for a student's proposed visitation will be contingent on *space and desired courses* being readily available in the proposed visitation program and, for participation in a research laboratory, on approval of the director of the laboratory.

- Sec. 7 Home Institution. For continuity of financial aid, the visiting student should be registered at the home institution, with grades for any course taken at the cooperating host institution reported to the home institution.
- 7.1 Identification of Courses. The home institution will identify at the time of registration the course title/number under which the visitation course credit would be recorded.
- 7.2 Reporting of Grades. The designated visitation program coordinator at the host institution will report the student's grade(s) to the coordinator at the home institution at the end of each semester or summer session.
- 7.3 How Grade will be Used. The home institution will determine whether the grade earned at a host institution is to be treated as regular course credit for determining academic standing and grade point averages or as transfer credit.
- Sec. 8 Compliance with Rules. The visiting student will be subject to the rules and regulations of the host institution as well as the home institution.
- Sec. 9 Payment of Tuition and Fees. To maintain consistency and to assure the integrity of student financial aid requirements, charges for tuition and required fees (including course-specific fees and other required fees associated with enrollment at the host institution) are to be paid to the home institution. The host institution must provide the home institution with the list of fees to be charged and the home institution will transfer the amounts collected to the host institution.
- Sec. 10 Financial Assistance. A student awarded a fellowship, stipend, or other financial assistance by the home institution will be eligible to receive such assistance while visiting the host institution.
- 10.1 Approval of Financial Support. Acceptance of financial support from the visited institution will necessitate prior approval by the home institution.

10.2 Eligibility for Financial Aid. The usual eligibility requirements for financial aid at the home institution will apply to a visiting student.

Sec. 11 Regular Admission. The host institution for the period of the visitation will not regularly admit a visiting student and a student should not assume that he or she would be eligible for transfer to that institution.

11.1 Transfers. If a visiting student desires to transfer to the cooperating institution, the student must comply with the regular transfer admission requirements and procedures.

11.2 Length of Visitation. Normally, a visitation may last no longer than one long session semester or a long session semester and a summer session; otherwise, the student should apply for and be admitted to the cooperating institution.

Sec. 12 Notification of Program. Each institution shall include in the appropriate catalog(s) information, which describes the U. T. System visiting students program, specifies eligibility requirements, and identifies the designated visiting students program coordinator(s) at that institution.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 40902* – Guidelines for Cooperative Use of Courses and Facilities with Texas A&M University

6. Who Should Know

Administrators
Students

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Athletics Policy

2. Rule and Regulation

Sec. 1 President's Responsibility. The president of each general academic institution of The University of Texas System, which engages in intercollegiate athletic activities shall ensure that necessary rules and regulations are made so as to comply with Article III, Section 9, *General Appropriations Act*, 78th Legislative Session.

3. Definitions

None

4. Relevant Federal and State Statutes

General Appropriations Act (78th Legislative Session) Article III Section 9

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Acceptance and Administration of Gifts

2. Rule and Regulation

Sec. 1 Authority to Accept Gifts and Develop Acceptance Procedures. The authority to accept gifts to The University of Texas System or to any of its institutions is vested in the Board of Regents and delegated by the Board as specifically set out in this Series. Except as provided in this Series or any other Series in the Regents' *Rules and Regulations*, or approved institutional policies, no member of the staff of any institution has the authority to accept gifts. The Board delegates to the Vice Chancellor for External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines will be known as the *U. T. System Gift Acceptance Procedures* and shall be adhered to by the U. T. System and its institutions. In promulgating the *U. T. System Gift Acceptance Procedures*, the delegate shall also consider provisions to:

- 1.1 accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 1.2 allow staff members to respond to donor initiatives quickly and with certainty,
- 1.3 establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 1.4 comply with the Texas Constitution and applicable federal and State law,
- 1.5 Comply with the provisions of the *Internal Revenue Code* and related regulations,
- 1.6 Specifically incorporate provisions related to the acceptance of pledges to fund endowments as follows:
 - (a) at least 20% of the donors' total required minimum funding must be received prior to the acceptance of an endowment, and

(b) the pledge for payment of the remaining funds shall not extend beyond five years from the date of execution of the gift agreement. With the approval of the Vice Chancellor for External Relations the pledge period may be longer than five years under rare and special circumstances.

1.7 specify that requests to establish quasi-endowments are to be submitted when it is expected that the endowment will be maintained permanently, and

1.8 provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

Sec. 2 Gifts Requiring Board Approval. All conforming gifts, including pledges, having a value of more than \$1,000,000 (in cash or in-kind) must be submitted to the Board of Regents for approval via the Docket, except those processed or administered by the Office of External Relations.

2.1 Outdoor Works of Art. Approval by the Board is also required prior to the acceptance of a gift of an outdoor work of art. Considerations will include appropriateness with regard to the institution's Campus Master Plan and expense related to installation and/or continuing maintenance.

Sec. 3 Gifts Requiring Approval by Chancellor or Presidents. The Board of Regents delegates to the Chancellor or the president of an institution the authority to accept conforming gifts, including pledges, other than gifts of real property, that are not processed or administered by the Office of External Relations, provided that such gifts have a value of \$1,000,000 or less (in cash or in-kind) and the authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Chancellor or the president of the institution, as may be permitted by applicable law, policies, these Regents' *Rules and Regulations*, and the *U. T. System Gift Acceptance Procedures*.

Sec. 4 Gifts Requiring Approval by Executive Vice Chancellor for Business Affairs. The Board of Regents delegates to the

Executive Vice Chancellor for Business Affairs authority to accept all conforming gifts of real property of any value that are not processed or administered by the Office of External Relations, and the authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Executive Vice Chancellor for Business Affairs, as may be permitted by applicable law, policies, these *Rules and Regulations*, the *U. T. System Gift Acceptance Procedures*, and Regents' *Rules and Regulations* Series 80306 concerning the environmental review policy for acquiring real property and Series 60103 concerning guidelines for acceptance of gifts of real property. Acceptance of all gifts of real property shall be subject to the *Regents' Rules and Regulations* Series 60103 and 80306.

Sec. 5 Gifts Requiring Approval by Vice Chancellor of External Relations. The Board of Regents delegates to the Vice Chancellor for External Relations authority to accept all conforming gifts, including pledges, of any value (either in cash or in-kind) that are processed or administered by the Office of External Relations. The Board also delegates to the Vice Chancellor for External Relations authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Office of External Relations, including without limitation the modification or termination of trusts, endowments, and quasi-endowments as may be permitted by applicable law, policies, these *Rules and Regulations*, and the *U. T. System Gift Acceptance Procedures*.

5.1 Gifts Reviewed. The Office of Development and Gift Planning Services, with assistance from the Real Estate Office and the Office of General Counsel as required, shall review all gift assets processed or administered by the Office of External Relations. Gift assets requiring review include, but are not limited to, securities, interests in limited partnerships, stock of closely-held corporations, stock of S corporations, stock options, and warrants. The Office of Development and Gift Planning Services shall also review all bequests, interests in trusts, gifts and other funds to establish endowments and quasi-endowments, and other planned gifts as defined in the *U. T. System Gift Acceptance Procedures*.

5.2 Gifts to Establish Endowments. Endowments will be established with gifts that have been completed for tax

purposes or with a combination of such gifts, pledges, and other funds at a minimum funding level of \$10,000. Endowments may be established to fund scholarship programs and other educational activities as well as the endowed academic positions specified in Regents' *Rules and Regulations* Series 60202 concerning endowed academic positions.

- 5.3 Gifts Report. The Office of External Relations shall submit a report to the Board of Regents summarizing acceptance and approval by the Office of External Relations of all conforming gifts and other actions taken no less frequently than annually.
- Sec. 6 Internal Revenue Service Forms. The Board of Regents delegates to the Chancellor, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for External Affairs, and the president of the institution the authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts accepted by each respectively.
- Sec. 7 Nonconforming Gifts. Recommendations regarding the acceptance of gifts or other actions which do not conform to all relevant laws and Board of Regents policies, including but not limited to the U. T. System Gift Acceptance Procedures, shall be made through the Chancellor to the Board via the Agenda after review by the appropriate offices of the terms of the gifts, the nature of the donated assets and/or the requested action.
- Sec. 8 Gift Benefiting an Individual. Neither the U. T. System nor any of its institutions will administer a gift for the benefit of any designated individual unless the donor is exempt from federal income taxes as defined by the Commissioner of Internal Revenue.
- Sec. 9 Service by Board as Estate Executor/Administrator. The Board of Regents will not serve as executor or administrator of an estate because of the potential for conflicts of interest and the scope of the required duties.
- Sec. 10 Prohibition to Act as Witness to Will. The employees of the U. T. System or any of its institutions should not knowingly act as witnesses to wills in which the U. T. System or an institution

is named as a beneficiary so as not to jeopardize the receipt of the bequest.

Sec. 13 Service by Employee as Executor/Administrator of Estate or Trustee of Trust. Employees of the U. T. System or any of its institutions who agree to serve as trustee of a trust, or executor or administrator of an estate benefiting the U. T. System or any of its institutions are immediately to notify the Office of Development and Gift Planning Services of their appointment. Upon notification, the employee will be furnished with a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the trust or estate between the employee and any office of the U. T. System or its institutions shall be in writing.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 60103* – Guidelines for Acceptance of Gifts of Real Property

Administrative Rule *Series 80306* – Environmental Review for Acquisition of Real Property

U. T. System Gift Acceptance Procedures

6. Who Should Know

Administrators
Chief Business Officers
Development Officers
Employees

7. System Administration Office(s) Responsible for Rule

Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Fee for Institutional Endowment Compliance

2. Rule and Regulation

Sec. 1 Background. Each University of Texas System institution is charged with raising private sector contributions for the establishment of endowments to fulfill the mission and goals of the institution. Endowments are designated for student scholarships and fellowships, faculty and administrative support, and for programmatic purposes. High quality, effective compliance programs are of fundamental importance and represent an ongoing fiduciary responsibility of each institution. As authorized by *Texas Education Code Section 65.37* the Board of Regents may assess a fee for institutional endowment compliance:

Sec. 2 Amount of Fee. The Board of Regents authorizes The University of Texas Investment Management Company (UTIMCO) to assess an administrative fee of up to 0.08% of the market value of the Long Term Fund's (LTF) net asset value as determined by UTIMCO for the support of enhanced and expanded institutional endowment compliance efforts.

Sec. 3 Use of Fee. This approval authorizes a small portion of the LTF to be used for enhanced and expanded administrative activities to ensure institutional compliance with the agreement made with an endowment's donor(s). The Chancellor may authorize an institution to exercise this funding option and assess up to 0.08% of the market value of its endowments invested in the LTF. An institution may exempt specific endowments from the assessment.

Sec. 4 Program Details. Operational details are to be determined by the Chancellor, the President and Chief Executive Officer of UTIMCO, and/or their designated representatives.

4.1 Basis of Distributions. Assessment level distributions will be made annually based on the prior 12-quarter's average of the market value of the LTF on May 31 of each fiscal year.

3. Definitions

Endowment – funds that typically have certain donor imposed restrictions placed upon the principal and/or the funds available for distribution (e.g., income and/or gains).

4. Relevant Federal and State Statutes

Texas Education Code Section 65.37 – Funds Received for Trust Services

5. Relevant System Policies, Procedures, and Forms

U. T. System Gift Acceptance Procedures

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Guidelines for Acceptance of Gifts of Real Property

2. Rule and Regulation

Sec. 1 Purpose. To provide guidelines for accepting and valuing leasehold interests, campus properties, and bequests of surface and mineral estates in real property

Sec. 2 Applicability of Guidelines. These guidelines apply to all gifts of surface and mineral estates in real property regardless of type, location, or designated use of the funds to be derived there from. In the absence of guidelines or policies relating to such gifts designated for campus use, these policy guidelines shall apply. The Board of Regents recognizes that the full implementation of these guidelines with respect to surface and mineral estates in real property donated or bequeathed to The University of Texas System or any of its institutions may not be achievable in all cases. U. T. System Administration's Real Estate Office (REO) and University Lands - West Texas Operations (ULWTO) will evaluate gifts of surface and mineral estates in real property and apply these guidelines to the extent reasonably practicable and in the best interest of the System.

Sec. 3 Acceptance of Surface Estates. The following procedures are to be followed for the acceptance of gifts of surface estates.

3.1 Notification of the REO. The institution (for current purpose gifts) or System Administration's Office of Development and Gift Planning Services (ODGPS) (for planned or endowment gifts) will notify the REO upon identification of a potential gift of real property.

3.2 Information to be submitted to the REO. The institution or REO will request that the donor provide as much of the following information as possible to allow the REO to evaluate the proposed gift. If not paid by the donor, the benefited institution shall pay all costs incurred by the REO to evaluate the gift or protect System's interests with respect to the gift, including title policy premiums. The Board of Regents strongly encourages the acquisition of a title policy at the time the property is acquired whether the policy premium is paid with funds provided by the donor or the institution.

(a) Fee interests in surface states

- Map showing location of property
- Legal description of property
- Proof of ownership (deed)
- Survey of subject property and improvement (Category 1A survey preferred)
- List of improvements
- Copies of current leases, if any
- Current title commitment and copies of all title exceptions, including deed restrictions or covenants and liens
- Copy of the donor's title policy, if any
- List of current expenses required to maintain/operate the property
- Proof of payment of taxes and association fees, if any
- Recent appraisal or other acceptable valuation
- Copies of documents relating to past or current litigation directly affecting the real estate
- A written statement from the donor identifying any known waste disposal sites or contamination or spills of hazardous or other regulated materials on the property, or a statement to the contrary, and assuring compliance with the U. T. System Environmental Review Policy for Acquisitions of Real Property Assets
- Written statement from the donor outlining purpose of the gift

- Permission for access to the property to conduct on-site inspections
- Such other information as may be requested by System Administration's Office of General Counsel, REO, or ODGPS

(b) Leased fee interests in surface estates

- Copies of fully executed leases and lease amendments
- Items listed in (a) above
- History of all lease payments
- Estoppel certificates
- Insurance policy and certificates.

3.3 Sale of a Surface Estate. The REO will generally request that the surface estate received from an estate or trust be sold rather than distributed to the University. The sale price shall be based upon a fair market value appraisal or other generally accepted industry standard for valuing the property. The REO shall provide assistance to facilitate the sale of the surface estate, when appropriate. If the surface estate is not sold within a reasonable period of time, the REO will evaluate the surface estate to determine whether the gift will be accepted or rejected.

3.4 Evaluation of Qualified Gifts. The REO will evaluate and inspect a proposed gift of surface estate. Only qualified gifts of surface estates will be recommended for further review and evaluation.

3.5 Unencumbered Surface Estate. The REO generally will not recommend acceptance of a qualified gift of an unencumbered surface estate unless there is a clear benefit to the U. T. System or any of its institutions and the following conditions are met:

- (a) Adequate provisions are made by the donor or the institution for the expense of management until

disposition. The donor should be encouraged to contribute funds for the management of the property until disposition occurs. Any un-reimbursed costs of management or sale of the property will be charged either against income from the property or proceeds from the sale of the property.

- (b) The gift is of a 100% interest in the property.
- (c) There are no undue limitations on the System's ability to own, manage, and dispose of the property.

3.6 Encumbered Surface Estate. The REO generally will not recommend acceptance of a qualified gift of a surface estate that is mortgaged or encumbered unless there is a clear benefit to the U. T. System or any of its institutions and the following conditions are met:

(a) The donor donates funds or makes other appropriate arrangements to meet all debt requirements.

(b) Adequate provisions are made by the donor or the institution for the expense of management until disposition. The donor should be encouraged to contribute funds for the management of the property until disposition occurs. Any un-reimbursed costs of management or sale of the property will be charged either against income from the property or proceeds from the sale of the property.

(c) The gift is of a 100% interest in the property.

(d) There are no undue limitations on the System's ability to own, manage, and dispose of the property.

3.7 Environmental Assessment. An environmental assessment of the gift must be completed in accordance with the "U. T. System Environmental Review Policy for Acquisitions of Real Property Assets."

3.8 Evaluation Criteria. The REO will consider all criteria for acceptance outlined in this policy and information gathered with respect to the property in determining whether to recommend acceptance of a qualified gift of real property. To demonstrate a clear benefit to the

System, the REO will evaluate the return expected from a qualified gift of a surface estate based on, but not limited to, such factors as income potential, development characteristics, type of property interest, holding costs, management requirements, holding period, location, potential environmental liabilities, encumbrances, and any other potential liabilities or risks associated with the asset.

3.9 Gift Acceptance. The REO will make a recommendation to the Responsible Officer or the Board who will accept or reject the gift.

3.10 Title. Title to each property shall be held in the name of the Board, and not in the name of any component institution, department, or individual. The REO will ensure that all deeds for gifts of surface estates are recorded in the county where the property is located and will retain the original deed in its permanent records.

3.11 Valuation. The preferred method of valuation for the purpose of determining gift value, sale price, or lease rates for a surface estate shall be an appraisal prepared by an independent State-certified or other licensed appraiser.

(a) The value of a surface estate less than \$50,000 may be determined by solicitation of offers or by any other generally accepted industry standards including tax assessments.

(b) An appraisal is not required when a surface estate is sold at public auction or by use of sealed bids.

Sec. 4 Acceptance of Mineral Estates. The following procedures are to be followed for the acceptance of gifts of surface estates.

4.1 Notification of the ULWTO. The institution (for current purpose gifts) or ODGPS (for planned or endowment gifts) will notify ULWTO upon identification of a potential gift of a mineral estate. ULWTO will evaluate the mineral estate and determine whether the asset should be accepted or rejected by the System or in the case of a testamentary transfer or trust whether to request that the

interest be sold. ULWTO will provide assistance to facilitate the conveyance or sale of the mineral assets.

4.2 Information to be submitted to ULWTO. The institution or ULWTO will request that the donor provide as much of the following information as possible to allow ULWTO to evaluate the proposed gift. If not paid by the donor, the benefited institution shall pay all costs incurred by ULWTO to evaluate the gift or to protect the U. T. System's interests with respect to the gift.

- (a) Map, plat, or survey of the property
- (b) Legal description of the property
- (c) Proof of ownership (deed or assignment)
- (d) Copies of current oil and gas leases, if any
- (e) Copies of division orders, if any
- (f) Copies of other relevant documents, such as unit agreements and operating agreements
- (g) List of encumbrances including any liens and copies of the corresponding documentation
- (h) Abstracts of title or title opinions
- (i) Geological or geophysical records
- (j) Lease ratifications and lease assignments
- (k) Copies of appraisals or reserve studies
- (l) Copies of documents relating to past or present litigation directly affecting the property
- (m) Copies of insurance coverage carried by the well operator relative to environmental damage.

4.3 Sale of a Mineral Estate. ULWTO will generally request that the mineral estate received from an estate or trust be conveyed. However, if the sale of the minerals is appropriate, the sale price shall be based upon a fair

market value appraisal or other generally accepted industry standard for valuing the property. ULWTO shall provide assistance to facilitate the sale of the mineral estate, when appropriate. If the mineral estate is not sold within a reasonable period of time, ULWTO will evaluate the mineral estate to determine whether the gift will be accepted or disclaimed.

- 4.4 Evaluation of Mineral Estates. ULWTO will evaluate a proposed gift of mineral estate. Only qualified gifts of mineral estates will be recommended for further review and evaluation.
- 4.5 Evaluation Criteria. ULWTO will consider all of the criteria for acceptance outlined in this policy and information gathered with respect to the minerals in determining whether to recommend acceptance of a qualified gift of a mineral estate.
- 4.6 Gift Acceptance. ULWTO will make a recommendation to the Responsible Officer or the Board who will accept or reject the gift.
- 4.7 Title. Title to each mineral estate shall be held in the name of the Board and not in the name of any component institution, department, or individual. ULWTO will ensure that all deeds for gifts of mineral estates are recorded in the county where the mineral estate is located and will retain the original deed in its permanent records.
- 4.8 Valuation of a Mineral Estate. The preferred method of valuation for the purpose of determining value for a mineral estate shall be at the discretion of ULWTO, but shall always be by generally accepted industry standards.

3. Definitions

Gift – conveyances and testamentary transfers, as well as trust distributions to the U. T. System.

Real Property – individually and collectively the surface and mineral estate.

Surface Estate – any interest in the surface of real property, including fee and leased fee interests, together with all appurtenances and improvements attached thereto, and all property interests that do not constitute the mineral estate.

Mineral Estate – mineral rights of gas, oil and minerals, whether joined to or severed from the surface estate and the associated rights as properly conveyed to the U. T. System or any of its institutions. An overriding royalty interest that is not subject to any costs shall also be a "mineral estate."

Responsible Officer – the Vice Chancellor for Business Affairs or his/her designee (for current purpose gifts) or the Vice Chancellor for Development and External Relations or his/her designee (for endowments and other planned gifts) and is responsible, based on the recommendations of the REO and ULWTO, for the initiation and completion of the formal acceptance of the gift via administrative approval, the Docket, or the Agenda, as appropriate.

Qualified Gift of a Surface Estate – any interest that will net more than \$25,000 upon sale or a property for which there is an effective direct use by an institution.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

U. T. System Gift Acceptance Procedures

Administrative Rule Series 80306 – Environmental Review for Acquisition of Real Property

6. Who Should Know

Administrators
Chief Business Officers
Development Officers
Environmental Health and Safety Directors/Professionals
Physical Plant Directors

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs
Real Estate Office

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Administration of Fellowships, Scholarships, and Loan Funds

2. Rule and Regulation

Sec. 1 Administration of Scholarships and Fellowships. In the case of scholarships and fellowships, the appropriate committee, or designated individual, receives applications, makes the necessary inquiries, and determines the award. The committee or designated individual advises the institutional head of the award who, in turn, approves and forwards the notice of award to the business office. Payments on scholarships and fellowships are made through the business office of the institution.

Sec. 2 Administration of Loan Funds. In the case of loan funds, the awarding committee or designated individual receives applications for loans, makes the necessary inquiries, and approves or declines the original loan as well as all renewals and extensions. The chairman of the awarding committee or the designated individual notifies the business office of the granting of loans, and all records including notes, cash, accounts, and collections are thereafter handled by that office. The principal of loan funds is kept intact insofar as possible. The chairman of the awarding committee or the designated individual may be requested by the business office to assist in collection of past due interest or principal.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Endowed Academic Positions

2. Rule and Regulation

Sec. 1 Approval Prior to Announcement. Negotiations and fund raising for an endowment are permitted prior to its formal approval and establishment by the Board or its designee(s). However an endowment will not be announced as having been established prior to its establishment by the Board or its designee(s). No initial appointment will be made to an endowed or named academic position without prior approval as a Request for Budget Change by the president of an institution after review and approval by the appropriate Executive Vice Chancellor. Subsequent new or continuing appointments to the endowed or named academic positions may be approved as a part of the annual operating budget.

Sec. 2 Categories and Minimum Funding Levels. The six categories of endowed and named academic positions and the minimum funding levels to establish the positions are: Distinguished University Chair (\$2 million), Distinguished Chair (\$1 million), Chair (\$500,000), Distinguished Professorship (\$250,000), Professorship (\$100,000), and Fellowship (\$50,000). All agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect unless a specific request for change is made by the donor and the institution and approved by the Board of Regents. Individual institutions are not required to utilize all categories of endowed academic positions and may, with advance administrative approval and inclusion in the institutional *Handbook of Operating Procedures*, limit institutional endowment activity to those position categories which best fit the institution's goals and mission.

2.1 Whether an endowment has attained the minimum funding level necessary to establish a particular academic position will be determined by the total value of gifts from donors and transfers of funds valued as of the gift date or date of transfer, respectively. Funding levels will not be determined by the amount of net sale proceeds received from a non-cash gift or by the current market value of the investments held in an endowment.

- 2.2 With the specific approval of the Board of Regents, a named academic position may be established without the above minimum funding levels only in accordance with agreements recommended by the Chancellor, the appropriate Executive Vice Chancellor, and the Vice Chancellor for External Relations. Such agreements must contain the provisions outlined in Sections 2.3 and 2.4 immediately below.
- 2.3 If an external entity requests that the Board of Regents establish a named academic position based upon the entity's agreement to hold and manage an endowment fund supporting the position, the entity must irrevocably agree to *dedicate the endowment* to the support of the academic position in perpetuity or for a specified term of years. The entity must agree to adhere to Board policies regarding minimum funding levels for an endowment. The entity must agree to employ annual payout policies *that are consistent with the goal of distributing from the endowment, or otherwise contributing to the institution, an annual payout amount substantially similar to that distributed from a comparable Board-managed endowment.* The entity must agree that funds distributed from the endowment shall be paid to the institution for further expenditure in accordance with Board policies. The Board must retain the right to appoint all holders of the academic position.
- 2.4 If an external entity requests that the Board of Regents establish a named academic position without the funding of an endowment to support the position, the entity must irrevocably agree to *contribute annually, either in perpetuity or for a specified term of years, an amount substantially similar to that distributed from a Board-managed endowment in support of a comparable position.* The entity must agree that the funds will be *contributed for further expenditure in accordance with Board policies regarding the particular category of academic position being established.* The Board must retain the right to appoint all holders of the academic position.
- Sec. 3 Distributions for Endowed Academic Positions. The institution will pay from its funds such amounts as are necessary to set the salary of the holder at a level commensurate with his or her

record, experience, and position in the faculty. Distributions from the endowment may be used both for salary supplementation and for other professional support of the holder of the endowed position, including assistance in the holder's research. Endowment distributions also may be used to pay an appropriate part of the salary of the holder of the endowed position commensurate with an authorized reduced faculty workload when required by other duties of the position or when the holder is on part-time or full-time research leave which is otherwise un-funded. It is provided specifically, however, that in no event, will endowment distributions be used to supplant any other source of funds used to pay the base salary of the holder of the position when the holder is performing his or her regular duties.

- Sec. 4 Establishment and Distributions of Endowed Fellowships. Distributions from the endowment may be used to supplement the salary of the holder of the fellowship, who may be a qualified person of any academic rank irrespective of tenure status, and will also be available for other professional support of the holder. The endowed fellowship will be used to provide temporary support (not to exceed one academic year) of distinguished scholars who are in temporary residence at the institution while participating in planned academic programs; visiting scholars who are in temporary residence at the institution for special academic programs or purposes; institution faculty who have made unique contributions to academic life or to knowledge in their academic discipline; and institution faculty of any academic rank, irrespective of tenure status, who have been selected for teaching excellence through procedures established by the institution. Grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted in this regulation. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this regulation.

3. Definitions

Endowed Academic Position – an endowed academic position is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a senior faculty member. The position holder will normally be a tenured faculty member who has had a distinguished career. A holder may be named to an endowed academic position for the remainder of his or her employment, or for a term of years, and the position may be renewable or non-renewable.

Endowed Fellowships – an endowed fellowship (or faculty fellowship) is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a faculty member of any academic rank, irrespective of tenure status. The endowed fellowship will be awarded for a specified length of time and may or may not be renewable.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Development Board of an Institution

2. Rule and Regulation

Sec. 1 Authorization. With the approval of the president of an institution, the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents, any institution may have a development board dedicated to its own unique interests. Each institution development board shall work with the institution's president and the chief development officer to determine its role in seeking private support.

Sec. 2 Composition of Institution Development Board. The institution development board shall consist of members recommended and appointed by the president of the institution with final review and approval of the membership delegated by the Board of Regents to the Chancellor following consultation with the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs and the Vice Chancellor for External Relations. Presidents of institutions shall adopt guidelines for the appointment and/or reappointment of the members of the institution development board. The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in board membership, including concerns relating to gender, ethnicity, range of experience, geographical distribution, and the special needs of the institution and the board. Institutions shall forward an accurate roster of development board membership to the Chancellor via the Vice Chancellor for External Relations annually. All terms shall officially begin on September 1. Official rosters of board membership shall be maintained in the Office of the Vice Chancellor for External Relations. The president of the institution and the Chancellor (or his or her delegate) shall be ex officio members with voting privileges. The institution development board will elect a Chairman and such other officers as are appropriate from among its membership.

Sec. 3 General Policies. The following are general policies for institution development boards:

- 3.1 An institution development board shall serve the individual institution of the U. T. System by assisting in the plans and programs of that institution with *consideration of development interests of all institutions in the U. T. System.*
- 3.2 An institution development board will work closely with the internal foundations of the institution. No internal foundations shall be established or continued in existence except with the approval of the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents. The president of each institution shall be responsible for and have authority over the institution development board and *internal foundations of the institution he or she heads.*

Sec. 4 Special Campaigns. From time to time, special campaigns for specific objectives may be conducted, with or without the assistance of private fund-raising counsel. No such campaign shall be authorized or undertaken until the campaign has been approved by the Board of Regents.

Sec. 5 Ex-Students' Associations. Notwithstanding the provisions hereof conferring authority upon and placing responsibility with the Chancellor for fund development and fund raising, it is understood that ex-students' associations of the U. T. System institutions may engage in fund raising for their own support through dues and payments for memberships, both annual and life. However, it is expected that no such ex-students' association will sponsor or participate in any other organized fund raising effort without first consulting with and gaining the approval of the president of the institution and the Chancellor.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Advisory Councils of an Institution

2. Rule and Regulation

Sec. 1 Establishment and Organization. With the approval of the president of an institution, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents, any school, college, or other comparable teaching or research unit may have an advisory council dedicated to its own unique interests. Such an advisory council is responsible through the dean or director to the president of the institution and through him or her to the institution development board for all private funds developed for that school, college, or comparable unit. Each advisory council shall determine its development needs and shall direct the formulation of plans and the promotion of support for its programs.

Sec. 2 Membership. An advisory council shall consist of members recommended by the dean or director of the school, college, or other approved unit and appointed by the president of the institution with final approval of the membership delegated by the Board of Regents to the Chancellor following consultation with the appropriate Executive Vice Chancellor. Presidents shall, in consultation with the dean or director of the school, college, or other approved unit, adopt guidelines for the appointment and/or reappointment of the members of the institution's advisory council(s). The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in advisory council membership, including concerns relating to gender, ethnicity, years of involvement or experience with the college, school, or unit, geographical distribution, and the special needs of the school, college, or unit. Institutions shall forward accurate rosters of advisory council membership(s) to the Chancellor via the Vice Chancellor for External Relations no later than July 15 of each year. All terms shall officially begin on September 1. Official rosters of advisory council membership shall be maintained in the Office of the Vice Chancellor for External Relations. The president of the institution shall be an ex officio member of the institution's advisory councils.

- Sec. 3 **Officers.** An advisory council may elect a chairman and other such officers as are appropriate from among its membership. The dean or director, and the president of the institution, or his or her delegate shall be ex officio members with voting privileges.
- Sec. 4 **Duties and Responsibilities.** The duties and responsibilities of an advisory council are as follows:
- 4.1 An advisory council shall seek to enlist the aid of numerous friends of the school, college, or comparable unit in fund-development efforts, and may establish such committees and other groups as seem desirable in carrying out its programs.
- 4.2 An advisory council shall recommend through the dean or director or the institution's president to the development board the consideration of current and long-range programs that shall secure private funds for the unit.
- 4.3 An institution advisory council shall have responsibility within that school, college, or comparable unit:
- (a) For studying and developing private fund needs;
- (b) For coordinating and formulating plans and actively promoting support for both current and long-range programs to meet the developmental needs;
- (c) For periodic reports of progress to the chief administrative officer of the institution and the development board on the plans and programs of the advisory council; and
- (d) For establishing a continuing program of collection and dissemination of information regarding gifts and endowments.
- 4.4 At periodic intervals, the dean or director shall lay before his or her advisory council descriptions of current development needs.
- 4.5 The work of all advisory councils shall be considered a part of the work of institution development boards.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 60303 – Internal Foundations

6. Who Should Know

Administrators
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Internal Foundations

2. Rule and Regulation

Sec. 1 Creation. An internal foundation may be established to benefit an institution, or a school, college, or other comparable teaching or research unit within an institution upon the recommendation of a development board or an advisory council, after approval of the president of the institution, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents.

Sec. 2 Separate Groups. Divisions and departments below the level of a school, college, or other comparable teaching or research unit may effectively work as separate groups within the framework of the advisory council and internal foundation which represents a school or college or comparable teaching or research unit. Provisions for the designation of special funds to be used for specific activities within the framework of the various internal foundations and advisory councils will be made in order to avoid stifling the interest and initiative of these groups.

Sec. 3 Annual Review. There shall be an annual review of the activities of each internal foundation to determine its effectiveness; and, if it is unproductive for an unreasonable length of time, it shall be dissolved.

Sec. 4 Conformance with Board Rules. Every effort shall be made to permit a free range of initiative within the internal foundations, and their associated development boards and advisory councils, but activities must be in conformity with rules of the Board of Regents so as to permit maximum overall achievements in fund raising throughout the U. T. System.

Sec. 5 Expenditure of Funds. All internal foundation funds shall be appropriately accounted for in University endowment and restricted fund accounts. As in the case of other University funds, authorization for expenditure of all funds in internal foundation accounts is vested in the Board of Regents. Except for those funds to be spent in accordance with the terms of Regental acceptance, authorization for expenditure normally will be obtained during the annual institutional budget approval process.

- Sec. 6 Standard Resolution. From and after October 24, 1980, the Board of Regents of The University of Texas System adopts the following standard resolution form with regard to the establishment and operation of internal foundations:

**RESOLUTION OF THE BOARD OF REGENTS
OF THE UNIVERSITY OF TEXAS SYSTEM**

WHEREAS, There exists a clear and specific need for means to finance the program of (name of school, college, or other component unit) of The University of Texas (name of component institution), in addition to the regular budgetary provisions, and

WHEREAS, It is the desire of interested persons to set up the facilities to encourage and assist in such financing,

IT IS NOW RESOLVED, That the Board of Regents of The University of Texas System hereby establishes the (name) Foundation of the (name of school, college, or other component unit) of The University of Texas (name of component institution).

AND FURTHER, That the purpose of the said Foundation shall be to foster the understanding and development of the programs of the (name of school, college, or other component unit) at The University of Texas (name of component institution), and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

1. The funds of the Foundation shall be devoted solely to the enrichment of the academic programs of the (name of school, college, or other component unit) of The University of Texas (name of component institution) and shall not be used for the ordinary operating expenses of the (name of school, college, or other component unit).

2. A donation to the Foundation may be made for a specific purpose and may be given in the name of the donor or other designation specified by the donor or may be given as unrestricted funds.

3. The Board of Regents shall hold, manage, control, sell, exchange, lease, convey, mortgage or otherwise encumber, invest or reinvest, and generally shall have power to dispose of in any manner and for any consideration and on any terms the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal, all expenses of trust and all expenditures incurred in furthering the purposes of the trust.

4. Neither any donation to the (name) Foundation nor any fund or property arising there from in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power or be in any way authorized to change the

purposes thereof or to divert such donation, fund or property from those designated purposes.

5. As in the case of other University funds, authorization for expenditure of all funds from the Foundation shall be vested in the Board of Regents and recommendations for such expenditures shall be made by the (president) through the appropriate Executive Vice Chancellor to the Chancellor and by the Chancellor to the Board of Regents of The University of Texas System.

Sec. 7 **List of Foundations.** Upon Regental approval of the standard resolution creating an internal foundation, the name of the foundation will be added to the list below. The Counsel and Secretary to the Board of Regents shall prepare a copy of the standard resolution in appropriate form for the Chairman's signature and shall distribute a copy to the appropriate Executive Vice Chancellor, the Chancellor, and to the president of the component institution involved.

Foundation	Date Established
The University of Texas at Austin	
John Charles Townes Foundation (School of Law)	6/27/42
Pharmaceutical Foundation of the College of Pharmacy	12/10/52
Fine Arts Foundation of the College of Fine Arts	12/1/50
Architectural Foundation of the School of Architecture	5/30/52
Genetics Foundation of the Zoology Department	3/28/52
The Psychological Research Foundation	5/29/53
Geology Foundation of the Department of Geology	10/24/53
Engineering Foundation of the College of Engineering	3/11/55
College of Education Foundation (formerly Teacher Education Foundation – 9/22/56)	12/12/76
Social Work Foundation of the School of Social Work	10/1/66

Foundation	Date Established
The University of Texas at Austin	
Communication Foundation of the School of Communication (formerly the Journalism Foundation of the School of Journalism – established 1/10/59)	1/31/69
Graduate School Foundation	3/26/76
Graduate School of Library Science Foundation	6/20/69
College of Liberal Arts Foundation	7/11/80
College of Natural Sciences Foundation	7/11/80
Nursing Foundation of the School of Nursing	10/9/87
Longhorn Foundation	12/3/87
The University of Texas M. D. Anderson Cancer Center	
University Cancer Foundation	10/15/55
The University of Texas at Arlington	
The University of Texas at Arlington Foundation	1/28/67
The University of Texas Medical Branch at Galveston	
The University of Texas Medical Branch at Galveston Foundation	5/6/67
The University of Texas at El Paso	
The University of Texas at El Paso Foundation	7/29/67
The University of Texas at El Paso Miner Foundation	2/13/92

Foundation	Date Established
The University of Texas at Dallas	
Management School Foundation	2/11/93
The University of Texas Pan American	
Bronc Foundation	10/7/94
The University of Texas of the Permian Basin	
Falcon Athletic Club Foundation	5/11/95

3. Definitions

Internal Foundation – As used in this Series, the term "internal foundation" means an accounting and administrative mechanism in the name of which development boards and advisory councils may approach prospective donors, created by resolution of the Board of Regents of The University of Texas System as set forth in Number 2, Section 6 of this Series. The term does not include any entity incorporated under the laws of Texas or any other State and does not include any entity created by testamentary or inter vivos trusts. Internal foundations are under the jurisdiction and control of the Board of Regents and are governed by rules, regulations, policies, and procedures promulgated by the Board.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief business officers
Development officers

7. **System Administration Office(s) Responsible for Rule**

Office of External Relations

8. **Dates Approved or Amended**

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Internal Nonprofit Corporations

2. Rule and Regulation

Sec. 1 Management. An internal corporation is managed pursuant to its charter and bylaws and in accordance with the Regents' *Rules and Regulations*.

Sec. 2 List of Corporations. The following internal corporations are presently authorized:

Internal Corporations	Date Established
The Acrospace Heritage Foundation	9/7/78
The University of Texas System Medical Foundation	10/5/73
The University of Texas at Austin School of Law Continuing Legal Educations, Inc.	8/17/81
The University of Texas at Austin School of Law Publications, Inc.	8/17/81

3. Definitions

Internal Corporation – As used in this Chapter, the term "internal corporation" means a nonprofit corporation chartered under the laws of the State of Texas under the Charter of which:

(1) the Board of Regents:

(a) Acts as the Board of Directors or has the authority to appoint or to approve or reject the appointment of the Board of Directors; and

(b) Has the authority to approve amendments to the charter and bylaws.

(2) the funds of which are deposit and accounted for in appropriate University accounts.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

External Nonprofit Corporations

2. Rule and Regulation

Sec. 1 Acceptance of Gifts or Bequests. The Board of Regents recognizes that there are legally incorporated nonprofit organizations (most having the word "foundation" in their charter) whose sole purpose is to benefit The University of Texas System, its institutions, or teaching, research, and other activities within those institutions. These organizations are administered by boards of directors independent from the control and supervision of the Board of Regents. Gifts or bequests from any such external organization must be accepted and approved under gift acceptance policies.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Use of University Resources

2. Rule and Regulation

Sec. 1 Chancellor's Authorization. Unless authorized by the Chancellor, no officer or employee of The University of Texas System or any of its institutions shall accept remuneration from or serve as an officer, director, employee, or agent of an external nonprofit corporation or an external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of the U. T. System or any of its institutions. Any employee authorized by the Chancellor to act in such a capacity shall not be involved in the negotiation of the terms or conditions of any agreement relating to the provision of funds, services, or property to the U. T. System or any of its institutions.

Sec. 2 No Service as an Agent. No officer or employee of the U. T. System or any of its institutions shall act as the agent for any corporation, association, organization, partnership, or individual in the negotiation of the terms or conditions of an agreement relating to the provision of funds, services, or property to the U. T. System or any of its institutions by such corporation, association, organization, partnership, or individual.

Sec. 2 Compensation for Resources Used. The use of equipment, facilities, or services of employees of The U. T. System or any of its institutions by an external nonprofit corporation or external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of the U. T. System shall be permitted only in accordance with a negotiated agreement that provides for the payment of adequate compensation for such equipment, facilities or services.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Authority to Accept and Manage Assets

2. Rule and Regulation

- Sec. 1 Acceptance of Real Property. The management and disposition of interests in real property owned or controlled by the Board of Regents, other than real property acquired and managed by the University of Texas Investment Management Company (UTIMCO) for investment purposes, are governed by Series 70301 of the Regents' *Rules and Regulations*.
- Sec. 2 Acceptance of Funds for Endowment or Life Income Funds. All assets received by the Board of Regents to establish, or that modify, an endowment (other than the Permanent University Fund), a fund functioning as an endowment, or a life income fund shall be accepted and processed by the Office of External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management.
- Sec. 3 Acceptance of Funds from a Bequest, Trust, or Planned Gift. All assets received by the Board of Regents through a bequest, a distribution from an account held in trust by others, or for the establishment or modification of any planned gift shall be accepted and processed by the Office of External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management.
- Sec. 4 Acceptance of Intellectual Property Rights. Rights in intellectual property received by the Board of Regents to establish or modify an endowment, a fund functioning as an endowment, or a life income fund or received through a bequest, a distribution from an account held in trust by others, or for the establishment or modification of any planned gift shall be accepted and processed by the Office of External Relations and after acceptance and processing, shall be delivered to the appropriate office for management in accordance with this Series. This Series shall not apply to rights in intellectual property owned or controlled by the Board except as provided in this section.
- Sec. 5 Management of Permanent University Fund (PUF) Assets. All assets of the PUF, other than PUF lands, shall be managed by UTIMCO or as otherwise directed by the Board of Regents.

- Sec. 6 Management of Endowment and Life Income Funds. All assets received for or held in an endowment fund (other than the PUF), a fund functioning as an endowment, or a life income fund shall be managed by UTIMCO or as otherwise directed by the Board of Regents.
- Sec. 7 Management of Consolidated System Funds. All assets of Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, the Vision Services Fund, the Student Health Insurance Fund, the Flexible Benefits Fund, the Rolling Owner-Controlled Insurance Fund, the Comprehensive Property Protection Plan, the Comprehensive Property Protection Plan Catastrophic Self-Insurance Fund, the Director & Officer/Employee Practices Insurance Fund, the Resource Allocation Program and the Medical Liability Self-Insurance Fund ("consolidated U. T. System funds") shall be managed with respect to investment of such funds as set forth below:
- 7.1 The Office of Business Affairs shall invest the Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, the Student Health Insurance Fund, the Flexible Benefits Fund, the Rolling Owner-Controlled Insurance Fund, the Comprehensive Property Protection Plan, the Comprehensive Property Protection Plan Catastrophic Self-Insurance Fund, the Director & Officer/Employee Practices Insurance Fund, the Resource Allocation Program and the Vision Services Fund in the same manner that chief business officers may invest the operating funds of each institution.
- 7.2 UTIMCO shall invest the Medical Liability Self-Insurance Fund in the Long Term Fund, Short Intermediate Term Fund, and Short Term Fund as directed by the Vice Chancellor and General Counsel.
- Sec. 8 Management of Other Assets. Assets that are not a part of the PUF, an endowment fund, a fund functioning as an endowment, a life income fund, or consolidated U. T. System funds shall be managed as set forth in this section:

- 8.1 Tangible personal property shall be managed by the institution president.
- 8.2 Intangible personal property consisting of securities, interests in businesses, and equity interests in technology transfer firms as set out in the Regents' intellectual property policy shall be managed by the institution president or by UTIMCO, as determined by the institution president. UTIMCO shall hold all stock certificates of securities managed by, or held on behalf of, the institution president and shall assign, transfer, or sell such securities, as directed by the institution president or his or her designees, in accordance with this Series. Other intangible personal property shall be managed by the institution president.
- 8.3 The institution president may designate in writing one or more committees, employees, officers, or other agents of the institution, or one or more outside managers to manage any or all of the assets described in 8.1 or 8.2 immediately above on behalf of the institution president.
- Sec. 9 Authority to Execute Transactions – UTIMCO. Pursuant to an Investment Management Services Agreement, UTIMCO shall be authorized to purchase, exchange, and sell, for and on behalf of the PUF or the Board of Regents, any and all securities of any description and from any source, including gifts and bequests, registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, external investment managers appointed by UTIMCO may purchase, sell, or exchange securities, pursuant to written agreement with UTIMCO and in accordance with the applicable Investment Policy Statement.
- Sec. 10 Authority to Transact Through Investment Dealers. Sales, purchases, and exchanges by UTIMCO shall be effected through investment dealers or brokers in accordance with the applicable Investment Policy Statement.
- Sec. 11 Authority to Execute Securities Transactions – Development and Gift Planning Services. The Executive Director, for Development and Gift Planning Services shall be authorized to

sell, for and on behalf of the Board of Regents, any and all securities received as gifts and/or bequests, registered in the name of the Board, or in any other form of registration of such securities held for the account of the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts managed and controlled by said Board.

- Sec. 12 Authority to Assign and Transfer Securities Owned by the PUF and the Board of Regents. UTIMCO may assign and transfer any and all securities of any description and from any source, including gifts and bequests, and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by UTIMCO may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.
- Sec. 13 Authority to Collect Money or Property – UTIMCO. UTIMCO is authorized and empowered to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or belonging, or that may become due, payable, or belonging to the PUF or the Board of Regents from any person or persons as a result of any investment transaction and to execute any and all necessary or proper receipts, releases, and discharges therefore and any other instruments as may be necessary or appropriate from time to time relating to the handling, management, control, and disposition of any investment.
- Sec. 14 Authority to Collect Money or Property – External Relations. The Vice Chancellor for External Relations or the Executive Director for Development and Gift Planning Services is authorized to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or belonging, or that may become due or payable to the Board of Regents from any person or persons as a result of, or relating to, a gift or bequest and to execute any and all necessary or proper receipts, releases, and discharges and any other instruments as may be necessary or appropriate

from time to time relating to the receipt, handling, management, control, and disposition of any asset acquired by gift or bequest unless and until such time as the Office of Development and Gift Planning Services has delivered the asset to another office for management purposes as provided in these *Rules and Regulations*.

- Sec. 15 Authority as Relates to Litigation. The authority granted in Sections 13 and 14 above does not include the authority to institute litigation on behalf of the Board of Regents or to settle contested claims or litigation that may result in UTIMCO or the U. T. System receiving less than full value for the claim or the payment of damages or awards. The settlement of any contested claim or litigation for less than full value requires the prior approval of the U. T. System Vice Chancellor and General Counsel and appropriate U. T. System officials, as set out in the Regents' *Rules and Regulations* Series 10501.
- Sec 16 Authority to Execute Proxies and Consent to Modifications in Bond Indentures – UTIMCO. UTIMCO is authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.
- Sec. 17 Authority to Use Book-Entry Form. Securities owned by the PUF or the Board of Regents may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.

3. Definitions

Endowment funds – funds that typically have certain donor imposed restrictions placed upon the principal and/or the funds available for distribution (e.g., income and/or gains).

Custodian bank – a bank that provides custody services pursuant to an agreement with the Board of Regents or UTIMCO.

Member bank – one of the twelve Reserve Banks that comprise the Federal Reserve System.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 10501 – Delegation to Act on Behalf of Board

Regents' *Rules and Regulations* Series 70301 – Matters Relating to Real Property

6. Who Should Know

Administrators
UTIMCO

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs
Office of Development and Gift Planning Services
Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Investment Policies

2. Rule and Regulation

Sec. 1 Permanent University Fund (PUF). The policies for the investment of funds for the PUF shall be those outlined in The Permanent University Fund Investment Policy Statement.

Sec. 2 Investment Pools. The policies for the investment of funds for U. T. investment pools shall be those outlined in the applicable *Investment Policy Statement*. Each pooled fund established by The University of Texas System shall be administered according to the U. T. System *Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement*, the fund's trust indenture, and applicable law.

Sec. 3 Endowments. Endowment funds and funds functioning as endowments will be managed in a manner consistent with the governing instrument, the *U. T. System Gift Acceptance Procedures*, and the investment standards set forth in the Uniform Management of Institutional Funds Act (Texas Property Code Chapter 163 et seq.). These funds will be invested in the Long Term Fund unless the terms of the instrument by which the endowment was created preclude commingling of assets. Those endowments for which the terms of the instrument preclude the commingling of assets or for which illiquid assets are held will be separately invested.

Sec. 4 Life Income Funds. Life income funds will be invested and administered consistent with the governing instrument, The U. T. System *Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement*, *U. T. System Gift Acceptance Procedures*, and the investment standards set forth in the *Texas Trust Code (Texas Property Code Section 111.001 et seq.)*.

Sec. 5 System Medical Liability Fund. The Professional Medical Liability Fund shall be administered in a manner consistent with all provisions of the System Professional Medical Liability Benefit Plan outlined in the Regents' *Rules and Regulations Series 50501*.

- Sec. 6 Other Accounts. Other Accounts as defined in the U. T. System Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement shall be invested and administered consistent with that policy.
- Sec. 7 Required Reports. The following annual reports are required.
- 7.1 The investment performance of the PUF, Investment Pools, Endowments, and Life Income Funds as measured by an unaffiliated organization, shall be reported to the Board of Regents at least annually.
- 7.2 The nature and extent of any investments in or business transacted with any firm with which a director, officer or employee of UTIMCO is affiliated will be reported to the Board of Regents annually.
- Sec. 8 Authorization to Protect Investments. UTIMCO is authorized to take any and all steps as may be considered necessary or advisable to protect the interest of the PUF, Investment Pools, Endowments, and Life Income Funds in event of default or any other significant changes occurring with respect to any investment.
- Sec. 9 Stock Rights and Warrants. Exercise of or sale of stock rights and warrants is to be made at the discretion of UTIMCO.
- Sec. 10 Fractional Shares. Fractional shares that arise in connection with funds under control of UTIMCO shall be handled at its discretion.
- Sec. 11 Voting Stocks. As a general rule, voting stocks held are to be voted by UTIMCO pursuant to its proxy voting policy.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Property Code Chapter 163 – Management, Investment and Expenditure of Institutional Funds

Texas Property Code Section 111.001 – Trusts

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 50501* – Liability Insurance for Students

Permanent University Fund Investment Policy Statement

General Endowment Fund Investment Policy Statement

Permanent Health Fund Investment Policy Statement

Long Term Fund Investment Policy Statement

Short Intermediate Term Fund Investment Policy Statement

Separately Invested Accounts Investment Policy Statement

Short Term Fund Investment Policy Statement

Liquidity Policy

6. Who Should Know

Administrators
UTIMCO

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs
Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Interest Rate Swap Policy

2. Rule and Regulation

Sec. 1 Authority. *Texas Education Code Chapter 55* and *Texas Government Code Chapter 1371* authorize The University of Texas System to enter into interest rate swap transactions and related agreements. Pursuant to this authority, the Board of Regents approved the Eighth Supplemental Resolution to the Master Resolution, authorizing the System to enter into Master Swap Agreements with certain counterparties, in 1999.

Sec. 2 Purpose. This policy will govern the use by the U. T. System of interest rate swap transactions for the purpose of either reducing the cost of existing or planned Revenue Financing System debt, or to hedge the interest rate of existing or planned Revenue Financing System debt. By using swaps in a prudent manner, the U. T. System can take advantage of market opportunities to reduce costs and reduce interest rate risk. The use of swaps must be tied directly to U. T. System debt instruments. The U. T. System shall not enter into swap transactions for speculative purposes.

Sec. 3 Legality/Approval. To enter into a Master Swap Agreement (which governs each swap transaction), the U. T. System must receive: 1) approval from the Board of Regents; 2) approval by the Texas Attorney General, 3) approval from the Texas Bond Review Board, and 4) an opinion acceptable to the Authorized Representative from bond counsel that the agreement relating to the swap transaction is a legal, valid, and binding obligation of the U. T. System and that entering into the transaction complies with applicable State and federal laws.

Sec. 4 Form of Agreements. Each new Master Swap Agreement shall contain terms and conditions as set forth in the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, as amended, and such other terms and conditions including schedules and confirmations as deemed necessary by an Authorized Representative.

Sec. 5 Methods of Procuring Swaps. Swaps can be procured via competitive bids or on a negotiated basis.

- 5.1 Competitive. The competitive bid should include a minimum of three firms with counterparty credit ratings of 'A' or 'A2' or better from Standard & Poor's or Moody's, respectively. An Authorized Representative may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to 40% of the notional amount of the swap transaction.
 - 5.2 Negotiated. An Authorized Representative may procure swaps by negotiated methods in the following situations:
 - (a) A determination is made by an Authorized representative that due to the complexity of a particular transaction, a negotiated bid would result in the most favorable pricing.
 - (b) An Authorized Representative makes a determination that, in light of the facts and circumstances, doing so will promote the System's interests by encouraging and rewarding innovation.
- Sec. 6 Management of Swap Transaction Risk. Certain risks are created when the U. T. System enters into any swap transaction. In order to manage the associated risks, guidelines and parameters for each risk category are as follows:
- 6.1 Value Owned by Counterparty. To limit and diversify the U. T. System's counterparty risk and to monitor credit exposure to each counterparty, the U. T. System may not enter into a swap transaction with an otherwise qualified counterparty unless the cumulative mark-to-market value owed by the counterparty (and its unconditional guarantor, if applicable) to the U. T. System shall be less than or equal to \$30 million.
 - 6.2 Calculation of Value Owned. The \$30 million limitation shall be the sum of all mark-to-market values between the subject counterparty and the U. T. System regardless of the type of swap transaction, net of collateral posted by the counterparty. Collateral will consist of cash, U. S. Treasury securities, and Federal Agency securities guaranteed unconditionally by the full faith and credit of the U. S. Government. Collateral shall be deposited with a third party trustee acceptable to U. T. System or as

mutually agreed upon between U. T. System and each counterparty.

6.3 Limits Based on Credit Rating. Specific limits by counterparty are based on the cumulative mark-to-market value of the swap(s) and the credit rating of the counterparty. The limits are as follows:

- (a) AAA / Aaa \$30 million
- (b) AA+ / Aa1 \$25 million
- (c) AA / Aa2 \$20 million
- (d) AA- / Aa3 \$15 million
- (e) A+ / A1 \$10 million
- (f) A / A2 \$5 million

6.4 Downgraded Rating. If counterparty's credit rating is downgraded such that the cumulative mark-to-market value of all swaps between counterparty and the U. T. System exceeds the maximum permitted by this policy, the counterparty must terminate a portion of the swap, post collateral, or provide other credit enhancement that is satisfactory to the U. T. System and ensures compliance with this policy.

Sec. 7 Termination Risk. The U. T. System shall consider the merits of including a provision that permits it to optionally terminate a swap agreement at any time over the term of the agreement (elective termination right). In general, exercising the right to optionally terminate an agreement should produce a benefit to the U. T. System, either through receipt of a payment from a termination, or if a termination payment is made by the U. T. System, a conversion to a more beneficial debt instrument or credit relationship. If no other remedies are available, it is possible that a termination payment by the U. T. System may be required in the event of termination of a swap agreement due to a counterparty default or following a decrease in credit rating.

Sec. 8 Amortization Risk. The amortization schedules of the debt and associated swap transaction should be closely matched for the duration of the swap. Mismatched amortization schedules can result in a less than satisfactory hedge and create unnecessary risk. In no circumstance may the term of a swap transaction extend beyond the final maturity date of the affected debt instrument, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

- Sec. 9 **Basis Index Risk.** Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the U. T. System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of an interest rate swap agreement shall be a recognized market index, including but not limited to the Bond Market Association Municipal Swap Index (BMA) or the London Interbank Offered Rate (LIBOR).
- Sec. 10 **Tax Risk.** Tax risk is the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets. Tax risk is also present in all tax-exempt debt issuances. The Office of Finance will need to understand and document tax risk for a contemplated swap transaction as part of the approval process.
- Sec. 11 **Annual Reporting.** The Annual Financial Report prepared by the U. T. System and presented to the Board of Regents will discuss the status of all interest rate swaps. The report shall include a list of all swaps with notional value and interest rates, a list of counterparties and their respective credit ratings, and other key terms.

3. **Definitions**

Counterparty Long-Term Debt Rating – lowest prevailing rating from Standard & Poor's / Moody's maximum cumulative mark-to-market value of swaps owed to System by counterparty (net of collateral posted).

Authorized Representative – includes the Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Associate Vice Chancellor for Finance, and the Director of Finance.

BMA Index – the Bond Market Association Municipal Swap Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day, tax-exempt variable rate bond issues.

Counterparty – a participant in a swap or other derivatives agreement who exchanges payments based on interest rates or other criteria with another counterparty.

Hedge – a transaction entered into to reduce exposure to market fluctuations.

Interest Rate Swap – a transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument and there is no exchange of principal.

ISDA Master Agreement – the International Swaps and Derivatives Association, Inc. is the global trade association for the derivatives industry. The ISDA Master Agreement is the basic governing document that serves as a framework for all interest rate swap, swap enhancement, and derivative transactions between two counterparties. It is a standard form used throughout the industry. It is typically negotiated once, prior to the first transaction, and remains in force for all subsequent transactions.

London Interbank Offered Rate (LIBOR) – the rate of interest at which banks borrow funds from other banks in the London interbank market. It is a commonly used benchmark for interest rate transactions ranging from one month to one year.

Mark-to-Market – calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying indices.

Master Resolution – the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted on February 14, 1991, amended on October 8, 1993 and August 14, 1997, and each supplemental resolution thereto authorizing parity debt.

Notional Amount – the size of the interest rate swap and the dollar amount used to calculate interest payments.

4. Relevant Federal and State Statutes

Texas Education Code Chapter 55 – Financing Permanent Improvements

Texas Government Code Chapter 1371 – Obligations for Certain Government Improvements

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Matters Relating to Real Property

2. Rule and Regulation

Sec. 1 Management of Real Property Generally. All interests in real property owned or controlled by the Board of Regents shall be administered and managed by System Administration's Real Estate Office, except Permanent University Fund lands, real properties used for institutional purposes, and real property investments managed by UTIMCO. "Institutional purposes" shall not include use solely to generate funds for the institution.

Sec. 2 Management of Real Properties Used for Institutional Purposes. All interests in real property owned or controlled by the Board of Regents and used for institutional purposes shall be administered and managed by the institution, with the assistance and supervision of U. T. System Administration's Real Estate Office.

Sec. 3 Management of Permanent University Fund Lands. Permanent University Fund lands shall be administered and managed by U. T. System Administration's West Texas Operations Office.

Sec. 4 Delegation of Authority. Subject to sections 4.1, 4.2, and 4.3 below and the general provisions of Series 10501 of the Regents' *Rules and Regulations* and except as otherwise specified in these *Rules and Regulations*, the Board of Regents delegates to the Executive Vice Chancellor for Business Affairs or a designee specified in writing the authority to execute and deliver on behalf of the Board contracts, agreements, and other documents or instruments regarding or conveying interests in, real property owned or controlled by the Board, including Permanent University Fund lands; real property acquired by purchase, gift, or bequest; and real property used for institutional purposes. The authority granted in this section shall include all instruments necessary and convenient relating to the management, control, sale, acquisition, lease, and disposition of any real property, including mineral interests, owned or controlled by the Board, and licenses, permits for activities on such lands, and instruments relating to mortgages.

4.1 The delegate shall comply with all guidelines issued by U. T. System Administration's Office of General Counsel.

- 4.2 The delegate shall consult with the institutional chief business officer prior to approving and executing any agreement or instrument relating to lands used or to be used for institutional purposes.
- 4.3 The authority granted by this section to execute and deliver binding contracts, agreements, and other documents or instruments relating to the acquisition of real property applies only if the real property is within a Campus Master Plan approved by the Board of Regents or if the matter is an easement or other similar agreement necessary to implement projects approved by the Board in the Capital Improvement Program and the Capital Budget.
- Sec. 5 **Board for Lease.** The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to take any action on behalf of the Board as may be necessary or desirable with regard to the management and administration of oil and gas leases and other instruments issued by the Board for Lease of University Lands, including without limitation, promulgating forms and requiring submission of documents, records, or reports to verify gross production, and disposition and market value of the production.
- Sec. 6 **Title.** Title to all interests in real property, including leasehold interests, held for the use or benefit of the U. T. System, an institution, or otherwise shall be held in the name of the Board of Regents.
- Sec. 7 **Planned Gifts and Bequests.** The Office of Development and Gift Planning Services shall, in accordance with applicable Board of Regents policies, process and administer the receipt of real property received by the Board through a bequest, an interest in an account held in trust, a gift to establish or modify an endowment (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund. The Office of Development and Gift Planning Services shall promptly notify the Real Estate Office and University Lands - West Texas Operations of gifts of surface and mineral estates in real property received, processed, and administered pursuant to this section to be managed by the Real Estate Office and University Lands - West Texas Operations, respectively. This section shall not apply to current purpose gifts of surface and

mineral estates in real property (other than gifts received through a bequest or a trust) or additions to an existing endowment, a fund functioning as an endowment, or a life income or annuity fund if the addition does not change or modify the purpose of the endowment or fund.

Sec. 8 **Current Purpose Gifts.** The Real Estate Office and University Lands - West Texas Operations shall, in accordance with Board of Regents policies, process and administer the receipt of all gifts of surface and mineral estates in real property that are not processed and administered in accordance with Section 7 above, unless the property is used as campus property by the component institution. The institution shall manage real property used for campus purposes.

Sec. 9 **Rents, Mortgages, and Other Charges.** The Board delegates to U. T. System Administration's Real Estate Office authority to collect, and account for, all rents, mortgages, and other charges relating to real property managed by that Office.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. **Contact Information**

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Oversight Responsibilities for UTIMCO

2. Rule and Regulation

Sec. 1 Chancellor. The Chancellor of The University of Texas System serves on the Board of Directors of The University of Texas Investment Management Company (UTIMCO). The Chancellor oversees the operations of UTIMCO and coordinating interaction between the U. T. System and UTIMCO, ensures that UTIMCO implements the core investment functions delegated to it in conformance with these *Rules and Regulations*, the Investment Management Services Agreement, and the Investment Policy Statements adopted by the Board of Regents, and directs UTIMCO in areas other than core investment functions, such as relations with the media, intergovernmental relations, and public disclosure issues.

Sec. 2 Executive Vice Chancellor for Business Affairs. The Executive Vice Chancellor for Business Affairs designates and supervises the U. T. System liaison to UTIMCO, overseeing audits and investment performance assessments of UTIMCO, and reviewing budgetary and investment reports submitted by UTIMCO.

Sec. 3 Vice Chancellor and General Counsel. The Vice Chancellor and General Counsel oversees legal services provided to UTIMCO by outside legal counsel, consistent with the requirements of the Texas Disciplinary Rules of Professional Conduct, and providing counsel, advice, and legal interpretations to the Board of Regents, the Chancellor, and other U. T. System officials concerning UTIMCO-related issues.

Sec. 4 System-wide Compliance Officer. The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Audit, Compliance, and Management Review Committee of the institutional compliance functions and activities at UTIMCO. The System-wide Compliance Officer provides institutional compliance assistance to the Chief Compliance Officer of UTIMCO in the exercise of their responsibilities and prescribes the format for the annual risk based compliance plan and the quarterly compliance status reports to be submitted by UTIMCO.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
UTIMCO

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Category of Facilities and Authorized Users

2. Rule and Regulation

Sec. 1 Category of Facility. The property or buildings, owned or controlled by The University of Texas System are not open for assembly, speech, or other activities as are the public streets, sidewalks, and parks. The responsibility of the Board of Regents to operate and maintain an effective and efficient system of institutions of higher education requires that the time, place, and manner of assembly, speech, and other activities on the grounds and in the buildings of the U. T. System or any of its institutions be regulated. Acting pursuant to the general authority of *Texas Education Code Chapter 65*, and the specific authority of *Texas Education Code Chapter 51*, the Board adopts and promulgates rules related to the use of buildings and grounds for purposes other than programs and activities related to the role and mission of the U. T. System and its institutions.

Sec. 2 Authorized Users. No person, organization, group, association, or corporation may use property or buildings owned or controlled by the U. T. System or any of its institutions for any purpose other than in the course of the regular programs or activities related to the role and mission of the U. T. System and its institutions, unless authorized by the Regents' *Rules and Regulations*. Any authorized use must be conducted in compliance with the provisions of the Regents' *Rules and Regulations*, the approved rules and regulations of the institution, and applicable federal, State, and local laws and regulations.

Sec. 3 Identification Required. Pursuant to the authority conferred upon the Board of Regents by *Texas Education Code Section 51.209*, in order to protect the safety and welfare of students, employees, patients, and other participants in the programs and activities of the U. T. System and its institutions and to protect the property and buildings of the U. T. System and its institutions, it shall be unlawful for any person who is on any property or in a building owned or controlled by the U. T. System or any of its institutions to refuse to identify himself or herself in response to a request by an institutional representative. For the purpose of this Section, a person identifies himself or herself by: (1) giving his or her name and

complete address substantiated by a current driver's license, voter registration card, or other official documentation; and (2) stating truthfully whether he or she is a student or employee of the U. T. System or any of its institutions. For the purpose of this Section, an "institutional representative" is:

- 3.1 Any member of the Board of Regents or the Counsel and Secretary to the Board;
- 3.2 Any executive officer or administrative officer of the U. T. System or any of its institutions;
- 3.3 Any attorney of the U. T. System or its institutions; and
- 3.4 Any peace officer or security officer of the U. T. System or any of its institutions acting pursuant to authority of Texas law.

Sec. 4 Refusal to Identify. Any person who refuses to identify himself or herself in accordance with this Subsection may be convicted of a misdemeanor punishable by a fine of not more than \$200. Students, faculty, or staff who refuse to identify themselves in accordance with this Series are also subject to disciplinary action

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Chapter 65 – Administration of The University of Texas System

Texas Education Code Section 51.202 – Rules and Regulations

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Faculty
Staff

Students
Police Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Alcoholic Beverages

2. Rule and Regulation

Sec. 1 Prohibition. The use of alcoholic beverages is prohibited on property and in buildings owned or controlled by The University of Texas System or any of its institutions. However, the Chancellor of the U. T. System or the president of an institution may waive this prohibition with respect to any event sponsored by the U. T. System or any of its institutions. An event is sponsored if a budgeted office, department, or division of the U. T. System or any of its institutions is responsible for organizing the event, inviting attendees, and paying expenses related to the event, except that such an event is considered to be sponsored even if an outside entity pays for the food and beverages at the event. Meetings or events organized and presented by registered faculty, staff, or student organizations are not events sponsored by the U. T. System or any of its institutions.

Sec. 2 Does Not Apply. Section 1 immediately above does not apply to areas that are licensed under State law for the sale and service of alcoholic beverages, to a Special Use Facility during use by a non-institutional individual, group, association, or corporation for purposes permitted by the Regents' *Rules and Regulations* Series 8106, or to property, buildings, or facilities that are occupied by a third party pursuant to a written lease or occupancy agreement that does not specifically exclude alcoholic beverages.

Sec. 3 Strict Enforcement. State law relating to alcoholic beverages will be strictly enforced at all times on property and in buildings owned or controlled by the U. T. System or any of its institutions.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 80106 – Special Use Facilities

6. Who Should Know

Faculty
Staff
Students
Police Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Solicitation

2. Rule and Regulation

Sec. 1 Prohibition of Solicitation. No solicitation shall be conducted on any property, street, or sidewalk, or in any building, structure, or facility owned or controlled by the U. T. System or any of its institutions unless permitted by the Regents' *Rules and Regulations*.

Sec. 2 Exceptions to Prohibition. The following activities shall not be deemed solicitations prohibited by this Series when conducted in accordance with the approved rules and regulations of the U. T. System or any of its institutions. Such activities must be conducted in a manner that does not disturb or interfere with the academic programs or administrative activities of the U. T. System or any of its institutions or any program or activity that is conducted by or is authorized by the U. T. System or any of its institutions; does not interfere with entry to or exit from a building, structure, or facility; does not interfere with the flow of pedestrians or vehicular traffic on sidewalks or streets or at places of ingress and egress to and from property, buildings, or facilities; does not harass, or intimidate the person or persons being solicited; and does not violate applicable State, federal, or local laws or regulations:

2.1 Newspapers and Magazines. The distribution, sale, or offer for sale of a newspaper, magazine, or other publication by means of an unattended rack or vending machine in area(s) designated in advance by the Chancellor of the U. T. System or the president of an institution or his or her delegate for the direction of such activity.

2.2 Food and Drink. The sale or offer for sale of food, drink, or any other product that may be lawfully sold by means of a vending machine that is operated by the U. T. System or a subcontractor, under an approved written agreement, in an area designated in advance by the Chancellor of the U. T. System or the president of an institution or his or her delegate.

- 2.3 Publications. The sale or offer for sale by the U. T. System or a subcontractor, under an approved written agreement, of any publication of the U. T. System or any of its institutions or of any book or other printed material to be used in the regular academic work of an institution.
- 2.4 Services. Any service or service facility for the convenience of the students, staff, faculty, patients, or bona fide visitors that is operated or maintained by the U. T. System or any of its institutions or by a subcontractor or lessee of either, under an approved written agreement, including, but not limited to: (1) any bookstore, specialty store, laundry, pharmacy, cafeteria, or food service; (2) a child care facility limited to children or bona fide dependents of students, faculty, or staff; (3) a State or federal credit union with membership limited primarily to students, faculty, and staff of the U. T. System or any of its institutions and other area institutions of higher education, and the officers and employees of organizations closely related to the component institution's educational mission, such as officially recognized alumni associations and cooperative bookstores; (4) private post office boxes under an approved written agreement that limits the use to students, faculty, and staff of the institution; (5) unmanned teller machines and drop-boxes for express delivery services that are located and maintained under an approved written agreement that prohibits advertising the location of the unmanned teller machine or drop-boxes to the general public; or (6) a travel agency under an approved written agreement that limits the use primarily to students, faculty, and staff of the institution and prohibits advertising the institutional location of the travel agency to the general public.
- 2.5 Sale of Items at Events. The sale or offer for sale by the U. T. System or any of its institutions or a subcontractor, under an approved written agreement, of food, drink, souvenirs, novelty items, and programs at athletic contests or other programs or events sponsored or authorized by the U. T. System or any of its institutions.
- 2.6 Collections and Sales by University Organizations. The collection of contributions or the sale of merchandise,

publications, food, or nonalcoholic beverages by the students' association or by a registered student, faculty, or staff organization. A students' association or a registered student, faculty, or staff organization may not conduct such solicitation activities on behalf of or for the benefit of any individual, association, organization, corporation, or group of individuals that is not registered as a student, faculty, or staff organization or that is not otherwise qualified under the criteria of Section 2.9 immediately below to conduct solicitation. In the case of specific drives for disaster relief, the chief student affairs officer of the institution may approve a drive that complies with all other requirements of Section 2 immediately above. Texas law allows a registered student organization to be relieved from State sales tax liability in certain circumstances detailed in the Texas Tax Code. All proposed sales events are subject to applicable provisions of these *Rules* and to other institutional policies concerning the time, place, and manner of solicitation. The items offered for sale may not be items that the organization has obtained on consignment.

- 2.7 Collections of Fees or Dues. The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any institution.
- 2.8 Admission Fees. The collection of admission fees for the exhibition of movies or for other programs that are sponsored or presented by the U. T. System or any of its institutions or, if permitted by and scheduled in accordance with the approved rules and regulations of the institution, by the students' association or by a registered student, faculty, or staff organization.
- 2.9 501(c)(3) Organizations. Solicitation of funds by any organization that can present to the Chancellor of the U. T. System or the president of the institution, or his or her delegate, written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under *Internal Revenue Code* Section 501(c)(3). Such solicitation must be conducted in an area(s) designated for that purpose by the chief

administrative officer or his or her delegate. Persons soliciting on behalf of an organization must have credentials identifying them as authorized agents of the organization. Permission to solicit shall not be used by the organization as an endorsement by the U. T. System or any of its institutions. No organization may solicit under this subdivision for more than a total of 14 days, whether continuous or intermittent, during each State fiscal year.

- 2.10 Goods and Services for Residence Halls. Occasional sales or offers of sales of goods or services that comply with applicable federal, State, and local laws and regulations and are conducted solely for the resident(s) of an individual university residence hall room or an individual apartment when a resident of such room or apartment has given specific invitation in advance for salespersons to come to the individual residence hall room or individual apartment for that purpose. This exception does not authorize sales or offers of sales of goods or services within a university residence hall room or apartment by the occupant, door-to-door sales or offers of sales of goods or services, or sales or offers of sales of goods or services to persons who are present in an individual residence hall room or apartment but are not residents of such room or apartment.
- 2.11 Event Sponsors. Under the terms of an approved written agreement, the acknowledgement of a sponsor of an intercollegiate athletics department or athletic event of an institution may be displayed on the official Web page of such athletics department and, at the option of the sponsor, a textual hypertext link and/or a graphic hypertext link to the Web page of the sponsor may also be displayed. Such agreement may also provide for an acknowledgement of the sponsor to be announced over a public address system, displayed on a scoreboard or electronic message center, or displayed by other means at locations designated for that purpose in athletic facilities pursuant to an approved policy of the institution. The content of such acknowledgement and any use of the name, logos, symbols, or marks of an institution by the sponsor must be according to established formats approved by the Trademark Licensing Director or, if nonstandard, have the prior written approval of the

Trademark Licensing Director. See also The University of Texas System *Business Procedures Memoranda No. 62* - Guidelines for Web Site Solicitations.

- 2.12 Electronic Message Centers. Advertising displayed on an outdoor electronic marquee or message center owned and operated by the U. T. System or any of its institutions.
- 2.13 Athletic Tournaments. Advertising and merchandise displayed at an athletic tournament that is sanctioned by the official national or international organization for such athletic competitions, provided that, such advertising and merchandise is required to be displayed under the terms of one or more contractual agreements between such organization and one or more sponsors and such contracts were in effect prior to the date that an institution was selected as the site for the tournament.
- 2.14 Raffle Tickets. The sale or offer for sale by a registered student organization of charitable raffle tickets on behalf of an organization that is authorized to conduct a charitable raffle under the provisions of *Texas Occupations Code Section 2002.001 et seq.*
- 2.15 Computer Hardware and Software. The display and demonstration by manufacturers and distributors of personal computer hardware and software suitable for use by students and faculty in the academic programs of an institution and the presentation of information and demonstrations related to remote networks for personal computers by entities that provide access to such networks. Such activities may be conducted once each academic year upon invitation by the president of the institution or his or her delegate and must be limited to the time and place designated by and under guidelines specified and controlled by the institution. A manufacturer or distributor of personal computer hardware or software or an entity that provides access to remote networks for personal computers may not make sales or take orders.
- 2.16 Benefit Plan Information. The distribution or presentation to officers and employees of the U. T. System or any of its institutions of material related to health benefit plans,

life insurance, tax sheltered annuities, retirement plans or programs, or other benefits that are available to such officers and employees through employee benefit plans or programs offered by or approved by the U. T. System or any of its institutions. Such material may be distributed or presented only at the Office of Human Resources of the U. T. System or any of its institutions, at the benefits office of a health profession practice plan of a health institution, or at meetings scheduled for that purpose pursuant to guidelines established by the U. T. System Office of Human Resources. Those companies that are currently authorized Optional Retirement Program vendors may, at the invitation of the U. T. System or any of its institutions, be permitted to engage in on-campus group seminars for the purpose of providing education, product marketing, and participant enrollment, subject to such rules and limitations as the U. T. System may deem necessary and appropriate. Currently authorized Optional Retirement Program vendors may advertise such on-campus meetings throughout the institution, subject to prior approval by the institution. The term "currently authorized Optional Retirement Program vendor" means a company that has a current contractual agreement with the U. T. System to provide Optional Retirement Program products to officers and employees of the U. T. System or any of its institutions but does not include those companies with grandfathered Optional Retirement Program participation or vendors of Tax Sheltered Annuity products or services.

- 2.17 Employee Discount Programs. The distribution or presentation to employees of the U. T. System and any of its institutions of material related to products and services offered by companies that provide employee discount programs, merchandise membership programs, credit union and banking programs, or other benefits that are available to such officers and employees through discount plans or programs approved by the U. T. System or any of its institutions. Such material may be distributed or presented by the Office of Human Resources of the U. T. System or any of its institutions, with the approval of the institution's president, and placed on institution web pages for the purpose of providing education, product and service information, and participant enrollment, in accordance with guidelines

promulgated by the Executive Vice Chancellor for Business Affairs.

- 2.18 Employees. Solicitation by the officers or employees of the U. T. System or any of its institutions acting in the course and scope of their authority.
- 2.19 Printed Material from U. T. Organizations. Subject to the institution's reasonable and nondiscriminatory rules concerning the time, place, and manner of distribution, sale, or display of material, the distribution, sale, or display by a students' association or a registered student, faculty, or staff organization of printed material (including any newspaper, magazine, or other publication, any leaflet, flyer, or other informal matter or any sign, banner, or exhibit), or the distribution or display of such material, at no cost, by individual students, faculty, or staff, or oral statements by students, faculty, staff, or their associations or registered organizations. A publication within this rule may contain paid advertising, but only if the publication is devoted to promoting the views of a not-for-profit organization or to other bona fide editorial content distinct from the advertising. Printed material and oral statements under this rule may also contain advertising for academic or administrative units of the U. T. System or any of its institutions, for registered student, faculty, or staff organizations, or for organizations that are not operated for profit. This rule does not authorize any form of advertising except as provided in the preceding two sentences. This rule does not authorize distribution, sale, or display of any publication operated for profit. An organization or publication is operated for profit if any part of the net earnings of its operation or distribution inures to the benefit of any private shareholder or individual.
- 2.20 Commonly Used Services. The display and distribution of printed material from tables or booths by providers of services that are commonly utilized by students, faculty, and staff of the U. T. System or any of its institutions, such as financial institutions, long distance telephone carriers, utilities, housing locators, printers and duplicators, tutors, or employment agencies. No more than two one-day periods each academic year may be designated during which all authorized providers may

engage in such activities in an area selected by the U. T. System or any of its institutions. The U. T. System or any of its institutions will determine the number of providers authorized to participate on each of the two one-day periods. The activities of a provider must be limited to the time and place designated by the U. T. System or any of its institutions and must be conducted in compliance with Section 1 above and other guidelines specified by the U. T. System or any of its institutions. A provider may not make sales of or take orders for services. The U. T. System or any of its institutions shall charge an appropriate fee for the privilege of conducting such activities. Any provider who violates the Regents' *Rules and Regulations* or the rules and regulations of the institution in the course of such activities or who has violated a provision of the Regents' *Rules and Regulations* or the rules and regulations of the institution during the 12-month period preceding a day designated by the institution for activities authorized by this subdivision shall not be permitted to participate in such activities.

- 2.21 Athletic Events. An institution may designate a reasonable number of areas immediately adjacent to the exterior of a facility used for intercollegiate athletic events and may authorize such areas to be used for the display of motor propelled vehicles and for the location of booths, tables, or kiosks to be used for the display of merchandise, the distribution of free samples of merchandise, and the display and distribution of printed material related to merchandise, products, or services. Such activities may be authorized only on the day before and the day of an intercollegiate athletic event or an event that is related to athletics that takes place in the facility. An institution may designate a reasonable number of areas inside a facility used for intercollegiate athletic events for such activities if the safety officer of the institution approves the designation and use of the area. All persons engaged in or associated with such displays and distributions must conduct those activities in compliance with this Series and with other guidelines specified by the institution. Such persons may not make sales of or take orders for such vehicles, merchandise, products, or services. The institution shall charge an appropriate fee for the privilege of using such areas. If

persons engaged in such activities violate the Regents' *Rules and Regulations* or the rules and regulations of the institution, such persons, and any entity that they are acting for shall not be permitted to engage in activities under this subdivision for a 12-month period.

- 2.22 **Elections.** In the course of an election process held pursuant to the approved constitution, bylaws, or election code of the faculty governance organization or of the student government organization of an institution or an election held pursuant to the approved rules, regulations, or policies of an institution, requests may be made to support or to vote for or against a qualified candidate for an office or position to be filled at such election or to support or to vote for or against a proposition to be decided at such election. Such request may be made only by the candidates for an office or position; by a registered student, faculty, or staff organization and its members; or by a student, faculty member, or staff member. Individuals and organizations making such requests must conduct all activities in compliance with the approved time, place, and manner regulations of the component institution; the provisions of the constitution, bylaws, election code, rules, regulations, or policies authorizing the election; and Section 1 above. No faculty member, staff member, or student employee may engage in such activities during any period that he or she is being paid to perform services for an institution.
- 2.23 **Support of a Candidate or Proposition.** The request to support or to vote for or against a candidate for an elective position or office or for or against a proposition on a ballot for a public election held pursuant to federal, State, or local laws when such request is made by a registered student, faculty, or staff organization, or by a student, faculty member, or staff member. Persons or organizations must conduct such activities in compliance with Section 2 above; with the time, place, and manner regulations of the institution; with the provisions of federal, State, or local laws governing such election; and may not use any equipment, supplies, or services of an institution. No faculty member, staff member, or student employee may engage in such activities during any period that he or she is being paid to perform duties for an institution. No registered student, faculty, or staff

organization that receives State funds from any source may engage in such activities.

2.24 Web Page Link. The placement on an institution web page (as defined below) of textual and graphic information and a hypertext link to the Web site of a person or commercial entity for which the U. T. System or any of its institutions may receive revenue or avoid costs as a result of the permitted solicitation ("Web Site Solicitation"). Web Site Solicitations shall be placed on institution web pages in accordance with guidelines promulgated by the Executive Vice Chancellor for Business Affairs. An institution web page is a page created or maintained by or on behalf of an institution or an office, department, or division of an institution, and located within an institution's information technology environment.

2.25 Roommate Advertisements. Subject to the institution's reasonable and nondiscriminatory rules concerning time, place, and manner of posting, students, faculty, and staff may post advertisements for roommates, subleases, and sales of used goods that the seller has personally owned and used.

Sec. 3 Impermissible Solicitation. All permissible solicitation must be conducted in compliance with Section 2 above and the time, place, and manner regulations of the institution. If, after reasonable investigation, it is determined that impermissible solicitation is being or has been conducted or that permissible solicitation is being or has been conducted in violation of the Regents' *Rules and Regulations* or the approved rules and regulations of the institution (1) a student, a faculty member, or a staff member will be subject to such disciplinary penalty as may be appropriate, and (2) a students' association or a registered student, faculty, or staff organization shall be prohibited from solicitation for such period or periods of time as may be appropriate. In the case of repeated violations, the registered status of the organization may be cancelled or other appropriate penalties may be imposed. Any penalty or penalties must be imposed pursuant to the due process procedures of applicable Regents' *Rules and Regulations* or approved rules and regulations of the U. T. System or any of its institutions.

Sec. 4 Disclosure of Solicitation. A students' association and each registered student organization shall, within 30 days after the beginning of each long session semester, file with the Dean of Students or other appropriate official a statement fully disclosing the sources and amounts of money obtained from solicitations during the preceding semester or summer session and fully disclosing the purposes and amounts of the expenditures made during the preceding semester or summer session. Any organization failing to comply with the provisions of this Series shall be prohibited from solicitation activities until the organization files the required report.

3. Definitions

Solicitation - means the sale, lease, rental or offer for sale, lease, rental of any property, product, merchandise, publication, or service, whether for immediate or future delivery; an oral statement or the distribution or display of printed material, merchandise, or products that is designed to encourage the purchase, use, or rental of any property, product, merchandise, publication, or service; the receipt of or request for any gift or contribution; or the request to support or oppose or to vote for or against a candidate, issue, or proposition appearing on the ballot at any election held pursuant to State or federal law or local ordinances.

4. Relevant Federal and State Statutes

Texas Occupations Code Section 2002.001 et seq. – Charitable Raffles

5. Relevant System Policies, Procedures, and Forms

Business Procedures Memoranda No. 62 – Guidelines for Web Site Solicitation

6. Who Should Know

Faculty
Staff
Students
Police Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Use of Facilities

2. Rule and Regulation

Sec. 1 Use by Registered Organizations. Subject to constitutional and statutory restrictions on the use of State property for religious or political purposes, a students' association; a registered student, faculty, or staff organization; or an officially recognized alumni association that qualifies under Series 80103, Number 2, Section 2.9 of the Regents' *Rules and Regulations* and whose fund-raising activities are dedicated to the benefit of the U. T. System or any of its institutions, may reserve and use buildings, grounds, and facilities owned or controlled by the U. T. System or any of its institutions in compliance with reasonable and nondiscriminatory time, place, and manner provisions of the approved regulations of the U. T. System or any of its institutions. Such regulations shall specify the procedures under which such organizations may reserve the buildings, grounds, and facilities for their use. Such use must be for purposes permitted by the Regents' *Rules and Regulations* and be conducted in compliance with Series 80103 of the Regents' *Rules and Regulations*. Groups of students, faculty, or staff who are not registered or groups of alumni other than officially recognized alumni associations whose fund-raising activities are dedicated to the benefit of any component institution may not use the institution's buildings, facilities, or grounds.

Sec. 2 Use by Non-registered Organizations. A students' association, a registered student, faculty, or staff organization, or an alumni association may not reserve or use facilities owned or controlled by the U. T. System or any of its institutions for the purpose of engaging in any project or program with any association, organization, or corporation, or with any individual or group of individuals that are not registered.

Sec. 3 Permissible Activity. In compliance with reasonable and nondiscriminatory regulations of the U. T. System or any of its institutions, students, faculty, or staff or their registered or non-registered organizations, may petition, post signs, distribute literature, set up tables and exhibits, or peacefully demonstrate on property owned or controlled by the U. T. System or any of its institutions, provided that the posting of signs and the setting up of tables and exhibits may require prior authorization.

Sec. 4 Non-permissible Activity. No person, including a student or employee of an institution, shall distribute any petition, handbill, object, or piece of literature; post or carry any sign, placard, or banner; or engage in speech or conduct on property or in buildings or facilities owned or controlled by the U. T. System or any of its institutions if it is obscene, libelous, or directed to inciting or producing imminent lawless action and is likely to incite or produce such action.

3. Definitions

Student Registered Organization – an organization that complies with the registration procedures set by the chief student affairs officer.

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 80103 – Solicitation

6. Who Should Know

Faculty
Staff
Students
Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Joint Sponsorship of the Use of Property or Buildings

2. Rule and Regulation

Sec. 1 Joint Sponsorship Permitted. Except as permitted in Series 80103 and 80106 of the Regents' *Rules and Regulations*, the use of property or buildings owned or controlled by the U. T. System or any of its institutions by individuals who are not students, faculty, or staff; by groups that are not registered student, faculty, or staff organizations; or by associations or corporations for programs or activities must be jointly sponsored by the U. T. System or any of its institutions and shall be subject to the following conditions:

- 1.1 The program or activity must be upon the invitation of the U. T. System or any of its institutions. Only the Chancellor of the U. T. System or the president of an institution, or his or her delegate, can authorize joint sponsorship.
- 1.2 In order for joint sponsorship to be appropriate, the educational implications of a program or activity must be self-evident, must directly supplement the educational purposes of the U. T. System or any of its institutions, and must not result in financial gain for the invited individual, group, association, or corporation.
- 1.3 The U. T. System and its institutions established as public institutions without regard to political affiliation or religious faith cannot be a joint sponsor for political or sectarian gatherings.
- 1.4 The U. T. System or any of its institutions will be responsible for all details of the program or activity, and reserves the right to approve all copy for advertising and news releases, and may require an accounting of the income and expenses directly related to the program or activity.
- 1.5 The scheduling of property or buildings for programs or activities of the U. T. System or any of its institutions shall always have priority over the scheduling for programs or activities that are jointly sponsored.

- 1.6 The fee to be paid by the invited individual, group, association, or corporation will be a matter for negotiation in each case and will be specified in the agreement providing for the joint sponsorship. At a minimum, the fee must ensure recovery of the cost incurred by the U. T. System or any of its institutions.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article 3, Section 51 – Grants of Public Money Prohibited; Exceptions

Texas Education Code Section 51.202 – Rules and Regulations

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 80101 – Category of Facilities and Authorized Users

Regents' Rules and Regulations Series 80103 – Solicitation

6. Who Should Know

Faculty
Staff
Students
Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Special Use Facilities

2. Rule and Regulation

Sec. 1 Designation. Notwithstanding any other provisions of this Series, the president of an institution may designate specific facilities, such as special event centers, conference centers, concert halls, theaters, or auditoria, as Special Use Facilities. The president shall cause to be prepared and submitted for approval, as a part of the *Handbook of Operating Procedures* of the institution, appropriate rules and regulations for the reservation and use of Special Use Facilities.

Sec. 2 Rules for Use. The rules and regulations must restrict the reservation and use of such facilities in accordance with the following:

2.1 Designation as a Special Use Facility shall not constitute the facility a public facility or forum that is open to use by individuals, groups, associations, or corporations on a first come, first served basis.

2.2 Priority in the reservation and use of Special Use Facilities shall be given to programs and activities of the U. T. System or any of its institutions that are in furtherance of and related to the educational, cultural, recreational, and athletic programs of the U. T. System or any of its institutions.

2.3 As a lower priority, the rules and regulations may provide for reservation and use of Special Use Facilities by individuals, groups, associations, or corporations without the necessity of joint sponsorship by the U. T. System or any of its institutions. Subject to all constitutional and statutory provisions relating to the use of State property or funds for religious or political purposes, Special Use Facilities may be made available for religious and political conferences or conventions. Rates must be charged for the use of the Special Use Facility that, at a minimum, ensure recovery of that part of the operating cost of the facility attributable directly or indirectly to such use. If the user charges those attending an event any admission or registration fee, or accepts donations from those in

attendance, the institution shall require the user to make a complete account of all funds collected and of the actual cost of the event. If the funds collected exceed the actual cost of the event, the user shall be required to remit such excess funds to the institution as an additional charge for the use of the Special Use Facility provided however, the Board may permit exceptions to this requirement by the authorization of specific use agreements via the Docket or Agenda.

- 2.4 The rules and regulations applicable to a Special Use Facility may provide for the rental of space for display of advertising and the display of samples of merchandise in designated areas inside the Facility that have been approved by the president of the institution or his or her delegate, and for advertising by displays on an electronic scoreboard or message center inside the Facility or on the Facility's outdoor electronic marquee or message center. Such rules and regulations may further provide for the sale of advertising space on ticket envelopes for events sponsored by the Facility and in any publication of the Facility distributed in connection with a sponsored event or announcing future sponsored events.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

Texas Government Code Section 2165.002 – State Buildings, Grounds and Property

Texas Government Code Section 2203.004 – Requirement to Use State Property for State Purposes

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 80105 – Joint Sponsorship of the Use of Property or Buildings

6. Who Should Know

Faculty
Staff
Students
Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Filming Motion Pictures or Television Productions

2. Rule and Regulation

Sec. 1 Authorization to Film. The Chancellor or the president of an institution may authorize the use of property or buildings owned or controlled by the U. T. System or any of its institutions 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 shall be reviewed and considered on a case by case basis. Subject to the provisions of this Series; it shall be within the discretion of the Chancellor or the president of an institution, 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.

Sec. 2 Scheduling. The Chancellor or president shall be responsible for ensuring 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 any of its institutions.

Sec. 3 Script Approval. The Chancellor or the president of an institution must approve either the script for the motion picture or television production or the topic and format for a live or unscripted program.

Sec. 4 Interest in the Production. The production company must identify the persons or entities with an interest in the company.

Sec. 5 Insurance Requirements. The production company must provide a policy providing protection against all liability, to the extent possible, with a minimum 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 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 any of its institutions. The scope and limits of coverage shall be determined by the Chancellor or the president of an institution 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.

Sec. 6 Use Fee. 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 property, buildings, personnel, and services that are required to accommodate such activities. The use fee must be paid in advance by a certified or cashiers check made payable to the U. T. System or its institution. If the production company cancels a scheduled use, the deposit, less any expense incurred by the U. T. System or any of its institutions in preparation for such use, will be refunded.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

Texas Government Code Section 2165.002 – State Buildings, Grounds and Property

Texas Government Code Section 2203.004 – Requirement to Use State Property for State Purposes

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 80101 – Category of Facilities and Authorized Users

Regents' *Rules and Regulations* Series 80103 – Solicitation

Regents' *Rules and Regulations* Series 80105 – Joint Sponsorship of the Use of Property or Buildings

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Use of Facilities for Weddings

2. Rule and Regulation

Sec. 1 Designation of Area. The president of an institution and the Chancellor of the U. T. System may designate one or more indoor and/or outdoor areas that may be used for weddings, subject to the following conditions:

- 1.1 Use of such space for activities of an institution or the U. T. System shall have priority over weddings.
- 1.2 A charge for the use of such space will be made that at least recovers the actual cost.
- 1.3 The user shall be required to provide for adequate insurance and to execute a Facilities Use Agreement, the form and content of which has been approved by U. T. System Administration's Office of General Counsel.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

Texas Government Code Section 2165.002 -- State Buildings Grounds and Property

Texas Government Code Section 22203.004 – Use of State Property

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Parking and Traffic Regulations

2. Rule and Regulation

Sec. 1 Delegation of Authority. The Board of Regents delegates to the Chancellor and presidents of the U. T. System the authority to establish parking and traffic regulations at the institutions of the U. T. System and System Administration. Substantive changes require review and approval by U. T. System Administration's Office of General Counsel.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations; Penalty

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers
Presidents

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Protection of Artificial Bodies of Water and Other Property

2. Rule and Regulation

Sec. 1 Protection of Artificial Bodies of Water. Pursuant to the authority conferred upon the Board of Regents by *Texas Education Code* Section 51.202 and 51.204, in order to protect the safety and welfare of students, faculty, and staff and to protect the property, buildings, and facilities of the U. T. System and its institutions, it shall be unlawful for any person to enter, walk, run, lie, play, remain, or be in the water of any fountain or other artificial body of water, which is not designed and maintained for recreational or therapeutic purposes, located on property owned or controlled by the U. T. System or its institutions unless such person has the prior written permission of the Chancellor or president to enter, remain, or be in such water. It shall further be unlawful for any person to dump, throw, place, or cause any material, object, person, animal, trash, waste, or debris to be placed in such fountain or other artificial body of water.

Sec. 2 Protection of Other Property. It shall be unlawful for any person to damage, deface, or remove any portion of any fountain, monument, building, statue, structure, facility, tree, shrub, or memorial located on property owned or controlled by the U. T. System or any of its institutions.

Sec. 3 Punishment. Any person who violates any provision of this Subsection may be convicted of a misdemeanor punishable by a fine of not more than \$200. Students, faculty, or staff who violates any portion of this Series are also subject to disciplinary action.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.202 – Rules and Regulations

Texas Education Code Section 51.204 – Trespass, Damage

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty
Staff
Students
Police Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Smoke Free Facilities

2. Rule and Regulation

Sec. 1 Smoke Free Facilities. All facilities of The University of Texas System or any of its institutions are declared to be smoke free; however, appropriate individual medical exceptions, particularly in clinical treatment situations, will be considered.

Sec. 2 Prohibition of Tobacco Sales. Tobacco sales are prohibited on U. T. System campuses or at University-sponsored events.

3. Definitions

None

4. Relevant Federal and State Statutes

Penal Code Section 48.01 – Smoking Tobacco

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

10. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Disposal of U. T. System Property

2. Rule and Regulation

Sec. 1 *Determination of Obsolescence.* Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the chief business officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

Sec. 2 *Transfer to Public School.* If the chief business officer shall determine that the equipment is not needed for any department, that it is not practicable to store the equipment for possible future use, and that the equipment can be used for instructional purposes, it shall be made available to a public school or school district, or an assistance organization designated by the school district, at a price or for other consideration agreeable to the U. T. System and the public school or school district or the assistance organization in accordance with *Texas Government Code Section 2175.304(b)* before disposing of the property in another manner. Preference must be given to a public school or school district or to an assistance organization designated by the school district before disposing of the property in another manner. The instructional equipment may be transferred to the public school or school district for such consideration, or for no consideration, as the chief business officer determines appropriate.

Sec. 3 *Disposal of Information Technology Equipment.* Surplus or salvage of information technology equipment, as defined by *Texas Government Code Section 2054.003(3)(A)*, that is not transferred to a public school, school district or an assistance organization designated by the school district as provided in Section 2 above or that is not disposed of under other law must be offered next and at no charge to a open-enrollment charter school or the Texas Department of Criminal Justice in accordance with *Texas Government Code Chapter 2175, Subchapter C.*

- Sec. 4 Disposal Provisions. Surplus or salvage equipment that is not disposed of as provided in Sections 1, 2, or 3 above shall be disposed of in accordance with the following provisions:
- 4.1 For items of little value or limited use where sale on competitive bids is not practicable, the chief business officer shall have the authority to dispose of the property on the basis of negotiated bids or surplus auction in amounts under \$50,000.
 - 4.2 Sale of property estimated to bring \$50,000 or more shall be made on a basis of competitive bids.
 - 4.3 A sale in the amount of \$100,000 or more shall be approved in advance by the Chancellor and approved by the Board of Regents through the institutional docket.
 - 4.4 Sales to employees are governed by the provisions of Series 22601 of the *Administrative Rules* concerning purchasing.
- Sec. 5 Donations to Charitable Organizations. If an item of surplus or salvage equipment is not disposed of as provided in this Series and the chief business officer determines that the item is of nominal use or value, the chief business officer may direct that the item be donated to a civic or charitable organization or destroyed. If the chief business officer directs the donation of the item to a civic or charitable organization, he or she shall assure that the donation serves a proper public purpose appropriate to the function of the U. T. System or any of its institutions, adequate consideration flows to the public, and sufficient controls are in place to ensure the public purpose is achieved.
- Sec. 6 Sale of Artwork or Duplicate Volumes. When the president of an institution determines that a work of art or a duplicate of a valuable, rare, or significant volume is no longer of significant use for the purposes of teaching or research, the item is subject to sale following the procedure outlined in this Section. The disposability and current fair market value of the item shall be certified by a three-member panel (including either an art historian or a bibliographer) and the director of the collection disposing of the property. U. T. System and any of its institutions shall be given first choice in acquiring the item before it is offered for sale. Proceeds from the sale shall be

used for purchases to improve the collection from which the item was drawn or to select items *more appropriate* to the institution's collection areas. Sale is subject to the approval of the president and must be for the *fair market value* of the item. A permanent record shall be made of the disposition and future location of the item.

Sec. 7 Transfer of Property. Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one institution to another or from an institution to another State agency shall have the advance approval of the chief business officer concerned and shall be reported to the president. The chief business officer shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code Section 2054.003(3)(A) – Information Resources Definitions

Texas Government Code Chapter 2175, Subchapter C – Surplus and Salvage Property

Texas Government Code Section 2175.304(b) – Exception for Institutions of Higher Education

5. Relevant System Policies, Procedures, and Forms

Administrative Rule Series 22601 - Purchasing

6. Who Should Know

Employees
Chief Business Officers
Property Managers

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Capital Improvement Program

2. Rule and Regulation

- Sec. 1 Biennial Presentation. The University of Texas System Administration will prepare a Capital Improvement Program (CIP) biennially to be presented to the Board of Regents following completion of each regular session of the Texas Legislature.
- Sec. 2 Contents of Program. The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from institution and System-wide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, as well as for the future development and preservation of the physical plant of the campuses.
- Sec. 3 Off-Cycle Requests. Candidate projects will routinely be added to the CIP during the biennial update. For emerging critical or urgent new Major Projects, the institutional president may submit an "off-cycle" request for inclusion via the Board of Regents' agenda. Requests to add to or modify the CIP will be reviewed in accordance with the processes adopted in the CIP.
- Sec. 4 Preliminary Cost Expenditures. Adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 3% of the anticipated preliminary project cost to develop the formal Facility Program document, select the project architect, and develop preliminary project plans. These expenditures may not exceed the full preliminary project cost. Requests to expend funds in excess of the amount equal to the 3% but not more than 10% of the anticipated preliminary project shall be reviewed and approved by the Executive Vice Chancellor for Business Affairs. These funds will be provided by the institution initially but will be reimbursed to the institution from applicable bond proceeds after design development approval and appropriation of project funds by the Board of Regents.
- Sec. 5 Institutional Management. Adoption of the CIP includes authorization of institutional management of Major Projects so

designated in the CIP. "Off-cycle" requests for institutional management shall be reviewed and approved by the Chancellor. Projects approved for institutional management will be included in the amended CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Series 80403 of the Regents' *Rules and Regulations* for the full amount stipulated in the CIP. Funding other than debt financing will be appropriated at the time of authorization of institutional management.

Sec. 6 Capital Budget. The CIP will include the Capital Budget, a two-year detailed expenditure allocation of source(s) of funds.

6.1 Approval of the Capital Budget authorizes and appropriates funding amounts and sources for identified major repair and rehabilitation projects that are not architecturally or historically significant. Authorization of these projects and appropriation of these funds allows these projects to be presented to the Chancellor for approval of design development plans, authorization for expenditure of funds, and implementation of the projects by the administrative staff without returning to the Board of Regents for further approvals.

6.2 The Board of Regents will approve the design development plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant.

3. Definitions

Major projects - Major Projects are defined as repair and rehabilitation projects of at least \$2 million and new construction projects of at least \$1 million. A project that is architecturally or historically significant is defined as a Major Project regardless of cost.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Building Committees

2. Rule and Regulation

Sec. 1 Building Advisory Committees. There may be a Building Advisory Committee for each institution. The duties, composition, and appointment of the members of the Committee shall be set forth in the *Handbook of Operating Procedures* of each institution. The Committee shall have no further direct responsibility after the construction contract is awarded but shall be available for consultation as the building progresses, as requested by the president of the institution, the appropriate Executive Vice Chancellor, the Chancellor, or the Office of Facilities Planning and Construction.

Sec. 2 Ad Hoc Project Building Committee. The president may appoint, according to the institutional *Handbook of Operating Procedures*, an Ad Hoc Project Building Committee composed of, but not limited to, representatives of the departments or divisions that will occupy the building. The chairperson of the Building Advisory Committee shall be an ex officio member of each Ad Hoc Project Building Committee. The Ad Hoc Building Committee shall work with U. T. System Administration's Office of Facilities Planning and Construction to prepare a facility program in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction.

Sec. 3 Architect Selection Advisory Committees. Architect Selection Advisory Committees for Major Projects shall be appointed by the institutional president in consultation with the Office of Facilities Planning and Construction and the Associate Vice Chancellor for Facilities, Planning and Construction. The Architect Selection Advisory Committee is authorized to evaluate, rank, and make selection recommendations of project architects for appointment by the Chancellor, with the exception of Special Interest Projects discussed in Section 4 below. Architect Selection Advisory Committees for Minor Projects shall be appointed by the president of the institution.

Sec. 4 Special Interest Projects. For projects identified by the Facilities Planning and Construction Committee (FPCC) to be of special interest to the Board of Regents because of proposed building

site, historical or cultural significance, proposed use, or other unique characteristics, the FPCC will select the architect. For these special interest projects, the institutional president, in consultation with the Office of Facilities Planning and Construction, will appoint an Architect Selection Advisory Committee that may include any two members of the Board of Regents named by the Chairman of the Board. The Architect Selection Advisory Committee will investigate the competence and qualifications of the candidates. Board members of the Architect Selection Advisory Committee will report the findings and recommendations based on the interviews to the FPCC. The FPCC may select an architect from this list, or may ask the Selection Advisory Committee for additional recommendations of architects responding to the Request for Qualifications (RFQ), or may select an architect responding to the RFQ but not on the list on the basis of competence and qualifications. The FPCC may conduct interviews and site visits as necessary and will select the most qualified architect for the project based on demonstrated competence, qualifications, and the criteria published in the RFQ, without consideration of fees or costs.

Sec. 5 Selection Committee for Construction Firms. Selection Committees are authorized to evaluate, rank, and select design-build contractors, construction manager-agents, construction managers-at-risk, general contractors, and job order contractors on the basis of qualifications and competitive sealed proposals in response to RFQs and Requests for Proposals (RFPs). Selection Committees are also authorized to enter into discussions for modification and negotiation of competitive sealed proposals in response to requests for proposals with respondents, as required or permitted by law. Selection Committees for Major Projects shall be appointed by the Associate Vice Chancellor for Facilities Planning and Construction in consultation with the institutional president. Selection Committees for Minor Projects shall be appointed by the president of the institution.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Use of the Available University Fund

2. Rule and Regulation

Sec. 1 Impact of Spending. Any staff recommendation to appropriate funds from the Available University Fund (AUF), or from Permanent University Fund (PUF) Bond Proceeds, will be presented in the context of that appropriation's impact on: (a) AUF funding for the support and maintenance of U. T. Austin, (b) bond ratings, and (c) projected AUF balances. These impacts will be considered in order to provide a consistent and dependable level of funding and to maintain the highest possible credit ratings .

Sec. 2 Required Reports. In order to determine the appropriate level of spending of the AUF, the following reports will be provided to the Board of Regents:

2.1 A forecast of at least six years of the income and expenditures of the AUF will be presented at each meeting of the Board of Regents' Finance and Planning Committee by the Office of Finance. Quarterly, The University of Texas Investment Management Company (UTIMCO) shall provide to the Office of Finance a forecast of the PUF distributions to the AUF that will be the basis of the AUF forecast. Included as part of the AUF forecast will be the projected amount of remaining PUF debt capacity calculated in accordance with this policy.

2.2 In conjunction with the annual U. T. System budget process, UTIMCO shall recommend to the Board of Regents in May of each year an amount to be distributed to the AUF during the next fiscal year. UTIMCO's recommendation on the annual distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each year.

2.3 The CIP will be reviewed and updated every two years. The update will include an estimated start date for each project which will be based on the criteria set forth in Section 3.2 below, project readiness, projected fund

availability, and relative urgency of need for the completed project.

- Sec. 3 Individual Projects. The following items will be done when preparing requests of AUF expenditures:
- 3.1 As a part of each agenda item requesting approval of AUF expenditures or PUF funded projects, a statement indicating compliance with this policy based on the most recent forecast shall be included.
 - 3.2 In preparing recommendations for projects to be approved, the staff will be guided by the following justification criteria:
 - (a) consistency with institution's mission;
 - (b) project need;
 - (c) unique opportunity;
 - (d) matching funds/leverage;
 - (e) cost effectiveness;
 - (f) state of existing facility condition; and
 - (g) other available funding sources.
 - 3.3 No project will be recommended for approval, if in any of the forecasted years the required appropriations from the AUF or PUF bond proceeds would cause:
 - (a) the forecasted AUF expenditures for program enrichment at U. T. Austin to fall below 45% of the sum of the projected U. T. System share of the net divisible AUF annual income and interest income on AUF balances (subject to the limits imposed by (b) and (c) below);
 - (b) debt service coverage to be less than 1.50:1.00; and
 - (c) the forecasted end of year AUF balance to be less than \$30 million.

Sec. 4 System Administration Budget. Operating expenditures of the U. T. System Administration will be carefully controlled in order to maximize the opportunity to meet the capital needs of the institutions of the U. T. System and the operating budget needs of U. T. Austin. Wherever possible, alternate funding from institutions, State funds, or other sources will be sought. Programs for which alternative funding cannot be obtained will be evaluated for possible reductions or phase-out.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Debt Policy

2. Rule and Regulation

Sec. 1 Purpose. This policy governs the use of debt to finance capital projects within The University of Texas System. The prudent use of debt can help the U. T. System achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital.

Sec. 2 Financing Programs. The U. T. System issues debt through three primary programs: the Revenue Financing System (RFS), the Permanent University Fund (PUF), and the Higher Education Assistance Fund (HEAF). This policy will govern the issuance of all U. T. System debt.

2.1 Revenue Financing System. The RFS was created by the Board of Regents through the adoption of a Master Resolution on February 14, 1991. The Board established the RFS for the purpose of assembling the U. T. System's revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to institutions of the U. T. System and to maximize the financing options available to the Board.

2.2 Permanent University Fund. Article VII, Section 18 of the *Texas Constitution* authorizes the Board of Regents to issue bonds and notes secured by the U. T. System's interest in the Available University Fund (AUF). The AUF consists of distributions from the total return of PUF investments. The *Texas Constitution* limits the amount of PUF debt that may be issued by the U. T. System to 20% of the cost value of investments and other assets of the PUF. The *Texas Constitution* prohibits the issuance of PUF debt for auxiliary projects.

2.3 Higher Education Assistance Fund. Article VII, Section 17 of the *Texas Constitution* authorizes the Board of Regents to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board for U. T. Pan American and U. T. Brownsville. Bonds issued under this authority are typically referred to as HEAF bonds or constitutional

appropriation bonds. The *Texas Constitution* prohibits the issuance of HEAF debt for auxiliary projects, except to the extent of a project's use for educational and general activities.

Sec. 3 Authority. All debt incurred by the U. T. System will be issued or incurred pursuant to resolutions approved by the Board of Regents and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 and 18 of the *Texas Constitution*, Chapters 55 and 65 of the *Texas Education Code*, and Chapters 1207 and 1371 of the *Texas Government Code*. Before any debt can be issued, the U. T. System must obtain an opinion from bond counsel that the issue complies with applicable Texas and federal laws. The U. T. System must also receive the necessary approvals from both the Texas Bond Review Board and the Texas Attorney General.

Sec. 4 Debt Guidelines. Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

4.1 Project Funding. The U. T. System will borrow money, through the issuance of debt, to finance only those projects that have been approved for financing by the Board of Regents. Capital projects are generally evaluated and prioritized through the U. T. System's Capital Improvement Program. For construction projects that require debt financing, bond proceeds will be provided only after design development approval and appropriation of funds by the Board.

4.2 Interest Rate Exposure. System Administration's Office of Finance will evaluate and determine the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates. The U. T. System will limit its variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings. In determining the amount of variable rate debt, the Office of Finance will evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations. The U. T. System will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility. The U. T. System

shall broadly target variable rate debt of 30-50% of total outstanding debt.

- 4.3 Amortization - The amortization of tax-exempt debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, and tax regulations. Generally, the amortization of tax-exempt debt should not exceed the useful life of the financed asset and may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset. The maximum maturity of RFS debt is limited to 50 years by Chapter 55 of the *Texas Education Code*. The maximum maturity of PUF debt is limited to 30 years by Article VII, Section 18 of the *Texas Constitution*. The maximum maturity of HEAF debt is limited to 10 years by Article VII, Section 17 of the *Texas Constitution*.
- 4.4 Financial Ratios. The U. T. System will use selected actual and pro forma financial ratios, consistent with major credit rating agency criteria, to ensure the U. T. System is operating within appropriate financial bounds. Although other ratios may also be evaluated, the primary financial ratios to be analyzed include the debt service coverage ratio, the debt burden ratio, and the leverage ratio.
- 4.5 Economies of Scale. Debt financings will be coordinated to the extent practical so that multiple project needs can be accommodated in a single borrowing, thereby increasing the efficiency of the debt issuance. Since many issuance costs do not vary with the size of a borrowing, a large bond issue increases the efficiency of the financing by spreading fixed costs over a greater number of projects.
- 4.6 Refunding Opportunities. The Office of Finance will actively consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. Since there are limitations on the number of allowable re-financings, it is important to use re-financing opportunities wisely. In evaluating refunding opportunities, the Office of Finance will consider the value of the call option to be exercised, including the amount of time to the call date and the

amount of time from the call date to maturity. Based on these and other factors, the Office of Finance will determine the minimum savings threshold for any particular refunding transaction. Refundings that do not produce savings may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the U. T. System.

- 4.7 Disclosure. The Office of Finance will provide updated financial information and operating data and timely notice of specified material events to each nationally recognized municipal securities information repository and any State information depository, pursuant to its continuing disclosure undertakings with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission.
- 4.8 Hedging Instruments. The Office of Finance will consider the use of interest rate swaps and other interest rate risk management tools after carefully evaluating the risks and benefits of any proposed transaction in accordance with Regents' Rule Series 70202 titled *Interest Rate Swap Policy*. By using swaps in a prudent manner, the U. T. System can take advantage of market opportunities to minimize expected costs and manage interest rate risk. As outlined in Regents' Rule Series 70202, the use of swaps must be tied directly to U. T. System debt instruments. The U. T. System shall not enter into swap transactions for speculative purposes.
- 4.9 Project Financing - The Office of Finance will consider the use of project financing in those limited circumstances where the benefits of such a transaction exceed the increased costs. Project financing can be a useful financing technique in certain circumstances; however, these transactions are typically less efficient and more costly than traditional financing due to lower credit ratings, fewer economies of scale, the funding of a reserve fund, and the cost of bond insurance. Project financing does not preserve or increase debt capacity relative to traditional financing. The credit rating agencies and the U. T. System include project debt when assessing the debt capacity of institutions of the U. T. System.

- 4.10 Taxable Debt. The U. T. System may use taxable debt for those projects that have an intended use or other characteristics that preclude the use of tax-exempt debt. The U. T. System will strive to allocate its available resources, including equity capital, among its various capital projects to minimize or eliminate the need to issue taxable debt, thereby minimizing the U. T. System's cost of capital. Any use of taxable debt would require separate Board of Regents approval and be subject to the same statutory requirements as tax-exempt debt.
- 4.11 Reporting Requirements - The Annual Financial Report (AFR), prepared by the U. T. System and presented to the Board of Regents, will discuss the status of all outstanding bond and note indebtedness. The AFR presented to the Board provides detailed information on the U. T. System's outstanding bonds and notes including, by series, the amount outstanding, interest rates, maturity dates, a summary of the changes in outstanding indebtedness, and the associated debt service requirements.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article VII, Section 17 – Appropriations and Funding

Texas Constitution Article VII, Section 18 – Bonds or Notes Payable from Income of Available University Fund

Texas Education Code Chapter 55 – Financing Permanent Improvements

Texas Education Code Chapter 65 – Administration of the U. T. System

Texas Government Code Chapter 1207 – Refunding Bonds

Texas Government Code Chapter 1371 – Obligations for Certain Public Improvements

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 70202 – Interest Rate Swap Policy

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Naming of Facilities

2. Rule and Regulation

Sec. 1 Naming of Major Facilities. The naming of buildings; other major facilities, such as wings of buildings, major components of buildings, large auditoria, concert halls, atriums, prominent outdoor spaces, and clinics; and other major entities, such as colleges, schools, academic departments, and major academic centers, programs and institutes of the U. T. System and any of its institutions, whether for an individual or with a functional or historical designation, is the prerogative and responsibility of the Board of Regents and can be initiated by the Board when circumstances warrant. When recommendations for naming of buildings or other major facilities or entities originate at other than the level of the Board, such recommendations shall be forwarded to the Board with recommendations of the Chancellor, the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and the president of an institution, accompanied by reasons for the recommendation, and following campus consultations where appropriate. Recommendations for naming of buildings or major facilities or entities require Board approval via the agenda.

Sec. 2 Naming of Less Prominent Facilities. For less prominent facilities such as laboratories, classrooms, seminar rooms, and patient rooms or for less prominent academic centers, programs, and institutes, naming authority is delegated to each institution president based on a set of general guidelines which are reviewed and approved by the Chancellor. A report of such naming will be included with the annual operating budget submission or updated Capital Improvement Program.

Sec. 3 Honoric Naming. Facilities and other entities may be named to memorialize or otherwise recognize substantial gifts and significant donors or individuals designated by donors. Such designation may be for a single gift, multiple gifts over time, or for a combination of gifts and other contributions. Buildings and other entities may also be named for individuals who have made exemplary or meritorious contributions to the U. T. System or any of its institutions or society.

- 3.1 Defining of Substantial Donation. Each institution will develop guidelines for what constitutes substantial and significant donations to warrant a naming. These guidelines may vary from campus to campus and sometimes within a campus dependent upon the nature and purpose of the facility or entity or other factors. Institutional donor guidelines are subject to prior administrative review and approval by the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel for inclusion in the institutional *Handbook of Operating Procedures*. Exceptions to any approved guidelines are subject to the same approval process.
- 3.2 Naming at Conclusion of Service. Namings in honor of campus administrative officials, faculty, or staff or elected or appointed public officials shall normally occur only after the campus employment or public service has concluded.
- Sec. 4 Naming Related to Development Campaign. When the naming of buildings or other major facilities or entities is contemplated as part of a special private-fund development campaign, that campaign, the proposed naming, and the associated private-fund contributions to be sought shall have prior approval of the institution president, the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, the Chancellor, and the Board of Regents as required in Series 60301 of the Regents' *Rules and Regulations* concerning the development board of an institution.
- Sec. 5 Reports. The Chancellor will arrange for the Board of Regents to be informed annually via the budget process or other appropriate forum regarding buildings or other major facilities or entities identified to be named in conjunction with private donations and the appropriate recommended amount of the private-fund contributions to be sought. Unexpected naming opportunities not covered in such annual reports will be reviewed and approved by the Chairman of the Board or the Chairman of the Facilities Planning and Construction Committee in advance of negotiation with potential donors. No announcement regarding the proposed naming of a building or major facility or entity is to be made prior to the final approval as required by this Section.

Sec. 6 Non Honorific Re-designation. Non-honorific renaming and re-designation of projects in the Capital Improvement Program (CIP) shall be reviewed and approved by the Associate Vice Chancellor for Facilities, Planning and Construction. Such approved re-designations will be included in the amended CIP.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 60301 – Development Board of an Institution

6. Who Should Know

Administrators
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Inscriptions on Building Plaques

2. Rule and Regulation

Sec. 1 Content and Format. The Board of Regents authorized the Chancellor to approve inscriptions on building plaques within The University of Texas System, which are in conformity with the content and format below:

BUILDING NAME
20__
(Year of Contract Award)

BOARD OF REGENTS
(Year of Contract Award)

Chairman, Name	Name, Chancellor, The University of Texas System
Vice Chairman, Name	Name, President, The University of Texas (Institution)
Vice Chairman, Name	Name, Project Architect
Vice Chairman, Name	Name, Contractor
Member, Name	

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of External Relations

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Prevailing Wage Rates

2. Rule and Regulation

Sec. 1 Use of Wage Surveys. Pursuant to state law construction contracts are required to incorporate prevailing wage rates established for each county of each campus based on geographic location. The basis for establishing the wage rates shall be in compliance with state law. The Board of Regents authorizes periodic surveys to be performed to update wage rate data.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Government Code Section 2258 – Prevailing Wage Rates

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Major Construction and Repair and Rehabilitation Projects

2. **Rule and Regulation**

Sec. 1 *Contract Authorization.* Subject to Regents' *Rules and Regulations* Series 80301 and Series 10501, and Sections 2, 3, 4 and 5 below, and except as otherwise specified in these *Rules and Regulations*, the Associate Vice Chancellor for Facilities, Planning and Construction, with the advice of the appropriate Executive Vice Chancellor and institutional president, is authorized to appoint architects and approve plans. The Executive Vice Chancellor for Business Affairs is authorized to execute construction and related contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized by the Board of Regents in the Capital Improvement Program.

Sec. 2 *Capital Budget.* Funding for Major Repair and Rehabilitation Projects that are not architecturally or historically significant may be appropriated by the Board of Regents through the Capital Budget. Funding for all other Major Projects is appropriated at the time of design development plan approval.

Sec. 3 *Approval for Excess Costs.* Costs in excess of an amount equal to the Total Project Cost approved by the Board of Regents plus 10% or any material change in the concept or scope of the project must be approved by the Board.

Sec. 4 *Standardized Contracts.* Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.

Sec. 5 *Executive Vice Chancellor for Business Affairs Authority.* The Executive Vice Chancellor for Business Affairs shall approve the construction contractor's, design-build contractor's, or

- construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects.
- Sec. 6 Authority to Increase Project Cost. The Chancellor with the advice of the appropriate Executive Vice Chancellor and institution president is authorized to increase the approved Total Project Cost not more than 10%. To provide funding for the increase, the Chancellor may reallocate funding between or among approved projects at a single institution if funding for such projects has previously been authorized or approved funding from some other source available to the institution.
- Sec. 7 Facility Program. The facility program must be approved by the president of the institution.
- Sec. 8 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects will include a requirement that the architect evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.
- Sec. 9 Preparation of Design Development Plans. After approval of the facility program, the Associate Vice Chancellor for Facilities, Planning and Construction is authorized to give the project architect, engineer, or design-build contractor the facility program and the Campus Master Plan and to direct the preparation of schematic plans, exterior design, site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans") and design development plans, elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail ("Design Development Plans"). Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the Ad Hoc Project Building Committee, if any, and the Office of Facilities Planning and Construction, with regard to architectural design and construction projects.
- Sec. 10 Approval of Design Development Plans. Design Development Plans for Major Project new construction and for architecturally or historically significant repair and rehabilitation projects shall

be submitted to the Board of Regents for approval upon the recommendation of the Chancellor. The Executive Officers and institution presidents shall be responsible for identifying to the Facilities Planning and Construction Committee special interest projects. The Associate Vice Chancellor for Facilities, Planning and Construction is authorized to approve Design Development Plans and authorize expenditure of funds for all other major repair and renovation projects, except special interest projects.

Sec. 11 Expenditure Authorization. Upon approval of the Design Development Plans for Major Project new construction or an architecturally or historically significant repair and rehabilitation project, the Board of Regents will authorize expenditure of funds for the Project.

Sec. 12 Construction Documents. After approval of the Design Development Plans, the Associate Vice Chancellor for Facilities, Planning and Construction is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").

3. Definitions

Facility Program – a project planning document that organizes and summarizes client needs and programmatic information needed to design a capital project. It is generated through a process of collecting, analyzing, synthesizing and documenting significant requirements for a Project prior to proceeding into the Design Phase.

Major Project – defined as any project that meets one or more of the following criteria: 1) new construction with a value of at least \$1 million, 2) repair and rehabilitation projects with a value of at least \$2 million, 3) any project determined by the Board to be architecturally or historically significant, 4) any campus planning efforts that are intended to result in a capital project meeting one or more of those criteria, and 5) any project that is debt financed (RFS, TRB, PUF) regardless of dollar value except those projects appropriated through the LERR budget.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 10501 – Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations* Series 80301 – Capital Improvement Program

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Minor Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Delegation of Authority. Subject to Sections 2 and 3 immediately below and the general provisions of Series 10501, of the Regents' *Rules and Regulations* and except as otherwise specified in these *Rules and Regulations*, each institution president or the Chancellor is authorized to appoint architects, approve plans and Construction Documents, and execute and deliver contracts, agreements, guaranteed maximum price or stipulated sum proposals, and other documents on behalf of the Board of Regents for all new construction projects of \$1 million or less and for repair and rehabilitation projects of \$2 million or less ("Minor Projects").

Sec. 2 Review and Approval. Minor Projects shall be subject to review as directed by the appropriate Executive Vice Chancellor. If the Minor Project is to accommodate facility program changes requiring System approval or approval of the Texas Higher Education Coordinating Board, then (i) necessary facility program approvals must be secured in advance of requests for construction approval, (ii) funds must have been approved through standard System budgetary procedures; and (iii) the project must have been approved by the component institution director of physical plant, chief business officer, and president.

Sec. 3 Professional Services. Subject to the provisions of Series 10501 of these *Rules and Regulations*, each institution president is authorized to execute and deliver on behalf of the Board contracts and agreements with architects, engineers, and other professional service providers for Minor Projects previously approved in accordance with this Series. Contracts with architects and engineers shall comply with guidelines issued by U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.

3. Definitions

Minor Project – construction projects of \$1 million or less and for repair and rehabilitation projects of \$2 million or less

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations Series 10501* – Delegation to Act on Behalf of the Board

6. Who Should Know

Administrators
Chief Budget Officers
UTIMCO

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Utility Easements

2. Rule and Regulation

Sec. 1 Policy. All utility easements shall be put underground unless it is absolutely necessary to have an overhead line. In such cases, the easement will contain a provision that the grantee will relocate the line underground.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Property and Casualty Insurance and Surety Bonds

2. Rule and Regulation

Sec. 1 Authority to Purchase. The terms of any insurance policies and surety bonds, other than life, disability, and health insurance policies for any U. T. System institution or for System Administration, shall be negotiated by the Director of Risk Management. The Executive Vice Chancellor for Business Affairs shall approve the purchase or renewal of policies with premiums in excess of \$500,000.

Sec. 2 Notice of Loss and Approval of Claims. At the time a loss occurs applicable to either System-wide or individual insurance policies and surety bonds, the Director of Risk Management shall be notified by the chief business officer of the institution. For all claims, other than life, disability and health claims, in which the University is a claimant, the Director of Risk Management shall approve all loss claims and settlements under \$250,000. The Executive Vice Chancellor for Business Affairs shall approve any settlement between \$250,000 and \$1,000,000, and any settlements under the University's Comprehensive Property Protection Plan. Settlement of commercial insurance or surety bond claims in excess of \$1,000,000 must have the approval of the Board of Regents.

Sec. 3 Settlement of Catastrophic Claims. In the case of a catastrophic occurrence where the loss is so extensive that partial commercial insurance payments in excess of \$1,000,000 are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board of Regents will be notified by the Chancellor of all partial payments received in excess of \$1,000,000. Final settlement of commercial insurance claims in excess of \$1,000,000 will require approval from the Board.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers
Risk Managers

7. System Administration Office(s) Responsible for Rule

Office of Risk Management

8. Dates Approved or Amended

February 10, 2005
December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Approval of Housing Rates

2. Rule and Regulation

Sec. 1 Approval of Housing Rates. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the institution's president, the appropriate Executive Vice Chancellor, and the Board of Regents.

Sec. 2 Indirect Cost Recoveries. To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals or replacements of such buildings, improvements, or equipment or for other purposes specified and approved in the budget processes as related to the indirect cost recoveries.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Flags

2. Rule and Regulation

Sec. 1 Display of Flags. The flag of the United States and the flag of the State of Texas shall be flown at The University of Texas System and any of its institutions on each regular school day as required by *Texas Education Code Section 1.003*. The flags shall be raised, lowered, and displayed as required by Title 4 United States Code Sections 5 through 9 and by the Texas Flag Code, *Texas Government Code Chapter 3100*, and may be placed at half-staff only as permitted or required by such statutory provisions.

Sec. 2 Official Flag. The Texas State Flag shall be designated as the official flag of the U. T. System and the official flag of each institution shall be the Texas State Flag with a streamer with the official name of the institution in white letters on an orange field, and a special occasion banner, as determined to be appropriate by the institution president in consultation with the appropriate Executive Vice Chancellor. No institution shall have or display any other flag as its official flag. Nothing in this section shall be interpreted to prohibit display of other flags in a manner consistent with the Texas Flag Code, *Texas Government Code Chapter 3100*.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 1.003 – The Flying of the United States and Texas Flags

Texas Government Code Chapter 3100 – State Flag

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Constitutional and Legislative Restrictions

2. Rule and Regulation

Sec. 1 Approval by Coordinating Board. Sections 17 and 18 of Article VII of the *Texas Constitution* (regarding the Permanent University Fund and the Higher Education Assistance Fund, as referenced at *Texas Education Code Section 62.026* as the Higher Education Fund) require approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under those Sections at institutions of the U. T. System other than The University of Texas at Austin.

1.1 Unless otherwise authorized by law, new construction projects in excess of \$1 million and major repair and rehabilitation projects in excess of \$2 million must be approved by the Texas Higher Education Coordinating Board. Format for submission will be as prescribed by the Coordinating Board. Submission will be prepared by the institution, in consultation with and assisted by System Administration's Office of Facilities Planning and Construction, if necessary, and forwarded to System Administration for review, approval, and handling of submission. It is anticipated that necessary documents will be submitted to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made after the Chancellor and the Board of Regents have approved the Design Development Plans and the related cost estimate.

Sec. 2 Delegation by Board of Regents. The Texas Higher Education Coordinating Board has delegated to its Commissioner approval authority for certain projects qualifying under *Coordinating Board Rule 17.46*. This delegation requires a certification that the project meets specified criteria. The authority to execute this certification for the Board of Regents is delegated to the Executive Vice Chancellor for Business Affairs or the Assistant Vice Chancellor for Facilities Planning and Construction.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution Article VII, Section 17 – Appropriations and Funding

Texas Constitution Article VII, Section 18 – Bonds or Notes Payable from Income or Available University Funds

Texas Education Code Section 62.026 – Higher Education Fund

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

General Rules for Intellectual Property

2. **Rule and Regulation**

Sec. 1 **Philosophy.** It is the objective of this policy to encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, and to permit the timely protection and disclosure of such intellectual property whether by development and commercialization after securing available protection for the creation, by publication, or both. The policy is further intended to protect the *respective interests of all concerned* by ensuring that the benefits of such property accrue to the public, to the inventor, to the U. T. System, and to sponsors of specific research in varying degrees of protection, monetary return and recognition, as circumstances justify or require.

Sec. 2 **Individuals Subject to the Policy.** The intellectual property policy applies to all persons employed by the U. T. System or any of its institutions including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, to anyone using the facilities of the U. T. System or any of its institutions, and to undergraduate students, to candidates for master's and doctoral degrees, and to postdoctoral and predoctoral fellows.

Sec. 3 **Types of Intellectual Property Included.** Except as set forth in Sections 4 and 5 below and Series 90102 of the Regents' *Rules and Regulations*, this policy shall apply to intellectual property of all types, including but not limited to any invention, discovery, trade secret, technology, scientific or technological development, research data and computer software regardless of whether subject to protection under patent, trademark, copyright or other laws.

Sec. 4 **Board May Not Assert Interest in Certain Copyrights.** The Board of Regents shall not assert its interest in scholarly or educational materials, artworks, musical compositions, and dramatic and non-dramatic literary works related to the author's academic or professional field, regardless of the medium of expression. This applies to works authored by students, professionals, faculty and non-faculty researchers. The Board of Regents encourages these creators to manage their

copyrights in accordance with the guidelines concerning management and marketing of copyrighted works.

- Sec. 5 **Board May Not Assert Interest in Certain Software.** The Board of Regents normally asserts ownership in software as an invention; however, original software that is content covered by Section 4 above or that is integral to the presentation of such content shall be owned in accordance with Section 4 above.
- Sec. 6 **Works for Hire.** Notwithstanding the provisions of Sections 4 and 5 above, the Board of Regents shall have sole ownership of all intellectual property created by an employee who was hired specifically or required to produce it or commissioned by the U. T. System or any of its institutions. Except as may be provided otherwise in a written agreement approved by the president of the institution, the provisions of the Regents' *Rules and Regulations* Series 90102, Number 2, Section 2.5 relating to division of royalties shall not apply to intellectual property owned solely by the Board of Regents pursuant to this Section 6.
- Sec. 7 **Role of Creator.** Any person subject to this policy who creates intellectual property other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the president may, in his or her sole discretion, decide whether to develop and commercialize an invention after securing available protection for the creation, if necessary.
- Sec. 8 **Service of Public Interest.** It is a basic policy of the U. T. System or any of its institutions that intellectual property be developed primarily to serve the public interest. This objective usually will require development and commercialization by exclusive or nonexclusive licensing.
- Sec. 9 **Use of Facilities and Resources.** Neither the facilities nor the resources of the U. T. System or any of its institutions may be used (i) to create, develop, or commercialize intellectual properties outside the area of expertise for which the individual was hired (See Regents' *Rules and Regulations* Series 90102, Number 2, Section 1); or (ii) to further develop or commercialize intellectual properties that have been released to an inventor (See Regents' *Rules and Regulations* Series 90102, Number 2, Section 2.2) except as the institution's president may approve

where the U. T. System retains an interest under the terms of the release.

Sec. 10 Creation of Data. Data created by an employee is owned by the Board of Regents and the creator shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this policy.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 90102 – Property Rights and Obligations

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Property Rights and Obligations

2. Rule and Regulation

Sec. 1 Intellectual Property Owned by the Creator. For all individuals subject to this policy, intellectual property outside the area of expertise for which the individual was hired that is developed on his/her own time and without the support of the U. T. System or any of its institutions or use of their facilities is the exclusive property of the creator.

Sec. 2 Intellectual Property Owned by U. T. System. Intellectual property either related to the area of expertise for which an individual was hired or resulting from activities performed on U. T. System time, or with support by State funds, or from using facilities owned by the U. T. System or any of its institutions is subject to ownership by the Board of Regents.

2.1 Determination of U. T. System's Interest. Before intellectual property subject to ownership by the Board of Regents is disclosed to any party outside the U. T. System, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the president of the creator's institution for determination of the U. T. System's interest.

2.2 Election Not to Assert Interest. If the institution's president elects not to assert and exploit U. T. System's interest, the Office of General Counsel and the creator shall be notified within 30 days after a decision is made not to assert ownership rights that the invention will be released to the creator. Thereafter, he or she will be free to obtain and exploit a patent or other intellectual property protection in his or her own right and the U. T. System and its institutions shall not have any further rights, obligations, or duties with respect thereto except that, in appropriate circumstances, the institution's president may elect to impose certain limitations or obligations or retain income rights.

2.3 Later Release of Invention. The institution's president may elect to release an invention to its creator at any

time after asserting U. T. System's interest, with notice to the Office of General Counsel; however, such a release shall include provisions for the recovery of patent and licensing expenses, if any, as well as the retention of income rights.

- 2.4 Protection of Intellectual Property. With respect to intellectual property in which the U. T. System or any of its institutions asserts an interest, the institution's president shall decide how, when, and where the intellectual property is to be protected. Outside counsel services may be contracted with the consent of the Vice Chancellor and General Counsel and, if required by law, the approval of the Attorney General. It shall be mandatory for all persons subject to this policy to assign the rights to intellectual property and patents to the Board of Regents when such creations fall within Number 2, Section 2 of this Series.
- 2.5 Reimbursement of Licensing Costs and Allocation of Income. In those instances where the U. T. System or any of its institutions licenses rights in intellectual property to third parties, the costs of licensing, including, but not limited to, the costs to operate and support a technology transfer office and the costs of obtaining a patent or other protection for the property on behalf of the Board of Regents must first be recaptured from any royalties or other license payments received by the U. T. System or any of its institutions before the remainder of such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator
50% to System.

With the prior approval of the Board as an agenda item, an institution may adjust the allocation of royalties set forth herein for all its creators, but in no event shall the creator receive more than 50% or less than 25% of such proceeds. Any other deviation from this rule in individual cases requires the prior approval of the Board.

Sec. 3 Intellectual Property Involving Sponsored Research. Intellectual property resulting from research supported by a grant or contract with the federal government, or an agency thereof, with a nonprofit or for profit nongovernmental entity, or by a private gift or grant to the U. T. System or any of its institutions shall be subject to ownership by the Board of Regents.

3.1 Nonconformance with Intellectual Property Guidelines. Administrative approval of such grants and contracts containing provisions inconsistent with this policy or other policies and guidelines adopted by the Board imply a decision that the value to the U. T. System or any of its institutions of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions on the intellectual property policies and guidelines of the U. T. System or any of its institutions (Reference Regents' Rules and Regulations Series 90105, Number 2, Section 2).

3.2 Conflicting Provisions. The intellectual property policies and guidelines of the U. T. System or any of its institutions are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in federal grants and contracts, or grants and contracts with nonprofit and for profit nongovernmental entities or private donors, to the extent of any conflict.

3.3 Cooperation with Necessary Assignments. Those persons subject to this policy whose intellectual property creations result from a grant or contract with the federal government, or any agency thereof, with a nonprofit or for profit nongovernmental entity, or by private gift to the U. T. System or any of its institutions shall make such assignment of such creations as is necessary in each case in order that the U. T. System or any of its institutions may discharge its obligation, expressed or implied, under the particular agreement.

3.4 Sharing of Royalty Income. In the event that two or more persons who are entitled to share royalty income pursuant to Number 2, Section 2.5 of this Series (or equity pursuant to Regents' Rules and Regulations Series 90103 concerning equity interests) cannot agree in writing on an appropriate sharing arrangement, that

portion of the royalty income to which the creators are entitled will be distributed to them as the institution's president or, in the event that the creators are located at two or more institutions within the U. T. System, the Chancellor may deem appropriate under the circumstances and such decision shall be binding on the creators.

- 3.5 Geographical Scope of Protection. A decision by the U. T. System or any of its institutions to seek patent or other available protection for intellectual property covered by Number 2, Section 2 of this Series shall not obligate the U. T. System or any of its institutions to pursue such protection in all national jurisdictions. The U. T. System's decision relating to the geographical scope and duration of such protection shall be final.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 90103 – Equity Interests

6. Who Should Know

Administrators
Faculty

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Equity Interests

2. Rule and Regulation

Sec. 1 Agreements with Business Entities. In agreements with business entities relating to rights in intellectual property owned by the Board of Regents, the U. T. System or any of its institutions may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the institution where the intellectual property was created may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to Regents' *Rules and Regulations*, Series 90102, Number 2, Section 2.5. The U. T. System or any of its institutions may also receive equity interests in a business entity as consideration for the institution's role as a founder or cofounder of the business entity, and shall not be obligated to share such equity interests with the creator(s).

Sec. 2 Creator Holding Equity and Managing Conflict of Interest. Employees of the U. T. System or any of its institutions who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the *Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest*. In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected research.

Sec. 3 Employee Equity Interests. The U. T. System or any of its institutions may, but shall not be obligated to, negotiate an equity interest on behalf of any employee as a part of an agreement between the U. T. System or any of its institutions and a business entity relating to intellectual property conceived, created, discovered, invented, or developed by the employee and owned by the Board of Regents.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 90102 – Property Rights and Obligations

6. Who Should Know

Administrators
Faculty
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Business Participation and Reporting

2. Rule and Regulation

Sec. 1 Approval to Serve as Officer or Director. Any employee of the U. T. System or any of its institutions who conceives, creates, discovers, invents or develops intellectual property may serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the component institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest. In any case where actual conflict of interest is found, the employee may be required to terminate the business relationship or the relevant research.

Sec. 2 Request for Employee to Serve as Officer or Director. When requested by the Board of Regents, an employee may serve on behalf of the Board of Regents as a member of the board of directors or other governing board of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.

Sec. 3 Report of Equity Interest and Service as Officer or Director. Any employee covered by Regents' *Rules and Regulations* Series 90103, Number 2, Section 2 concerning conflict of interest and Sections 1 or 2 above must report in writing to the president of the institution the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. The Vice Chancellor and General Counsel will file a report by October 1 of each year with the Board of Regents as required by Texas Education Code Section 51.912 and include this

information in the annual financial report sent to the State officials listed in *Texas Education Code Section 51.005*.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.005 – Reports

Texas Education Code Section 51.912 – Equity Ownership: Business Participation

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations Series 90103 – Equity Interests

6. Who Should Know

Administrators
Faculty
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. **Title**

Execution of Legal Documents Related to Intellectual Property

2. **Rule and Regulation**

Sec. 1 Execution of Agreements. Agreements that grant an interest in Board intellectual property, including but not limited to option and license agreements and contracts with corporate sponsors may be executed and delivered in accordance with the provisions of the Regents' *Rules and Regulations*, Series 10501, after any required review by U. T. System Administration's Office of General Counsel.

Sec. 2 Agreements That Do Not Conform to the Rules. Any agreement that deviates substantially from the basic intellectual property policy of the U. T. System as set out in the Regents' *Rules and Regulations* may be executed and delivered as set forth in Section 1 above if, in the judgment of the institution's president, the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantage that may result from the policy deviation.

Sec. 3 Authority to Execute Documents. The Chancellor, the appropriate Executive Vice Chancellor, or the Vice Chancellor and General Counsel may execute, on behalf of the Board of Regents, legal documents relating to the Board's rights in intellectual property, including, but not limited to, applications, declarations, affidavits, powers of attorney, disclaimers, and other such documents relating to patents and copyrights; applications, declarations, affidavits, affidavits of use, powers of attorney, and other such documents relating to trademarks; and corporate documents related to the formation of new companies. In addition, the institution's president may execute, on behalf of the Board, institutional applications for registration or recordation of transfers of ownership and other such documents relating to copyrights.

3. **Definitions**

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 10501 – Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations* Series 90101 thru 90106 – Related to Intellectual Property Issues

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu

1. Title

Income from Intellectual Property

2. Rule and Regulation

Sec. 1 Use Of Income. The portion of the net income the U. T. System or any of its institutions retains from royalties and any other intellectual property-related income shall be used by the institutions where the income-producing creation originated.

Sec. 2 Income Payable to an Individual Subject to this Policy. With the prior written approval of the institution's president, payments payable to an individual, pursuant to Regents' *Rules and Regulations* Series 90102, Number 2, Section 2.5 concerning reimbursement of costs and allocation of income, may be assigned to the institution by the individual and designated for use in research to be conducted by that individual.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations* Series 90102 – Property Rights and Obligations

6. Who Should Know

Administrators
Faculty
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu