

Meeting No. 1,196

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

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July 9, 2019

Austin, Texas

MEETING NO. 1,196

TUESDAY, JULY 9, 2019.--The members of the Board of Regents of The University of Texas System convened a special called meeting at 3:01 p.m. via telephone conference call on Tuesday, July 9, 2019, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Eltife
Vice Chairman Longoria
Vice Chairman Weaver (joined at 3:15 p.m.)
Regent Beck
Regent Crain
Regent Hicks
Regent Jiles
Regent Perez
Regent Warren
Regent Dominguez, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present on the telephone, Chairman Eltife called the meeting to order in Open Session. He welcomed Student Regent Daniel Dominguez to his first Board meeting.

[Secretary's Note: On May 23, 2019, Governor Greg Abbott appointed Mr. Daniel Dominguez, El Paso, Texas, as Student Regent to the Board of Regents of The University of Texas System to serve for a term from June 1, 2019 to May 31, 2020. Regent Dominguez is pursuing a Doctoral degree in educational leadership and administration from The University of Texas at El Paso.]

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--The Board convened in Open Session at 3:01 p.m. to consider the following Agenda Items.

AGENDA ITEMS

1. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board

Chairman Eltife stated that the Consent Agenda Item requests approval for the dual appointment of Vice Chancellor Napier as a Member of the governing board of the

Texas Department of Information Resources. He noted that in approving this item, the Board was asked to make a finding that holding this position is of benefit to the State of Texas and the U. T. System and there is no conflict between the position and her employment.

The Board then approved the Consent Agenda, which is set forth on Page 6.

2. U. T. System Board of Regents: Approval of a special one-time supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2020

Following comments by Executive Vice Chancellor Kelley, Chairman Eltife proposed a two-part motion as follows.

Part 1

We recommend the Board approve a special one-time supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2020 in the amount of \$250 million.

Do I hear a motion to approve a \$250 million distribution from the PUF?

Motion to approve made by Regent Beck, seconded by Regent Perez, and unanimously approved.

Following comments by Chancellor Milliken and President Fenves, Chairman Eltife continued with Part Two of the motion as follows.

Part 2

Accordingly, we recommend the entire U. T. System share of the supplemental PUF distribution be allocated to The University of Texas at Austin to be used solely for the creation of an endowed fund, to be held permanently, with the distributions from the endowed fund to be used to supplement federal, state, and institutional grants to cover the full cost of tuition and fees for low-income, in-state undergraduate students at The University of Texas at Austin.

This special one-time distribution, which will be used solely to create a permanent source of funding to improve affordability and access for students at U. T. Austin, is not authorized to be recurring from year to year and should not be expected or assumed to be reauthorized. All uses of the money distributed will be subject to the constitutional restrictions on use of the AUF.

Motion to approve made by Vice Chairman Longoria, seconded by Regent Hicks, and unanimously approved.

BACKGROUND INFORMATION

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System. On May 23, 2019, the Board of Regents approved a PUF distribution for FY 2020 of \$1,061,390,000, equal to 5.56% of the trailing 20-quarter average of the net asset value of the PUF. With the proposed supplemental one-time distribution of \$250,000,000, the aggregate proposed PUF distribution for FY 2020 is \$1,311,390,000.

Article VII, Section 18 of the Texas Constitution also requires that the annual distribution made by the Board of Regents from the PUF to the AUF during any fiscal year may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service).

The annual distribution rate calculated using the trailing 20-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments	Proposed Aggregate Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
(1)			
\$19,102,668,747	\$ 1,311,390,000	6.86%	7.00%

(1) Source: UTIMCO

Chairman Eltife called for a motion for the Board to approve a special one-time supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2020 in the amount of \$250 million.

Regent Beck made a motion to approve the recommendation, seconded by Regent Perez. The motion carried unanimously.

The Chairman further recommended the entire U. T. System share of the supplemental PUF distribution be allocated to The University of Texas at Austin to be used solely for the creation of an endowed fund, to be held permanently, with the distributions from the endowed fund to be used to supplement federal, state, and institutional grants to cover the full cost of tuition and fees for low-income, in-state undergraduate students at U. T. Austin.

This special one-time distribution, which will be used solely to create a permanent source of funding to improve affordability and access for students at U. T. Austin, is not authorized to be recurring from year to year and should not be expected or assumed to

be reauthorized. All uses of the money distributed will be subject to the constitutional restrictions on use of the AUF.

Vice Chairman Longoria made a motion to approve the recommendation, seconded by Regent Hicks. The motion carried unanimously.

3. U. T. System: Approval of an appropriation of an additional \$12 million of Permanent University Fund Bond Proceeds for the Science and Technology Acquisition and Retention (STARs) program

A motion to approve the following recommendation was made by Regent Beck and seconded by Regent Crain. The motion carried unanimously.

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellors for Business Affairs, Academic Affairs, and Health Affairs that the U. T. System Board of Regents approve an appropriation of an additional \$12 million of Permanent University Fund (PUF) Bond Proceeds be appropriated through the Faculty Science and Technology Acquisition and Retention (STARs) program.

BACKGROUND INFORMATION

The Faculty STARs program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure.

There are three related program goals that form the basis of the STARs program:

- recruit senior faculty with national prominence;
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

On August 10, 2018, the Board of Regents approved \$35 million of funding for the Faculty STARs program in FY 2019. The proposed additional \$12 million of STARs funding will further enhance the ability of U. T. institutions to recruit high quality faculty.

4. U. T. San Antonio: Discussion and appropriate action regarding reaffirmation of Mission Statement

A motion to approve the following recommendation was made by Regent Jiles and seconded by Vice Chairman Longoria. The motion carried unanimously.

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Academic Affairs and the institutional president that the Mission Statement for U. T. San Antonio, as set forth below, be reaffirmed by the U. T. System Board of Regents.

Current Mission Statement

The University of Texas at San Antonio is dedicated to the advancement of knowledge through research and discovery, teaching and learning, community engagement and public service. As an institution of access and excellence, UTSA embraces multicultural traditions, and serves as a center for intellectual and creative resources as well as a catalyst for socioeconomic development and the commercialization of intellectual property - for Texas, the nation and the world.

BACKGROUND INFORMATION

Each public institution of higher education is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires each governing board to “insist on clarity of focus and mission of each institution under its governance.” *Regents' Rules and Regulations* require, at Rule 10402, that the Academic Affairs Committee or the Health Affairs Committee review institutional mission statements.

Southern Association of Colleges and Schools (SACS) accreditation requirements require the periodic review and approval of each institution's mission statement by its governing board.

The U. T. San Antonio Mission Statement was last reviewed and approved on November 10, 2011.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:24 p.m.

/s/ Tina E. Montemayor
Secretary to the Board of Regents
July 31, 2019



THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
CONSENT AGENDA

Special Called Board Meeting:

July 9, 2019
Austin, Texas

1a. Approval of Dual Position of Honor, Trust, or Profit - U. T. System: Appointment by Governor Abbott of Stacey Napier, Vice Chancellor for Governmental Relations, as Member of the Department of Information Resources (DIR) Governing Board

The following item has been approved by the Chancellor in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas System and that there is no conflict between holding this position and the appointment with the System.

The Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas System and that there is no conflict between the position and the System.

Name:	Stacey Napier
Title:	Vice Chancellor for Governmental Relations
Position:	Member, Department of Information Resources Governing Board
Period:	Expires February 1, 2025
Compensation:	Reimbursement of reasonable travel expenses
Description:	Ms. Napier has been appointed by Governor Abbott to the Department of Information Resources (DIR) Governing Board which provides statewide leadership and oversight regarding contracts and procurement methods of state agencies and institutions of higher education that purchase technology and technology services. State law requires at least one member of the DIR Governing Board be an employee of an institution of higher education.