

Meeting No. 910

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

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December 16, 1997

Austin, Texas

MEETING NO. 910

TUESDAY, DECEMBER 16, 1997.--The members of the Board of Regents of The University of Texas System convened at 8:15 a.m. on Tuesday, December 16, 1997, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Evans, presiding  
Vice-Chairman Loeffler  
Vice-Chairman Clements  
Regent Hicks  
Regent Lebermann  
Regent Oxford  
Regent Riter  
Regent Sanchez  
Regent Smiley

Absent

Executive Secretary Dilly

Chancellor Cunningham  
Executive Vice Chancellor Mullins

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Evans called the meeting to order. He announced that, while the primary purpose of this meeting was to interview the finalist candidates for the position of President of The University of Texas at Austin, there was also a special item to consider proposed appointments to the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation (Outreach) on behalf of The University of Texas M.D. Anderson Cancer Center.

U. T. M.D. Anderson Cancer Center: Approval of Appointments to the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation (Outreach).--Upon recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and the Office of General Counsel and on behalf of The University of Texas M.D. Anderson Cancer Center, the Board, upon motion of Regent Loeffler, duly seconded, appointed Regent Patrick C. Oxford, Houston, Texas, as a Regental member of the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation (Outreach) to replace Mrs. Linnet F. Deily who had previously resigned from the U. T. Board of Regents.

Further, the Board approved the appointment by the Member, e.g. the President of the U. T. M.D. Anderson Cancer Center, of the following seven employees of the U. T. M.D. Anderson Cancer Center to membership on the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation:

- Mr. Kevin Wardell, Chief Operating Officer
- Mr. Leon Leach, Chief Financial Officer
- Dr. Andrew von Eschenbach, Chief Academic Officer (ad interim)
- Dr. Martin Raber, Vice President for Managed Care and Outreach Programs
- Dr. David Callender, Vice Chair, Physician Referral Service Executive Council
- Mr. Martyn Howgill, Chief Marketing Officer
- Mr. Dan Fontaine, Chief Legal Officer

Article IV, Section 2 of the bylaws of the M.D. Anderson Cancer Center Outreach Corporation provides that the Board of Regents of The University of Texas System may appoint three Directors to the Board of Directors of Outreach, one of whom shall be a Regent.

Article IV, Section 2 of the bylaws of Outreach also provides that the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation shall consist of eleven Directors. Article IV, Section 5, provides that any vacancy occurring in the office of a Director by resignation shall be filled by the

person or entity who appointed that Director. Seven members of the Board of Directors of Outreach appointed by the Member have resigned as members of the Board of Directors.

Each of the above mentioned individuals has been requested by the Member to serve as a member of the Board of Directors of Outreach and has accepted. Each of the individuals has been notified that the holding of such position on the Board of Directors of Outreach is not a component of their employment at the U. T. M.D. Anderson Cancer Center, and therefore their conduct as a member of the Board of Directors will not be protected by the doctrine of official immunity for a state employee. Each nominee has also been informed that the M.D. Anderson Cancer Center Outreach Corporation maintains liability insurance policies for Directors and Officers, which shall provide liability coverage for their conduct while serving in this capacity.

The filling of positions on the Board of Directors of the M.D. Anderson Cancer Center Outreach Corporation by these individuals will not jeopardize the independent legal status of Outreach but will provide greater cohesiveness between the M.D. Anderson Cancer Center Outreach Corporation and the U. T. M.D. Anderson Cancer Center in the furtherance of the mission of that institution.

RECESS TO EXECUTIVE SESSION.--At 8:20 a.m., Chairman Evans announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code, Chapter 551, Section 551.074 to interview and discuss the credentials of the finalist candidates for the position of President of The University of Texas at Austin.

Dr. Shirley Strum Kenny  
President, Stony Brook, State University of  
New York

Dr. John D. Wiley  
Provost and Vice Chancellor for Academic Affairs  
University of Wisconsin-Madison

Dr. Stanley Chodorow  
Provost, University of Pennsylvania

Dr. Larry R. Faulkner  
Provost and Vice Chancellor for Academic Affairs  
University of Illinois at Urbana-Champaign

RECONVENE.--Following the Executive Session which recessed at 6:15 p.m., the members of the Board reconvened in open session. Chairman Evans reported that in Executive Session the Board interviewed and discussed the credentials of the finalist candidates for the position of President of U. T. Austin and inquired of the Board as to whether there was any action from the floor.

U. T. Austin: Appointment of Dr. Larry R. Faulkner as President (Chief Administrative Officer) and Approval to Discharge the Advisory Committee for the Selection of a President.--

Regent Lebermann, who served as the Chairman of the Advisory Committee for the Selection of a President for The University of Texas at Austin, moved that Dr. Larry R. Faulkner, currently Provost and Vice Chancellor for Academic Affairs at the University of Illinois at Urbana-Champaign, be elected President of U. T. Austin effective at a date and compensation to be negotiated with Chancellor Cunningham and reported to the Board via the usual budgetary procedures. Dr. Faulkner was one of the candidates recommended to the Board by the Advisory Committee.

Regent Lebermann further moved that the Board discharge the Advisory Committee for the Selection of a Chief Administrative Officer for U. T. Austin with sincere appreciation for the diligence and careful thought it brought to this search process.

Regent Hicks seconded the motions which carried by unanimous vote.

On behalf of the Board, Chairman Evans expressed appreciation to the members of the Advisory Committee for their dedicated participation and involvement in providing the Board with an exceptional list of finalist candidates.

Noting that the Board was delighted that Dr. Faulkner had accepted the presidency of U. T. Austin, Chairman Evans pointed out that Dr. Faulkner is a highly distinguished educator, scholar, and academic administrator and has the right combination of experience and talents to provide visionary leadership for a research university of global stature.

Chairman Evans noted that upon adjournment of the meeting Dr. Faulkner would be available to visit with those representing the press.

ADJOURNMENT.--Chairman Evans announced that the purpose for which this meeting was called had been completed and the meeting was duly adjourned at 6:20 p.m.

/s/ Arthur H. Dilly  
Executive Secretary

December 17, 1997