

TEXAS TECH UNIVERSITY SYSTEM
Lubbock, Texas

Minutes

Board of Regents
December 13-14, 2001

Thursday, December 13, 2001.—The members of the Board of Regents of the Texas Tech University System convened at 9:00 a.m. on Thursday, December 13, 2001, at the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were J. Robert Brown, Chairman; Nancy E. Jones, Vice Chairman; Carin Barth; C. Robert Black; E. R. "Dick" Brooks; John W. Jones; David R. Lopez; Brian C. Newby and J. Michael Weiss.

Also participating at the opening of the meeting were David R. Smith, Interim Chancellor and President, Texas Tech University Health Sciences Center; Elizabeth Haley, Deputy Chancellor for System Operations; David Schmidly, President, Texas Tech University; Pat Campbell, Vice Chancellor and General Counsel; Jim Brunjes, Chief Financial Officer; Mike Ellicott, Vice Chancellor for Facilities Planning and Construction, TTUS; Cindy Rugeley, Vice Chancellor for News and Publications, TTUS; Mike Sanders, Vice Chancellor for Governmental Relations, TTUS; Richard Butler, Vice President for Operations, TTUHSC; Elmo Cavin, Executive Vice President, TTUHSC; Lynda Gilbert, Vice President for Fiscal Affairs, TTU; Robert Woodson, Assistant Vice President for Health and Planning, TTUHSC; Gene Binder, Senior Executive Assistant to the President and Chief of Staff, TTU; Ben Lock, Executive Assistant to the Chancellor and the Board of Regents; and Lucy Lanotte, Executive Secretary to the Board of Regents. Also present were Michael Doyle and Amy Graybeal, Workshop Facilitators.

- I. CALL TO ORDER.—Chairman Brown announced a quorum present and called the meeting to order.

- II. RETREAT.—The board met as a Committee of the Whole for informal discussions of the strategic planning process in a workshop/retreat forum at which no action was taken. Chairman Brown called upon Regent Brooks, chair of the Strategic Planning Committee. Regent Brooks introduced Michael Doyle, who, along with his associate Amy Graybeal, acted as facilitator for the workshop/retreat.

At the conclusion of the workshop/retreat, President Schmidly presented a brief overview of the Strategic Plan for Texas Tech University, noting that a formal report on the Strategic Plan will be presented to the board during the meeting of the Academic, Clinical, and Student Affairs Committee.

- III. RECESS TO EXECUTIVE SESSION.—At approximately 3:40 p.m., at the direction of Chairman Brown, the board recessed from the workshop/retreat and convened in Executive Session as authorized by Chapter 551 of the *Texas Government Code*.
- IV. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 6:45 p.m., the board reconvened in open session in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas, for the purpose of recessing.
- V. RECESS.—The board recessed from open session at 6:45 p.m.

Friday, December 14, 2001.—The members of the Board of Regents of the Texas Tech University System convened at 9:05 a.m. on Friday, December 14, 2001, in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were J. Robert Brown, Chairman; Nancy E. Jones, Vice Chairman; Carin Barth; C. Robert Black; E. R. “Dick” Brooks; John W. Jones; David R. Lopez; Brian C. Newby and J. Michael Weiss.

Also participating at the opening of the meeting were David R. Smith, Interim Chancellor and President, Texas Tech University Health Sciences Center; Elizabeth Haley, Deputy Chancellor for System Operations; David Schmidly, President, Texas Tech University; Pat Campbell, Vice Chancellor and General Counsel; Jim Brunjes, Chief Financial Officer; Ben Lock, Executive Assistant to the Chancellor and the Board of Regents; and Lucy Lanotte, Executive Secretary to the Board of Regents.

- VI. CALL TO ORDER.—Chairman Brown announced a quorum present and called the meeting to order.

VII. INTRODUCTIONS AND RECOGNITIONS.—Chairman Brown called on Dr. Smith and Dr. Schmidly for the introductions and recognitions. Dr. Smith introduced Brandon Formby, editor of the *University Daily*; and members of the creative services staff in News and Publications: Artie Limmer, associate director; Joey Hernandez, photographer and web master; Melissa Goodlett, photographer; T. J. Tucker, graphic designer; and Alyson Keeling, graphic designer. Dr. Smith introduced and recognized the following persons from the Health Sciences Center: Dr. Steven Berk, dean, School of Medicine, Amarillo, who holds the Mirick-Myers Endowed Chair in Geriatric Medicine; presidential scholars in geriatrics including Dr. Laura Baker (associate professor of Family and Community Medicine, TTUHSC), Valerie Knotts (regional chair of Occupational Therapy, Odessa, TTUHSC), Tracey Woodward (instructor, School of Nursing, TTUHSC), and Rebecca Sleeper (assistant professor of Pharmacy Practice, Geriatrics, TTUHSC). Dr. Smith then introduced Kate Baldocchi, a first-year audiology graduate student in the Department of Communications Disorders, who after the terror attacks of September 11 was inspired to design the “Star Spangled Double T,” a unique Double T featuring an American flag background. Dr. Smith noted that the design is being used on lapel pins and decals to raise money for scholarships at TTUHSC and that to date approximately \$26,000 had been raised.

Dr. Schmidly introduced Dr. Sybil Hart, assistant professor in the Department of Human Development and Family Studies, College of Human Sciences, recipient of the Chancellor’s Distinguished Research Award; Dr. Dominick J. Casadonte, Jr., Department of Chemistry, College of Arts and Sciences, recipient of the Chancellor’s Distinguished Teaching Award; Clyde F. Martin, Horn Professor, recipient of an Honorary Doctorate of Technology from the Royal Institute of Technology in Sweden; Larry Hays, baseball coach, recent inductee into the Texas Baseball Hall of Fame; Marc Giaccardo, associate professor, College of Architecture, serving as president of the Texas Tech Faculty Senate; student recipients of the Society of Petroleum Engineering International Outstanding Student Chapter of the Year Award including Heath Sumrow, Ryan Holcomb, Jackie Miller, Ryan Hamilton and Scott Frailey, faculty advisor.

VIII. RECESS TO EXECUTIVE SESSION.—At approximately 9:20 a.m., at the direction of Chairman Brown, the board recessed and convened in Executive Session as authorized by Chapter 551 of the *Texas Government Code*.

IX. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 10:24 a.m., the board reconvened in open session in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas, for the purpose of recessing into Standing Committee Meetings.

- X. RECESS TO STANDING COMMITTEES.—At approximately 10:24 a.m., at the direction of Chairman Brown, the board recessed into meetings of its standing committees, which were conducted sequentially in open session. The Finance and Administration Committee met from approximately 10:25 a.m. until approximately 10:27 a.m. in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas; the Facilities Committee met from approximately 10:27 a.m. until approximately 10:44 a.m. in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas; and the Academic, Clinical and Student Affairs Committee met from approximately 10:44 a.m. until approximately 11:30 a.m. in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas.
- XI. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 11:30 a.m. on Friday, December 14, the board reconvened in open session in the City Bank Conference Center, Second Floor, United Spirit Arena, 1701 Indiana Avenue, Lubbock, Texas, to consider items as a board and in the Committee of the Whole.
- XI.A. APPROVAL OF MINUTES.—Regent Barth moved that the minutes of the board meeting held on November 1-2, 2001 be approved. Regent Newby seconded the motion, and the motion passed unanimously.
- XI.B. COMMITTEE OF THE WHOLE

Chairman Brown announced that for the purpose of facilitating action on the items to be considered, Vice Chair Nancy Jones would preside over the Committee of the Whole.

- XI.B.1. Regent Nancy Jones presented the item regarding approval of the Consent Agenda and acknowledgment of review of the Information Agenda. Regent Nancy Jones moved that the Consent Agenda be approved. The motion was seconded and passed unanimously. The following are the Minute Orders approved by this motion:
- XI.B.1.a. TTU: Approve leave of absence and faculty development leaves.—The board approved the following leave of absence that had been approved administratively by the president and the chancellor: Leave without pay for Marc Giaccardo, associate professor, College of Architecture, for the period January 15, 2002 through May 31, 2002. The purpose of the leave is to serve as the Executive Director of the Association of

Collegiate School of Architecture. The leave will be taken in Washington, D.C.

The board also approved the following faculty development leaves that have been approved administratively by the president and the chancellor.

Annually \$198,000 is allocated to accommodate thirty-six (36) development leaves. The home departments of these thirty-six faculty members are given \$5,500 to compensate hiring a lecturer or teaching assistant to replace each faculty member on leave. During fiscal year 2003 thirty-two faculty members were awarded one semester leaves while seven faculty members were awarded yearlong leaves. Accordingly these seven faculty members will receive half their annual salary, which will cause recovered salaries in the amount of \$295,793.

Faculty development leave with salary for Dr. Thomas Barker, professor, Department of English, from September 1, 2002 to January 15, 2003, to coordinate classroom testing of teaching materials associated with a sophomore-level, workplace-writing textbook entitled *Technical Communication in the New Professional Workplace*. This leave will be conducted at Texas Tech University with visits to selected campuses for extended interviews with students and teachers.

Faculty development leave with salary for Dr. Calvin G. Barnes, professor, Department of Geosciences, from September 1, 2002 to January 15, 2003, to pursue on-going, interrelated research projects in Norway and northern California. This leave will be conducted at the University of Trondheim in Norway and in Laramie, Wyoming.

Faculty development leave with salary for Dr. Purnendu K. Dasgupta, Horn professor, Department of Chemistry and Biochemistry, from January 15, 2003 to May 31, 2003, to develop a beginning undergraduate course in forensic chemistry and possibly a sequential follow-up course and to spend some time at an institution in Brazil. This leave will be taken at the Analytical Chemistry Division, Centro Energia Nuclear an Agricultura (Cena) in Universidade São Paulo (USP), Luiz de Queiroz campus, in Piracicaba, Brazil.

Faculty development leave with salary for Dr. Lanie Dornier, associate professor, Department of Health, Exercise, and Sport Sciences, from September 1, 2002 to January 15, 2003, to

further develop research skills and expertise in the area of learning and performance. This leave will be taken at Louisiana State University and University of Nevada, Las Vegas.

Faculty development leave with salary for Dr. Dennis Fehr, associate professor, School of Art, from September 1, 2002 to January 15, 2003, to create an online version of one of his graduate courses, ART 5362 Historical Survey of the Teaching of Art. This leave will be taken in Lubbock, Texas; San Antonio, Texas; and New Mexico.

Faculty development leave with salary for Dr. Ingrid E. Fry, assistant professor, Department of Classical and Modern Languages and Literatures, from September 1, 2002 to May 31, 2003, to engage in the research and writing of a scholarly book, which is tentatively entitled *Bildung and Self-Culture: Elective Affinities between Goethe and the American Transcendentalists*. Leave will be taken in Lubbock, Texas and the Houghton library at Harvard University.

Faculty development leave with salary for Marc A. Giaccardo, associate professor, College of Architecture, from September 1, 2002 to January 15, 2003, to act as the visiting Campus Architect-Planner to facilitate the development of a long-range physical master plan and sustainable development plan for the Junction Campus, and to work with appropriate administrative, faculty, and staff personnel at both the Junction campus and Lubbock main campus in the programming, planning, and design for the proposed Texas Tech Field Research Center at Junction utilizing appropriate solar design and sustainable material selection concepts and strategies, and coordinate with students and faculty at the College of Architecture and Department of Landscape Architecture. This leave will be taken in Junction, Texas.

Faculty development leave with salary for Dr. Allan J. Kuethe, Horn professor, Department of History, from January 15, 2003 to May 31, 2003, to conduct archival research in the French Foreign Affairs Archive to gather information from ambassadors' reports to Versailles concerning events at the Spanish court in Madrid and in particular information concerning the shaping of colonial policy. This leave will be taken at the Texas Tech Center in Seville.

Faculty development leave with salary for Dr. Gopal Lakhani, associate professor, Department of Computer Science, from

September 1, 2002 to May 31, 2003, to expand and publish a programming project, assignments in operation systems courses in the form of a laboratory book and to visit some U.S. government laboratories engaged in research on compression of infrared images and video. This leave will be taken at one of the Navy laboratories and at the American Society for Engineering Education.

Faculty development leave with salary for Dr. Debra A. Laverie, associate professor, Area of Marketing, from September 1, 2002 to January 15, 2003, to formulate a model for developing and assessing active learning that can be used by professors across a variety of environments and contexts. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Madonne M. Miner, professor, Department of English, from September 1, 2002 to May 31, 2003, to conduct research toward a first draft of *Nine-tenths of the Law: Property, Possession, and Phallic Power in American Popular Films*. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Linda M. Nichols, professor, Area of Accounting, from January 15, 2003 to May 31, 2003, to perform first-hand international accounting research within the European Union. This leave will be taken in Europe.

Faculty development leave with salary for Dr. Judy B. Oskam, associate professor, School of Mass Communications, from September 1, 2002 to January 15, 2003, to assist in the analysis and development of communication outreach programs for the Texas Division of the American Cancer Society and for evaluation of communication outreach projects developed by the researcher over the past five years. This leave will be taken in Austin, Texas.

Faculty development leave with salary for Dr. Patricia M. Pelley, assistant professor, Department of History, from January 15, 2003 to May 31, 2003, to make substantial progress on a book-length manuscript concerning Chinese immigration to Vietnam during French colonial times, roughly 1860-1945. This leave will be taken in Hanoi at the Vietnamese National Archives, Center I and in Ho Chi Minh City at the National University.

Faculty development leave with salary for Professor Marilyn E. Phelan, professor, School of Law, from September 1, 2002 to January 15, 2003, to prepare a casebook on laws relating to nonprofit organizations. This leave will be taken in Lubbock and in New Mexico.

Faculty development leave with salary for Dr. Ronald Rainger, professor, Department of History, from January 15, 2003 to May 31, 2003, to conduct research at archives at the Scripps Institution of Oceanography, the University of California, San Diego, and the National Academy of Sciences, Washington, D.C., on the development of mid-twentieth century American oceanography. This leave will be taken in La Jolla, California and Washington, D.C.

Faculty development leave with salary for Dr. Carolyn Rude, professor, Department of English, from January 15, 2003 to May 31, 2003, to pursue study of applications of technical communication to the public sphere. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Kent Rylander, professor, Department of Biological Sciences, from September 1, 2002 to January 15, 2003, to participate in a multidisciplinary research program at the proposed Texas Tech Field Research Center, assist with the organization and coordination of the Center, supervise Texas Tech graduate students engaged in research at the Center, organize a teaching and research program for local public school students at the Center, and coordinate collaborative teaching and research initiatives by Texas Tech and the Texas Parks and Wildlife Department that focus on the natural resources of the area. This leave will be taken in Junction, Texas.

Faculty development leave with salary for Dr. JoAnn Shroyer, professor, Department of Merchandising, Environmental Design and Consumer Economics/Interior Design Environmental Design, from January 15, 2003 to May 31, 2003, to “engage in study, research, and writing” of a study in process related to older adults and their self determination (end-of-life) decisions regarding their designed environment. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Nancy Slagle, associate professor, School of Art/Design Communication, from September 1, 2002 to January 15, 2003, to continue and

expand ongoing technical and design research. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Ritch L. Sorenson, professor, Area of Management, from January 15, 2003 to May 31, 2003, to write a scholarly book, with applications for family business. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Lorum H. Stratton, associate professor, Department of Classical and Modern Languages and Literatures, from September 1, 2002 to January 15, 2003, to complete two articles and submit them for publication. This leave will be taken in Lubbock, Texas and Mexico.

Faculty development leave with salary for Dr. Mark Stoll, assistant professor, Department of History, from September 1, 2002 to January 15, 2003, to write a book, tentatively entitled *Nature and the Colors of the Spirit*, for which research has already substantially been completed. This leave will be taken in Lubbock, Texas.

Faculty development leave with salary for Dr. Yung-mei Tsai, professor, Department of Sociology, Anthropology and Social Work, from January 15, 2003 to May 31, 2003, to conduct fieldwork on the development and redevelopment of urban neighborhoods in Boston, San Diego and Lubbock. This leave will be taken in Boston, San Diego and Lubbock.

Faculty development leave with salary for Dr. Bharti Temkin, assistant professor, Department of Computer Science, from September 1, 2002 to May 31, 2003, to develop high-level, easy-to-use tools for creation, visualization and manipulation of highly complex virtual environments incorporating the sense of touch (haptics). This leave will be taken at the MIT Artificial Intelligence Lab in Boston, Massachusetts.

Faculty development leave with salary for Dr. Henryk Temkin, Horn professor, Department of Electrical and Computer Engineering, from September 1, 2002 to May 31, 2003, to learn new techniques of characterizing semiconductor samples at a microscopic level. This leave will be taken at Harvard University and Texas Tech University.

Faculty development leave with salary for Dr. David G. Troyansky, associate professor, Department of History, from

September 1, 2002 to May 31, 2003, to complete a book *Entitlement and Complaint: Ending Careers and Reviewing Lives in Post-Revolutionary France* and begin a book *French Provincial: Historical Excursions on the Cognitive Map of France*. This leave will be taken in France.

Faculty development leave with salary for Professor Rachel A. Van Cleave, professor, School of Law, from September 1, 2002 to May 31, 2003, to examine and analyze archival sources involving the history of the law's treatment of violence against women in order to assess the impact of that history on contemporary Italian law. This leave will be taken in Italy.

Faculty development leave with salary for Dr. Julie A. Willett, assistant professor, Department of History, from January 15, 2003 to May 31, 2003, to complete a substantial portion of the research on her current book-length project, which is a history of childcare workers in the U.S. during the twentieth century. This leave will be taken in Lubbock, Texas.

XI.B.1.b. TTU: Approve conferral of degrees for the December 15, 2001 commencement.—The board approved the conferral of degrees for the December 15, 2001 commencement upon all candidates who had completed requirements for degrees since the last official commencement and who were certified by the appropriate faculties, deans and registrar of Texas Tech University as having met all requirements of the degree as indicated by the official printed commencement program of December 15, 2001, as approved administratively by the president and the chancellor.

XI.B.1.c. TTU: Approve delegation of signature authority.—The board approved delegation of signature authority, which request had been approved administratively by the president and the chancellor.

- (1) To sign checks drawn on the revolving fund and all other checking accounts of the university in any depository bank, except the University's Cashier's Account, effective December 14, 2001 and to continue until August 31, 2002, or until such time as they are separated from the university or assigned other responsibilities, and further provided that any mechanically signed check of \$25,000 or more shall be reviewed and manually signed by one of the employees listed who may sign:

Nancy H. Whittaker, Assistant Vice President
and Comptroller
Phillip Ray, Assistant Vice President for
Procurement

- (2) To sign and/or countersign cashier's checks drawn on the university's Cashier's Account, effective December 14, 2001, and to continue until August 31, 2002 or until such time as they are separated from the university or assigned other responsibilities, whichever comes first and further provided that any mechanically signed check of \$25,000 or more be reviewed and manually signed by one of the employees listed who may sign or countersign:

Employees who may sign or countersign:

Nancy H. Whittaker, Assistant Vice President
and Comptroller
Phillip Ray, Assistant Vice President for
Procurement

Employees who may countersign only:

Becky Hyde, Director of Student Business
Services
Lydia Vrska, Assistant Director of Student
Business Services

- XI.B.1.d. TTU: Approve budget adjustments for the period September 1, 2001 through October 31, 2001.—The board ratified budget and salary adjustments for the period September 1, 2001 through October 31, 2001, included herewith as Attachment No. 1, as approved administratively by the president and the chancellor.
- XI.B.1.e. TTU: Approve amendment of Public Benefit Transfer for Reese Center Building 555.—The board approved amendment of Public Benefit Transfer for Reese Center Building 555 to include a utility trailer that had been approved administratively by the president and the chancellor.

Regent Nancy Jones then moved that the board acknowledge its review of the Information Agenda as follows:

Information Agenda

Information is provided as required by Section 01.01.6.b(2)(c), *Regents' Rules*

- (1) TTU and TTUHSC: Summary of Revenues and Expenditures by Budget Category, FY 2001, per Section 01.01.8.c(3)(f), *Regents' Rules*: All actual expenditures will be reviewed by the Finance and Administration Committee annually and provided as information.
 - (a) TTU: Report dated August 31, 2001 for fiscal year 2001;
 - (b) TTUHSC: Report dated August 31, 2001 for fiscal year 2001.

- (2) TTU: Small Class Report, Fall 2001, per Section 04.10, *Regents' Rules*: "A report on small classes offered shall be reported to the board as information."
 - TTU: Report dated Fall 2001.

- (3) TTUHSC: Contract Renewals per Section 07.12.4.b., *Regents' Rules*: "Approval of the president is required for all contract renewals. A list of those renewal contracts greater than \$1,000,000 per annum, including the amount of the contract, will be provided to the board as an information item at the next regular board meeting."
 - (a) Correctional Managed Health Care Advisory Committee; TDCJ Master Contract; 9/1/01-8/31/03; \$75,487,000/yr.;
 - (b) Childress Regional Medical Center; on-site TDCJ health care services for Roach Unit and Boot Camp; 9/1/01-8/31/02; \$1,479,300/yr.;
 - (c) Dallam-Hartley Counties Hospital District; on-site TDCJ health care services; 9/1/01-8/31/03; \$1,085,600/yr.;
 - (d) Hendrick Medical Center; on-site TDCJ health care services for Robertson Unit; 9/1/01-8/31/03; \$3,100,000/yr.;
 - (e) Hendrick Medical Center; on-site TDCJ health care services for Middleton Unit; 9/1/01-8/31/03; \$2,100,000/yr.;
 - (f) Medical Arts Hospital; on-site TDCJ health care services for Smith Unit, Admin. Segregation Unit; 9/1/01-8/31/03; \$1,218,000/yr.; and
 - (g) Pecos County Memorial Hospital; on-site TDCJ health care services for Lynaugh Unit; 9/1/01-8/31/03; \$1,326,000/yr.

- (4) TTUHSC: School of Medicine Faculty Employment Contracts per Section 07.12.4.c, *Regents' Rules*: "Approval of the president is required for faculty employment contracts greater than \$100,000 per annum. A list of all faculty employment contracts greater than \$100,000 per annum will be provided to the board as an information item at the next board meeting."
 - (a) Garcia, Blanca, M.D., Instructor/NTT; Pediatrics, El Paso; 10/1/01-8/31/02; \$100,000;
 - (b) Giordano, Frank L., M.D., Associate Professor/NTT; Neuropsychiatry, El Paso; 10/8/01-8/31/02; \$130,000;

- (c) Ho, Mathew H., Ph.D., M.D., Associate Professor/NTT; Ob/Gyn, Odessa; 11/1/01-8/31/02; \$159,000;
- (d) Nieto, Jr., Carlos, M.D., Assistant Professor/NTT; Pediatrics, Odessa; 12/1/01-8/31/02; \$180,000;
- (e) Paxton, Jeff, M.D., Assistant Professor/NTT; Family Medicine, Lubbock; 2/1/02-8/31/02; \$125,000;
- (f) Ramirez, Amado, M.D., Instructor/NTT; Pediatrics, El Paso; 10/1/01-8/31/02; \$100,000; and
- (g) Zevallos, Juan Carlos, M.D., Faculty Associate/NTT; Internal Medicine, El Paso, 11/1/01-8/31/02; \$120,000.

The motion was seconded and passed unanimously.

XI.B.2. TTUS: Report of the Investment Advisory Committee; approve amendments to Chapter 09, *Regents' Rules*, (Investments, Endowments, and Income Producing Lands); and approve appointment of Alternative Asset Class Investment Managers.—Regent Nancy Jones called on Regent Barth who presented the report of the Investment Advisory Committee, included herewith as Attachment No. 2.

Mr. Brunjes presented the following recommendations of the Investment Advisory Committee that:

- (a) Sections 09.02.11; 09.02.12; and 09.02.13, *Regents' Rules*, (Chapter 09, Investments, Endowments, and Income Producing Lands), be amended (as presented following paragraph (c) below) to allow alternative investments to be considered and approved by the Board of Regents and to define investments in Real Estate Investment Trusts (“REIT”);
- (b) EnCap Investments, L.L.C. be hired as an alternative investment firm functioning as a General Partner to invest funds in limited partner oil and gas investments of producing properties; and
- (c) Gerber / Taylor Management Company be hired as a “Fund of Funds” Investment Manager in Non-Traditional or Hedge Fund Investments.

Proposed amendments to Chapter 09, *Regents' Rules*, (Investments, Endowments, and Income Producing Lands):

(1) Amend Section 09.02.11, Asset Allocation, paragraph a, as follows:

”a. To achieve the goal and objectives of the LTIF, the fund's assets may be invested into four ~~three~~ categories: an equity component, a real estate investment trust component, an alternative asset class component, and a fixed-earnings component. The LTIF shall be diversified both by asset class

and, within asset classes, by economic sector, industry, and market capitalization (size). The purpose of diversification is to limit the specific risk associated with any single security or class of securities. The asset allocation of the LTIF shall be structured as follows:

“Type of securities	Target	Range
“Equity	68% <u>61%</u>	40-80%
“ Domestic Large Cap	40% <u>36%</u>	20-50%
“ Domestic Small Cap	13% <u>12%</u>	10-20% <u>10-15%</u>
“ International	15% <u>13%</u>	10-20% <u>10-15%</u>
“Real Estate Investment Trust	7%	3-12% <u>5-15%</u>
“Alternative Asset Class	10%	10-20%
“Fixed Earnings	25% <u>22%</u>	20-40%
“Cash	-	0-10%”

- (2) **Amend Section 09.02.11, Asset Allocation, by adding the following new paragraphs “e” and “f,” and renumbering current paragraphs “e,” “f,” “g,” and “h” as paragraphs “g,” “h,” “i,” and “j,” respectively:**

“e. Alternative Asset Class. This category of investments will be considered on an individual investment basis. The purpose is to provide diversification of the portfolio which in turn is to provide high real total rates of return, long-term capital appreciation, and growth in earnings exceeding the rate of inflation at a lower overall risk to the portfolio as a whole. Each investment will be approved by the Board of Regents upon the recommendation of the Investment Advisory Committee. In addition, each investment in this class must have a due diligence report on file prior to its investment.

“f. Real Estate Investment Trusts (REIT). This component may include both basic types of REITS--equity and mortgage, as well as investments that combine both types--and shall provide the opportunity to invest in a professionally managed portfolio of diversified real estate assets. The purpose is to provide high real total rates of return, long term capital appreciation, and growth in current earnings that exceed the rate of inflation.”

- (3) **Amend Section 09.02.12, Manager Guidelines, paragraph h, as follows:**

“h. No more than 25% of the market value of each investment manager’s portfolio may be invested in any one industry without prior approval by the Board of Regents.”

(4) Amend Section 09.02.13, Exclusions and prohibited activities, as follows:

~~“a. In addition to the limitations discussed above, the following activities are not authorized by the board:~~

- ~~(1) purchase of unregistered or restricted stock;~~
- ~~(2) investment in private placements and non-marketable securities;~~
- ~~(3) selling securities short, buying securities on margin, borrowing money, hypothecating or pledging LTIF assets or buying or selling commodities or currencies; and~~
- ~~(2) (4) other limitations as may be provided by state law.~~

~~“b. Utilizing derivative securities to increase the actual or potential risk posture of the portfolio is not authorized. Subject to other provisions in this policy statement, the use of primary derivatives, including, but not limited to, structured notes, lower class tranches of CMOs*, principal only or interest only strips, inverse floating securities, futures contracts, options, and such other specialized investment activity is prohibited.~~

~~*Lower class defined by Federal Institutional Examination Council~~

~~“c. Moreover, the investment managers are precluded from using derivatives to effect a leveraged portfolio structure (if options and futures are specifically approved by the board, such positions must be offset in their entirety by corresponding cash or securities). The board must explicitly authorize the use of such derivative instruments, and shall consider certain criteria including, but not limited to, the following:~~

- ~~(1) manager's proven expertise in such category;~~
- ~~(2) value added by engaging in derivatives;~~
- ~~(3) liquidity of instruments;~~
- ~~(4) actively traded by major exchanges (or for over the counter positions, executed with major dealers); and~~
- ~~(5) manager's internal procedures to evaluate derivatives, such as scenario and volatility analysis and duration constraints.”~~

Regent Barth moved that the board accept the report of the Investment Advisory Committee and approve the committee's recommendations as presented. The motion was seconded, and passed. Mr. Weiss asked to be recorded as voting “no.”

XI.B.3. TTUS: Approve amendment to Section 01.01.8.e., Regents' Rules .— Regent Nancy Jones called on Mr. Brunjes who presented the item to approve amending the Bylaws of *The Rules and Regulations of the Board of Regents of the Texas Tech University System*, Section 01.01.8.e., Investment Advisory Committee, as follows:

“e. Investment Advisory Committee. The Investment Advisory Committee, a special committee of indefinite duration, shall meet quarterly with investment counsel, investment managers, and the appropriate officers and staff of the TTU system administration for the purpose of reviewing and consulting with these parties and, from time to time, advising the board on asset allocation policies and investment results. The Investment Advisory Committee shall be composed of two regents designated by the chair and five persons appointed by the chancellor after consultation with the board. Such chancellor’s appointees shall:

~~“(1) be graduates of a component institution;~~

~~“(2) have substantial experience in the field of institutional investments;~~

“(1) ~~(3)~~ have no financial interest in any organization providing investment services to the TTU system; and

“(2) ~~(4)~~ serve three-year staggered terms beginning on February 1.”

Mr. Brunjes noted that current requirements for membership on the Investment Advisory Committee specify that the appointee must (1) be a graduate of a component institution, and (2) have substantial experience in the field of institutional investments. This amendment will remove these two requirements and provide that the only qualification for membership would be that the appointee have no financial interest in any organization providing investment services to the TTU system, and thereby allow membership on the Investment Advisory Committee to include persons who would provide excellent leadership and service, but who would not meet the current requirements of being a graduate of a component and/or having substantial experience in the field of institutional investments.

Regent Nancy Jones moved that the board approve the item. The motion was seconded, and passed unanimously.

XI.B.4. TTUS: Approve emeritus appointment.—Regent Nancy Jones called on Dr. Smith who presented the item to approve granting the title of “Chancellor Emeritus” to John T. Montford.

Regent Nancy Jones moved that the board approve the item. The motion was seconded, and passed unanimously.

- XI.B.5. TTUS: Report on use of information technology.—Dr. David Smith, interim chancellor; Michael Phillips, chief information officer, TTUHSC; and Gary Wiggins, vice president for information technology, TTU; presented a report on the use of information technology at TTU and TTUHSC, included herewith as Attachment No. 3.

Vice Chair Nancy Jones stated that consideration of items by the Committee of the Whole was concluded.

XI.C. REPORT OF EXECUTIVE SESSION

Chairman Brown called on Vice Chair Nancy Jones to present motions regarding items discussed in Executive Session.

Vice Chair Jones moved that the Vice Chancellor and General Counsel or his Designee be authorized to resolve the litigation discussed in Executive Session within the parameters set forth by the board. The motion was seconded, and passed unanimously.

Vice Chair Jones moved that the Executive Vice President and Chief Fiscal Officer of the Health Sciences Center be authorized to resolve, if possible, the potential litigation considered in Executive Session within the parameters set forth by the board. The motion was seconded, and passed unanimously.

XI.D. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

Chairman Brown called on Regent Brooks, Chair, to give the report of the Finance and Administration Committee.

Regent Brooks reported that the Finance and Administration Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Administration Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

- XI.D.1. TTU: Approve contract with a consultant for assistance in creating an integrated marketing plan for Texas Tech University.—The board authorized the president to negotiate and enter into a

contract with a consultant to work with the university leadership and campus community to facilitate the development of an integrated marketing plan. The term of the agreement will be December 2001 through July 2002. The anticipated cost is approximately \$60,000 plus expenses.

XI.D.2. TTU: Approve revisions to the Traffic and Parking Regulations.—
The board approved revisions to the Traffic and Parking Regulations as set out below:

Amend the Regulations applicable to Texas Tech University to read as follows:

Paragraph VI.F.3-4

- “3. All permits are for the exclusive use of the registrant. Permits may not be sold, exchanged, given away, or purchased from any person or agency other than Texas Tech University.
- 4. Permits remain the property of Texas Tech University and may be recalled at any time.”

Paragraph VII.C.20

<u>Violation</u>	<u>Fine</u>
<u>“20. Failure to display transferable permit.</u>	<u>\$10.00”</u>

Paragraph VII.J

- “J. Any bicycle not removed from campus at the end of the Spring Semester will be considered abandoned and will be properly disposed of through Property Inventory.”

Paragraph XI.B

- “B. Area reserved parking spaces are available to qualified faculty and staff in certain designated parking lots. Transferable permits may be issued for all area reserved lots. ~~Nine-month permits will be available for area reserved parking only to those faculty/staff members who have nine-month appointments.~~ Motorcycle areas will not be provided in all area reserved lots; however, motorcycles will be allowed to park in these lots with the proper permit. Area reserved permit holders should overflow to designated overflow lots if all available area reserved spaces in the lot are occupied.”

Paragraph XI.E.6

- "6. On days of home football games, the ~~C1, C2, C5, R14, and R15~~ parking lots in the vicinity of Jones SBC Stadium (~~west and east of Jones Stadium, east of Holden Hall, and west of the Athletic Training Center~~), are reserved for gameday football parking permit holders. **VEHICLES PARKED IN THESE LOTS NOT DISPLAYING A VALID GAMEDAY FOOTBALL PARKING PERMIT MAY BE TOWED BY THE ATHLETICS DEPARTMENT THROUGH AN INDEPENDENT TOWING SERVICE AT THE VIOLATOR'S EXPENSE.**"

Paragraph XI.E.7

- "7. Parking in the commuter lots adjacent to the United Spirit Arena is prohibited on days of home basketball games beginning four hours prior to game time (this includes ~~all~~ some lots west of Indiana Avenue). This area is reserved for holders of special Athletics basketball parking permits. **VEHICLES PARKED IN THESE LOTS NOT DISPLAYING A SPECIAL ATHLETICS BASKETBALL PARKING PERMIT MAY BE TOWED BY THE ATHLETICS DEPARTMENT THROUGH AN INDEPENDENT TOWING SERVICE AT THE VIOLATOR'S EXPENSE.**"

Paragraph XIV.A

- "A. University Service Vehicle Parking
Faculty, staff, and students who operate Texas Tech University service vehicles on campus should become familiar with the contents of Operating Policy/Procedure ~~78.18~~ 61.24. Small utility vehicles operated on campus must be street legal and properly licensed."

XI.E. REPORT OF THE FACILITIES COMMITTEE

Chairman Brown called on Regent John Jones, Chair, to give the report of the Facilities Committee.

Committee Chairman John Jones reported that the Facilities Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

- XI.E.1. TTU: Approve construction of residence hall fire suppression systems – Horn/Knapp Complex.—The board authorized the Office of Facilities Planning and Construction (i) to proceed with a renovation project to install a fire suppression system throughout the entire Horn/Knapp residence hall complex with a project budget of \$3,600,000, and (ii) to select a designer, obtain project approval from the Texas Higher Education Coordinating Board and award a construction contract. The project will be funded through Housing revenues.

The board also acknowledged that it expects to pay expenditures in connection with the renovation project to install a fire suppression system throughout the Horn/Knapp residence hall complex prior to the issuance of obligations to finance the project and, in that respect, the board found that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of Texas Tech University, and, as such, declared its intention, in accordance with the provisions of Treasury Regulations, Section 1.150-2, to reimburse itself for original expenditures advanced in connection with the renovation project to install a fire suppression system throughout the Horn/Knapp residence hall complex from bonds expected to be issued in an aggregate maximum principal amount of \$3,600,000.

- XI.E.2. TTU: Approve naming of golf course.—The board approved naming the new golf course the “Jerry S. Rawls Red Raider Golf Course” in recognition of Mr. Rawls’ leadership and gift to the project.

- XI.E.3. TTUHSC: Approve exception to Section 08.01.3.d., *Regents’ Rules*.—The board approved an exception to Section 08.01.3.d., *Regents’ Rules*, Building Program, to waive the requirement for Owner’s Representative services for the TTUHSC Academic Classroom Building project.

Section 08.01.3.d., *Regents’ Rules*, requires the use of an Owner’s Representative for all projects over \$10,000,000 managed by the Office of Facilities Planning and Construction (“FP&C”). The TTUHSC Academic Classroom Building is a straightforward academic building that the FP&C staff can successfully manage. The total project budget is \$15,400,000. The construction manager, the designer, and FP&C agree that the building can be constructed as designed within the existing budget.

- XI.E.4. TTUHSC: Authorize conveyance of land to the Lubbock County Hospital District.—The board authorized the president or his

designee to negotiate and finalize conveyance of approximately 0.317 acres of land to the Lubbock County Hospital District (“LCHD”) to allow the expansion of the University Medical Center (“UMC”) Health System Southwest Cancer Center. If finalized, this conveyance shall be within the parameters set forth in Executive Session and shall be on such terms and conditions to complement the mission of the Texas Tech University Health Sciences Center, and further ensuring that no activities competitive to the Health Sciences Center are conducted in the facilities.

In order to meet the growing clinical needs of patients, the existing Southwest Cancer Center will roughly double in size with new construction to occur south and southeast of the existing facility. A portion of the land required for this expansion is on land previously deeded to LCHD. However, in order to fully accomplish the expansion as described, it will be necessary to also build on land that, at present, is leased to accommodate parking. The lease for the land in question does not allow the construction that will be required for the project.

UMC is requesting that the university convey to LCHD an additional portion of Tract 14, consisting of approximately 13,790 square feet or 0.317 acres and is properly described as follows:

From the southwest corner of Tract 5 proceeding east 210 feet, then proceeding south 65.67 feet, then proceeding west 210 feet, then proceeding north 65.67 feet.

- XI.E.5. TTUHSC: Approve naming the building at 1400 Wallace Boulevard in Amarillo.—The board approved naming the existing Academic Building in Amarillo, located at 1400 Wallace Boulevard, the “Texas Tech Women’s Health and Research Institute,” effective April 1, 2002.

The Texas Tech Women’s Health and Research Institute is a collaborative effort between the School of Medicine, School of Pharmacy, and Northwest Texas Hospital. There are 16 research teams composed of physicians and scientists currently working on women’s health research projects. Other research programs include vaccine development and agricultural medicine. The renaming of the building will assist with identifying the building primarily as a research facility, which ties the research activities more appropriately to the mission and vision of the campus.

- XI.E.6. TTUS: Report on Office of Facilities Planning and Construction projects.—The board accepted a report by Mr. Ellicott on the

facilities planning and construction projects, included herewith as Attachment No. 4.

XI.F. REPORT OF THE ACADEMIC, CLINICAL AND STUDENT AFFAIRS COMMITTEE

Chairman Brown called on Regent Newby, Chair, to give the report of the Academic, Clinical and Student Affairs Committee.

Committee Chairman Newby reported that the Academic, Clinical and Student Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic, Clinical and Student Affairs Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

- XI.F.1. TTU: Approve revisions to the provisional admission program.—The board approved revisions to the university's provisional admission program, included herewith as Attachment No. 5.
- XI.F.2. TTU: Approve and authorize submission of travel policy.—The board approved the Operating Policy and Procedure relating to student travel to be effective January 1, 2002, included herewith as Attachment No. 6, and authorized its submission to the Texas Higher Education Coordinating Board, in accordance with Section 51.949, *Texas Education Code*.
- The board further authorized the university to revise and amend the travel policies as necessary to assure the health and safety of its faculty, staff, and students.
- XI.F.3. TTU: Report on the institution's strategic plan and authorization to proceed with implementation.—The board authorized the president to proceed with the implementation of the institution's strategic plan, included herewith as Attachment No. 7.
- XI.F.4. TTUHSC: Approve change in academic rank.—The board approved a change in academic rank for Richard V. Homan, M.D. from associate professor to professor in the Department of Family and Community Medicine, effective November 1, 2001.

Dr. Homan has served as chair and associate professor of the Department of Family and Community Medicine since 1994.

Dr. Homan's service to the TTUHSC School of Medicine is deserving of the promotion to professor since being named as the Dean of the School of Medicine and Graduate School of Biomedical Sciences. His credentials, administrative skills, and reputation within the academic community of TTUHSC have distinguished Dr. Homan as an excellent clinician, educator, manager, and leader.

XI.F.5. TTUHSC: Approve the Code of Professional and Academic Conduct section of the TTUHSC Student Affairs Handbook.—The board approved the Code of Professional and Academic Conduct section of the TTUHSC Student Affairs Handbook to be effective January 1, 2002, included herewith as Attachment No. 8.

XI.F.6. TTUHSC: Approve and authorize submission of student travel policy.—The board approved the TTUHSC Student Travel Policy, to be effective January 1, 2002, included herewith as Attachment No. 9, and authorized its submission to the Texas Higher Education Coordinating Board in accordance with Section 51.949, *Texas Education Code*.

The board further authorized the university to revise and amend the travel policies as necessary to assure the health and safety of the faculty, staff, and students.

XI.F.7. TTU: Preliminary report of the Integrated Marketing Committee.—The board accepted a preliminary report on the activities of the Integrated Marketing Committee by Dr. Ronald Streibich, vice president for institutional advancement and co-chair of the Integrated Marketing Committee, included herewith as Attachment No. 10.

XI.F.8. TTU: Update on Hill Country campus.—The board accepted a report on the Hill Country campus by Col. Robert Hickerson, dean of the Junction Campus, included herewith as Attachment No. 11.

XI.G. SCHEDULE FOR BOARD MEETINGS.—Mr. Ben Lock presented the proposed schedule for future board meetings and asked for comments. The schedule was amended and adopted as follows: February 28-March 1, 2002, Odessa; May 9-10, 2002, Lubbock; August 8-9, 2002, Lubbock (at TTUHSC); November 14 (workshop/retreat)-15, 2002, Lubbock; December 19-20, 2002, Junction; February 6-7, 2003, Fort Worth/Arlington; May 15-16, 2003, Lubbock.

The board also determined to retain the current policy of five board meetings per year, at least through 2002.

- XI.H. THE PRESIDENT'S REPORT, TTU.—Chairman Brown called on President Schmidly who presented the President's Report, included herewith as Attachment No. 12.

- XI.I. THE PRESIDENT'S REPORT, TTUHSC.—Chairman Brown called on President Smith who presented the President's Report, included herewith as Attachment No. 13.

- XI.J. CHANCELLOR'S REPORT.—Chairman Brown called on Interim Chancellor Smith who presented the Chancellor's Report, included herewith as Attachment No. 13.

- XI.K. CHAIRMAN'S ANNOUNCEMENTS.—There were no Chairman's announcements at this meeting.

- XI.L. ADJOURNMENT.—Chairman Brown adjourned the meeting at approximately 12:45 p.m.

INDEX OF ATTACHMENTS

Attachment 1	TTU Budget adjustments for the period September 1, 2001 through October 31, 2001
Attachment 2	TTUS Report of the Investment Advisory Committee
Attachment 3	TTUS Report on use of information technology
Attachment 4	TTUS Report on the Office of Facilities Planning and Construction projects
Attachment 5	TTU Revisions to the provisional admission program
Attachment 6	TTU Travel policy
Attachment 7	TTU Report on the institution's strategic plan
Attachment 8	TTUHSC Code of Professional and Academic Conduct section of the TTUHSC Student Affairs Handbook
Attachment 9	TTUHSC Student travel policy
Attachment 10	TTU Preliminary report of the Integrated Marketing Committee
Attachment 11	TTU Report on Hill Country campus
Attachment 12	TTU President's Report
Attachment 13	TTUHSC President's Report and TTUS Chancellor's Report

I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on December 13-14, 2001.

Ben Lock
Secretary

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