

TEXAS TECH UNIVERSITY SYSTEM
Lubbock, Texas

Minutes

Board of Regents
August 08, 2001

Friday, August 10, 2001.—The members of the Board of Regents of the Texas Tech University System convened at 9:00 a.m. on Friday, August 10, 2001, in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 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 John T. Montford, Chancellor; James L. Crowson, Deputy Chancellor for Administration; Elizabeth Haley, Deputy Chancellor for Operations; David Schmidly, President, Texas Tech University; David R. Smith, President, Texas Tech University Health Sciences Center; Pat Campbell, Vice Chancellor and General Counsel; Jim Brunjes, Chief Financial Officer; and Lucy Lanotte, Executive Secretary to the Board of Regents.

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

- II. INTRODUCTIONS AND RECOGNITIONS.—Chairman Brown called on Chancellor Montford for the introductions and recognitions. Chancellor Montford introduced Dr. Meredith McClain, associate professor of German, who was awarded the Lucius Clay Medal by the Wilhelmshaven/Friesland German Association in honor of her work in establishing strong German-American relations; Mr. Russell Crosby, irrigation foreman for the Grounds Maintenance Department, who is serving as the new president of the staff senate; Dr. Robert Sweazy, who has been named vice president of research, graduate studies, technology transfer and economic development, TTU; Mr. Steven Downing, who has been named the new associate athletic director for sports programs; Diana Diaz, a master's student in communications disorders at the Health Sciences Center, who was recently selected for a two-year term to represent Region IX of the National Student Speech-Language-Hearing Association; Dr. Rajinder Koul, associate professor and chair of the department of communication disorders in

the School of Allied Health, TTUHSC, was recognized for his pioneering research work in the area of synthetic speech; and Dr. David Straus, professor in the School of Medicine, was recognized for his groundbreaking work in the area of sick building syndrome. Chancellor Montford also recognized Dr. David Schmidly upon being named by the U.S. Small Business Administration as Small Business Advocate of the Year for the Lubbock area.

- III. RECESS TO EXECUTIVE SESSION.—At approximately 9:10 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*.

- IV. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 12:36 p.m., the board reconvened in open session in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 Indiana Avenue, Lubbock, Texas, for the purpose of recessing into Standing Committee Meetings.

- V. RECESS TO STANDING COMMITTEES.—At approximately 12:36 p.m., at the direction of Chairman Brown, the board recessed into meetings of its standing committees, which were conducted sequentially in open session. The Facilities Committee met from approximately 12:36 p.m. until approximately 1:10 p.m. in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 Indiana Avenue, Lubbock, Texas; the Academic, Clinical and Student Affairs Committee met from approximately 1:10 p.m. until approximately 1:45 p.m. in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 Indiana Avenue, Lubbock, Texas; and the Finance and Administration Committee met from approximately 1:45 p.m. until approximately 2:50 p.m. in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 Indiana Avenue, Lubbock, Texas;

- VI. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 2:50 p.m. on Friday, August 10, the board reconvened in open session in the McInturff Conference Center, Second Floor, Rooms 1 and 2, 602 Indiana Avenue, Lubbock, Texas, to consider items as a board and in the Committee of the Whole.

- VI.A. APPROVAL OF MINUTES.—Regent Barth moved that the minutes of the board meetings held on May 11, 2001, June 28, 2001, and July 9, 2001 be approved. Regent John Jones seconded the motion, and the motion passed unanimously.

VI.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.

1. Regent Nancy Jones called on Deputy Chancellor Crowson who 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:

- a. TTU: Approve leaves of absence.—The board approved the following leaves of absence that had been approved administratively by the Office of the President and the Office of the Chancellor.

Leave without pay for Liliana Beltran, assistant professor, College of Architecture, for the period September 1, 2001 through August 31, 2002. The purpose of this leave is to complete on-going research regarding Energy Conservation during the current Energy Crisis in California. This leave will be taken in Berkeley, California.

Leave without pay for Jaime Cardenas-Garcia, professor, College of Engineering, for the period September 1, 2001 through May 31, 2002. During the fall 2001 this leave will be taken as developmental and for the spring 2002 an official leave of absence is requested to continue the research. The purpose of this leave is to develop, evaluate and test a novel single-measurement optical technique for determining the two-dimensional anisotropic elastic constants of anisotropic solids. This leave will be taken in College Park, Maryland.

Leave without pay for James Duniak, associate professor, College of Arts and Sciences, for the period September 1, 2001 through August 31, 2002. The purpose of this leave is to take a temporary research position at MITRE, a federal contract research and development center. This will develop his expertise in telecommunications. This leave will be taken in Bedford, Massachusetts.

Leave without pay for Stephen Saideman, assistant professor, College of Arts and Sciences, for the period September 1, 2001

through May 31, 2002. Professor Saideman received an International Affairs Fellowship to work in the Department of Defense. This will enhance research, teaching, future grant opportunities, and knowledge of policy process as well as in his work area, *ethnic conflict*. This leave will be taken in Washington, DC.

Leave with pay for James Watkins, professor, College of Architecture, for the period January 16, 2002 through May 31, 2002. The purpose of this leave is to be an artist-in-residence in Hong Kong and also to continue research in Raku, with lectures in Mainland China in the cities of Shiwan and Jingdezhen. This leave will be taken in Hong Kong, China.

- b. TTU: Approve conferral of degrees for the August 11, 2001 commencement.—The board approved the conferral of degrees for the August 11, 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 August 11, 2001, as approved administratively by the Office of the President and the Office of the Chancellor.
- c. TTUHSC: Approve finding of fact necessary for dual employment.—The board made the findings of fact necessary for the dual employment of Harold W. Hughes, M.D., assistant professor in the Department of Internal Medicine, El Paso, as a consultant to the University of Texas at El Paso beginning August 11, 2001 through completion of the research project, with compensation at the amount of \$125 per hour, as approved administratively by the Office of the President and the Office of the Chancellor.

The board found that (i) Dr. Hughes' consulting position at the University of Texas at El Paso will be of benefit to the state of Texas and Texas Tech University Health Sciences Center ("TTUHSC") by furthering the development of clinical research in cooperation with TTUHSC and the University of Texas at El Paso; and (ii) his consulting appointment will not conflict with his position of employment at TTUHSC, as the positions are complimentary in scope of expertise and have no overlapping time requirements.

- d. TTU and TTU System Administration: Approve delegation of signature authority.—The board approved delegation of signature authority, which request had been approved administratively by the Office of the President and the Office of the Chancellor:
- (1) To authorize the Chancellor to designate officers and employees of the Texas Tech University System Administration and Texas Tech University to approve all travel of employees of the Texas Tech University System Administration and Texas Tech University, except to countries outside the United States other than United States possessions, Canada and Mexico, provided that such travel contributes to the mission of the university and is in accordance with current travel regulations and who may further delegate their authority, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, which ever comes first.
 - (2) To authorize the Chancellor to designate officers and employees of the Texas Tech University System Administration and Texas Tech University to approve official travel reimbursement from State appropriations and all other funds for officers and employees of Texas Tech University System Administration and Texas Tech University provided that the purpose of the travel and reimbursement for such are in accordance with state travel regulations, other statutory requirements, or other action promulgated by this board, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, whichever comes first.
 - (3) To authorize the Chancellor to designate officers and employees of the Texas Tech University System Administration and Texas Tech University to approve and pay all accounts covering expenditures for state-appropriated funds and all other university-controlled funds, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, which ever comes first.

- (4) 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 September 1, 2001 and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System 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:

David R. Smith, M.D., Interim Chancellor
Jim Brunjes, Chief Financial Officer
David J. Schmidly, President
Lynda Gilbert, Vice President for Fiscal Affairs
Gloria J. Hale, Assistant Vice President for
Human Resources
Charlie L. Stallings, Assistant Vice President
for Fiscal Affairs
David M. Brusewitz, Comptroller
Carole Wardroup, Director of Financial Accounting
and Reporting
Ted W. Johnston, Director of Grants and Accounting
Deana Miller, Assistant Director of Financial
Accounting and Reporting

- (5) To sign and/or countersign cashier's checks drawn on the university's Cashier's Account, effective September 1, 2001, and to continue until August 31, 2002 or until such time as they are separated from the Texas Tech University System 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:

David R. Smith, M.D., Interim Chancellor
Jim Brunjes, Chief Financial Officer
David J. Schmidly, President
Lynda Gilbert, Vice President for Fiscal Affairs
Gloria J. Hale, Assistant Vice President for
Human Resources
Charlie L. Stallings, Assistant Vice President
for Fiscal Affairs
David M. Brusewitz, Comptroller

Carole Wardroup, Director of Financial
Accounting and Reporting
Ted W. Johnston, Director of Grants and
Contracts Accounting
Deana Miller, Assistant Director of Financial
Accounting and Reporting

Employees who may countersign only:

James E. Meiers, Director of Student Business
Services

- (6) To authorize transfer by wire or other means, of funds between Texas Tech University System Administration and Texas Tech University depositories, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, whichever comes first.

Employees who may authorize or counter-authorize:

David R. Smith, M.D., Interim Chancellor
Jim Brunjes, Chief Financial Officer
Charles D. Wall, Assistant Chief Financial
Officer for Cash Management and Investments
Winnie Long, Manager, Cash Management
David J. Schmidly, President
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Assistant Vice President
for Fiscal Affairs
David M. Brusewitz, Comptroller
Carole Wardroup, Director of Financial
Accounting and Reporting

- (7) To authorize and approve the sale, purchase and transfer of Stocks, bonds, and other securities which are owned or controlled by the Texas Tech University System Administration and Texas Tech University provided such action is approved by any two of the individuals listed below, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other duties or responsibilities:

David R. Smith, M.D., Interim Chancellor

Jim Brunjes, Chief Financial Officer
Charles D. Wall, Assistant Chief Financial Officer
for Cash Management and Investments
Winnie Long, Manager, Cash Management
David J. Schmidly, President
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Assistant Vice President
for Fiscal Affairs
David M. Brusewitz, Comptroller

However, for all instruments contributed to the university, one of the two required signatures must be from one of the following:

William G. Wehner, Vice Chancellor for
Institutional Advancement
Greg Teeter, Legal Counsel for Institutional
Advancement

- e. TTUHSC: Approve delegation of signature authority.—The board approved delegation of signature authority in accordance with the following requests approved administratively by the Office of the President and the Office of the Chancellor:

The request, in accordance with *Texas Administrative Code*, Title 34, Part 1, Chapter 5, Subchapter F, Rule §5.61:

To authorize the Chancellor to designate officers and employees of the Health Sciences Center to approve and pay all documents covering expenditures for state-appropriated funds and all other Health Sciences Center-controlled funds, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Health Sciences Center or assigned other responsibilities, whichever comes first.

The request, in accordance with corporate bank policy:

- (1) To sign checks drawn on all checking accounts of the Health Sciences Center in any depository bank effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System 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:

David R. Smith, M.D., President and Interim Chancellor
James L. Crowson, Deputy Chancellor for Administration
Jim Brunjes, Chief Financial Officer
Elmo M. Cavin, Vice President for Fiscal Affairs
Michael Crowder, Associate Vice President for Business Affairs
Douglas Moore, Director of Accounting Services
Tom Downen, Accounting Manager
Celeste Kulinski, Accounting Manager
Susan Snead, Accounting Manager

- (2) To authorize transfer, by wire or other means, of funds between Texas Tech University Health Sciences Center depositories, effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, whichever comes first.

Employees who may authorize or counter-authorize:

David R. Smith, M.D., President and Interim Chancellor
Jim Brunjes, Chief Financial Officer
Charles D. Wall, Assistant Chief Financial Officer for Cash Management and Investments
Elmo M. Cavin, Vice President for Fiscal Affairs
Michael Crowder, Associate Vice President for Business Affairs
Douglas Moore, Director of Accounting Services
Lynda Gilbert, Vice President for Fiscal Affairs, TTU
Charlie L. Stallings, Assistant Vice President for Business Affairs, TTU
David M. Brusewitz, Comptroller, TTU
Carole Wardroup, Director of Financial Accounting and Reporting, TTU
Winnie Long, Manager of Cash Management, TTU

The request, in accordance with Section 09.01.5, *Regents' Rules*:

To authorize and approve the sale, purchase and transfer of stocks, bonds, and other securities which are owned or controlled by the Health Sciences Center provided such action is approved by any two of the individuals listed below,

effective September 1, 2001, and to continue until August 31, 2002, or until such time as they are separated from the Texas Tech University System or assigned other duties or responsibilities, whichever comes first:

David R. Smith, M.D., President and Interim Chancellor
Jim Brunjes, Chief Financial Officer
Charles D. Wall, Assistant Chief Financial Officer for Cash Management and Investments
Elmo M. Cavin, Vice President for Fiscal Affairs
Michael Crowder, Associate Vice President for Business Affairs
Douglas Moore, Director of Accounting Services
Lynda Gilbert, Vice President for Fiscal Affairs, TTU
Charlie L. Stallings, Assistant Vice President for Business Affairs, TTU
David M. Brusewitz, Comptroller, TTU

However, for all instruments contributed to the Health Sciences Center, one of the two required signatures must be from one of the following:

William G. Wehner, Vice Chancellor for Institutional Advancement
Greg Teeter, Legal Counsel for Institutional Advancement

- f. TTU: Approve budget adjustments for the period April 1, 2001 through June 30, 2001.—The board approved budget adjustments for the period April 1, 2001 through June 30, 2001, included herewith as Attachment No. 1, as approved administratively by the Office of the President and the Office of the Chancellor.

- g. TTU: Approve management of an endowment by the Student Managed Investment Fund class.—The board approved management and investment of the funds in the Marketing Alumni Professorship Endowment by the students enrolled in the Student Managed Investment Fund ("SMIF") class in the College of Business Administration as approved administratively by the Office of the President and the Office of the Chancellor.

The addition of this endowment of \$350,000 brings the total monies managed through SMIF to approximately \$2 million.

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 May 31, 2001 for fiscal year 2001
 - (b) TTUHSC: Report dated May 31, 2001 for fiscal year 2001

- (2) TTUHSC: Budget Adjustments per Section 07.04.5.a(3), *Regents' Rules*: In an emergency, adjustments of more than \$250,000 may be approved by either the chair of the board or chair of the Finance and Administration Committee with subsequent notification to the board at the next regular board meeting as an information item.
 - (a) Budget of fund balance for the construction of new patient, faculty and staff parking lots at the Lubbock HSC campus (approved by Mr. Dick Brooks, Chair of the Board of Regents Finance and Administration Committee on 5/11/01); \$463,440; Auxiliary Funds; and
 - (b) Budget of fund balance for the asbestos abatement related to the Ophthalmology relocation project and the construction of the F. Marie Hall Synergistic Center (approved by Mr. Dick Brooks, Chair of the Board of Regents Finance and Administration Committee on 5/11/01); \$331,650; Unexpended Plant Funds.

- (3) 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) Aikins, Noble L., M.D., Assistant Professor/NTT; Anesthesiology, El Paso; 6/15/01-8/31/02; \$123,000;
 - (b) Alexov, Maria, M.D., Assistant Professor/NTT; Internal Medicine, Odessa; 8/1/01-8/31/02; \$120,000;
 - (c) *Bohannon, William T., M.D., Assistant Professor/TT; Surgery, Lubbock; 8/1/01-8/31/01; \$200,000;
 - (d) Freeman, III, Dudley E., M.D., Instructor/NTT; Ob/GYN, Amarillo; 7/1/01-8/31/02; \$130,000;
 - (e) *Hughes, Jason A., M.D., Assitant Professor/NTT, Emergency Medicine, El Paso; 7/15/01-8/31/01; \$135,000;
 - (f) Jenkins, Marjorie, M.D., Assistant Professor/NTT; Internal Medicine/Ob/Gyn, Amarillo; 6/14/01-8/31/02; \$125,000;
 - (g) *Kennedy, Ronald, Ph.D., Professor & Chair/Tenured; Microbiology, Lubbock; 5/1/01-8/31/01; \$170,000;

- (h) *Mydur, Thippeswamy, M.D., Instructor/NTT; Anesthesiology, Lubbock; 5/1/01-8/31/01; \$150,000
- (i) *Palafox, David, M.D., Assistant Professor/NTT; Emergency Medicine, El Paso, 5/1/01-8/31/01; \$127,342;
- (j) Saldivar, Salvador, M.D., Instructor/NTT; Obstetrics & Gynecology, El Paso; 7/15/01-6/30/02; \$120,000;
- (k) *Simpkins, Cuthbert O., M.D., Associate Professor/TT; Surgery, Lubbock; 6/1/01-8/31/01; \$185,000;
- (l) *Smith, Steven L., M.D., Assistant Professor/NTT; Internal Medicine, Lubbock; 6/18/01-8/31/01; \$135,000
- (m) *Urtubey, Adriana, M.D., Assistant Professor/NTT; Internal Medicine, El Paso; 7/1/01-8/31/01; \$118,000

*Faculty contracts may be automatically renewed in FY 2002.

The motion was seconded and passed unanimously.

2. TTUS: Approve appointment of members to the Board of Directors of Texas Tech Foundation, Inc.—Regent Nancy Jones called on Deputy Chancellor Crowson who presented the item regarding the appointment of the following to the Board of Directors of Texas Tech Foundation, Inc.:

Terms beginning September 1, 2001 and ending August 31, 2001:
Ed Benninger, Alan D. Brown, Leonard Childress, Todd Cowan, Craig Dearden, Curtis Griffith, David Hirschfeld, Edith Kidd, Jerry V. Smith, and Tom Wheat.

Terms beginning September 1, 2001 and ending August 31, 2002:
Bernard Harris and Lee Pfluger.

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

3. TTU and TTUHSC: Approve amendments to the Four-Year Capital Projects Plan and establishment of a Five-Year Capital Projects Plan.—Regent Nancy Jones called on Deputy Chancellor Crowson who presented the item to approve amendments to the Four-Year Capital Projects Plan and the establishment of a Five-Year Capital Projects Plan. Mr. Crowson noted that the appendices to the Five-Year Capital Projects Plan would serve as the MP-1 Report to the Coordinating Board. Regent Nancy Jones moved that the board approve the amendments, included herewith as Attachment No. 2. The motion was seconded, and passed unanimously.
4. TTU and TTUHSC: Approve and authorize submission of the Facilities Construction and Deferred Maintenance Master Plan (Five-Year Campus Master Plan MP-1 through MP-4 Reports).—Regent Nancy Jones called on

Deputy Chancellor Crowson who presented the item to approve and authorize the submission of the Facilities Construction and Deferred Maintenance Master Plan (also known as the Five-Year Campus Master Plan Update) for the Texas Tech University System (the "System") to the Texas Higher Education Coordinating Board ("THECB") as the approved Master Plan for the System and to authorize the Office of the Chancellor to adapt the Five-Year Campus Master Plan as necessary to meet Coordinating Board instructions that may be received after this meeting but prior to the submission deadline.

Mr. Crowson noted that instructions were received for the October 15 submission on August 3, 2001, after the agenda had been prepared and mailed to the board. The new instructions indicated that because the General Appropriations Act adopted by the 77th Legislature requires that the Higher Education Coordinating Board and the Bond Review Board eliminate redundant reporting, a consolidation of the information from the MP-1 with the Capital Plan Report of the Bond Review Board will replace the current MP-1. This report will be submitted in Spring 2002.

Regent Nancy Jones moved that the board approve and authorize submission of the Facilities Construction and Deferred Maintenance Plan, Five-Year Campus Plan MP-1 (Five-Year Capital Projects Plan) in the Spring of 2002, and the MP-2 (Total Accumulated Deferred Maintenance), MP-3 (Proposed Deferred Maintenance), and MP-4 (Completed Deferred Maintenance), for TTU and TTUHSC, respectively, included herewith as Attachment No. 3 by October 15, 2001. The motion was seconded, and passed unanimously.

5. TTUS: Approve amendments to the Lubbock Campus Master Plan.—Regent Nancy Jones called on Deputy Chancellor Crowson who presented the item to approve amending the campus land use plan, a component of the Campus Master Plan documents, per the approximate allocations of the following acreage, as indicated on the map included herewith as Attachment No. 4:

Ground Maintenance Nursery	20 acres
Student Recreational Fields	34 acres
Park and Ride Facility	14 acres
Fire Station	1.3 acres
Retirement Village	37 acres
Credit Union	3 acres
Agricultural Science Research Land	71 acres
Golf Course	272 acres

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

6. TTUS: Report of the Investment Advisory Committee and approve selection of a fixed income (high yield capability) investment manager and an international equity growth investment manager.—Regent Nancy Jones called on Regent Barth who presented the report of the Investment Advisory Committee, included herewith as Attachment No. 5, and the committee’s recommendation that Loomis Sayles be retained as a fixed income (high yield capability) manager and Oechsle International Advisors be retained as the international equity growth manager.

Regent Nancy Jones moved that the board accept the report of the Investment Advisory Committee and approve the selection Loomis Sayles as of the fixed income (high yield capability) investment manager and Oechsle International Advisors as the international equity growth investment manager. The motion was seconded, and passed unanimously.

7. TTUS: Report of the Investment Advisory Committee and approve selection of an investment advisor/counsel.—Regent Nancy Jones called on Regent Barth who presented the report of the Investment Advisory Committee, included herewith as Attachment No. 5, and the committee’s recommendation that Dennis Hammond and Associates be retained as investment advisor/counsel for the Texas Tech University System.

Regent Nancy Jones moved that the board accept the report of the Investment Advisory Committee and approve the selection of Dennis Hammond and Associates as investment advisor/counsel. The motion was seconded, and passed unanimously.

Regent Barth further noted that the Investment Advisory Committee had also requested that a review of the System’s investment policies be conducted and recommendations be presented to the board at the November board meeting.

8. TTUS: Approve increase to the commercial paper program.—Regent Nancy Jones called on Deputy Chancellor Crowson who presented the item to approve the adoption of the following resolution:

RESOLUTION APPROVING THE ISSUANCE OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM COMMERCIAL PAPER NOTES, SERIES A, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 AT ANY ONE TIME OUTSTANDING, IN ACCORDANCE WITH THE TERMS OF THE FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM UNDER THE AUTHORITY

AND RESPONSIBILITY OF THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY; AUTHORIZING THE EXECUTION OF AGREEMENTS TO PROVIDE REQUIRED LIQUIDITY RELATING TO THE COMMERCIAL PAPER NOTES; AND TAKING ADDITIONAL ACTIONS RELATING THERETO

WHEREAS, on November 7, 1997, the Board of Regents (the "Board") of Texas Tech University System (the "System") adopted the "Fifth Supplemental Resolution to the Master Resolution Establishing the Revenue Financing System Commercial Paper Program and Approving and Authorizing Instruments and Procedures Relating Thereto" (the "Fifth Supplement"); and

WHEREAS, the Fifth Supplement authorized the issuance of Commercial Paper Notes in an aggregate principal amount not to exceed \$100,000,000 at any one time outstanding; provided, that Commercial Paper Notes shall not be issued and outstanding at any one time in excess of \$50,000,000 in principal amount unless (i) the Board adopts a resolution specifically approving the issuance of Commercial Paper Notes in excess of \$50,000,000 and (ii) there is provided liquidity in support of the principal amount of Commercial Paper Notes authorized to be issued in excess of \$50,000,000 in an amount not to exceed (A) the maximum principal amount of Commercial Paper Notes then authorized to be at any one time outstanding and (B) interest on such principal amount for 270 days calculated at the rate of 15% per annum; and

WHEREAS, on January 22, 1998, the Texas Bond Review Board approved the issuance of Commercial Paper Notes in an amount not to exceed \$100,000,000 outstanding at any one time, with the stipulation that university officials notify the Texas Bond Review Board in writing of authorization from the Board to increase the amount of Commercial Paper Notes outstanding and the liquidity facility in support thereof from \$50,000,000 to \$100,000,000; and

WHEREAS, the Board desires to permit the issuance of Commercial Paper Notes in an amount not to exceed \$100,000,000 outstanding at any one time; and

WHEREAS, Morgan Guaranty Trust Company of New York (the "Bank") currently is providing liquidity in support of the Commercial Paper Notes pursuant to the terms of Liquidity Agreements dated as of May 15, 2000, between the Board and the Bank (the "Original Liquidity Agreements"); and

WHEREAS, to provide liquidity support for the Commercial Paper Notes in the amount herein authorized to be issued and outstanding at any one time, the Board and the Bank desire to enter into two liquidity agreements to provide the level of liquidity support that is required under the terms of the Fifth Supplement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM, THAT:

Section 1. The findings set forth in the recitals to this Resolution are hereby incorporated and made a part of this Resolution. All capitalized terms not defined in this Resolution shall have the meanings given said terms in the Fifth Supplement.

Section 2. The issuance of Commercial Paper Notes in an amount not to exceed \$100,000,000 outstanding at any one time under the terms of the Fifth Supplement is hereby authorized and approved.

Section 3. The execution of the two separate Liquidity Agreements between the Board and the Bank, in substantially the form attached hereto and made a part hereof for all purposes, is hereby authorized and approved.

Section 4. For all purposes of the Fifth Supplement, it is hereby declared that the Liquidity Agreements approved by this Resolution are hereby declared to constitute the "Liquidity Agreement", as such term is used in the Fifth Supplement.

Section 5. For all purposes of the Fifth Supplement, it is hereby declared that the individuals holding the following positions are hereby declared to be the "Authorized Representatives" and "Board Representatives", as such terms are used in the Fifth Supplement: the Chancellor of the System; the Chief Financial Officer of the System; the Vice President of Fiscal Affairs of Texas Tech University; the Vice President of Fiscal Affairs of Texas Tech University Health Sciences Center; and the Assistant CFO for Cash Management and Investments.

Section 6. The Chairman of the Board, the Vice Chairman of the Board, the Secretary of the Board, the Assistant Secretary of the Board, and any Authorized Representative is hereby authorized to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate and otherwise to effectuate the purposes of this Resolution, including, without limitation, to execute and deliver the Liquidity Agreements approved by this Resolution. In addition, the Authorized Representative and Bond Counsel are hereby authorized to approve,

subsequent to the date of this adoption of this Resolution, any amendments to the above referenced Liquidity Agreements, and any amendments to this Resolution or the offering memorandum prepared in connection with the Commercial Paper Notes as may be required by the Dealer, or by Fitch, Moody's, or S&P as a condition to the granting of a rating on the Commercial Paper Notes acceptable to an Authorized Representative. The distribution and use of the updated offering memorandum in connection with the sale of the Commercial Paper Notes is hereby approved.

Section 7. The Chief Financial Officer is hereby directed to forward a certified copy of this Resolution to the Texas Bond Review Board promptly after the adoption hereof.

Section 8. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Resolution was adopted; that this Resolution would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

Regent Nancy Jones moved that the board approve the increase to the commercial paper program. The motion was seconded, and passed unanimously.

9. TTUS: Report on Study of the Reorganization of the Office of Institutional Advancement.—Regent Nancy Jones called on Deputy Chancellor Haley who presented the report on the study of the reorganization of the Office of Institutional Advancement, included herewith as Attachment No. 6.

Regent Nancy Jones moved that the board accept the report on the Study of the Reorganization of the Office of Institutional Advancement. The motion was seconded, and passed unanimously.

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

MEETING OF THE BOARD.—

VI.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 Board of Regents authorize the Chancellor or his designee to conclude negotiations and to execute the necessary agreements and leases with the City of Lubbock regarding the city fire station lease, Lubbock Power and Light energy agreement, storm water, advertising, lighting, fiber optic interduct and cable, economic development and stadium suite and all the associated agreements within the parameters discussed in Executive Session. The motion was seconded, and passed unanimously.

VI.D. 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 which 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.

1. TTU: Authorize adjustments to the budget and funding source for the Experimental Sciences I and II facility.—The board authorized the Office of the Chancellor to (i) revise the scope and funding of the Experimental Sciences I facility; (ii) establish a project budget of \$23,997,000 of which \$23,647,000 will be from Tuition Revenue Bonds and \$350,000 from Higher Education Assistance Funds (“HEAF”), and \$5,000,000 donations (equipment) for Experimental Sciences II; (iii) submit documents to the Texas Higher Education Coordinating Board for approval of construction of Experimental Sciences II; and (iv) proceed with the construction of Experimental Sciences I and II simultaneously.

The previous budget allocated for Experimental Sciences I was \$30,000,000 HEAF and \$10,000,000 donations (equipment). The new budget will be (i) Experimental Sciences I, \$13,000,000 HEAF, \$10,000,000 donations (equipment), and (ii) Experimental Sciences II, \$23,997,000 (\$23,647,000 Tuition Revenue Bonds; \$350,000 HEAF), \$5,000,000 donations (equipment).

The board acknowledged that it expects to pay expenditures in connection with the construction of Phase I and Phase II of a new experimental sciences building 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, declares 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 design, planning and construction of Phase II of a new experimental sciences building from bonds expected to be issued in an aggregate maximum principal amount of \$23,647,000.

2. TTU: Approve project budget for a new Animal Science and Food Technology facility.—The board authorized the Office of the Chancellor to (i) continue the planning effort authorized by the board on August 11, 2000; (ii) establish a project budget of \$17,000,000 for a new facility for the Department of Animal Science and Food Technology, to be funded by Higher Education Assistance Funds ("HEAF") previously allocated to Experimental Sciences I; and (iii) obtain Texas Higher Education Coordinating Board approval, engage a construction manager-at-risk, and prepare construction documents.
3. TTU: Approve planning of a Performing Arts Center.—The board authorized the Office of the Chancellor (i) to increase the previously approved planning budget for a Performing Arts Center from \$200,000 (from Higher Education Assistance Funds ("HEAF")) to \$320,000, the increase of \$120,000 also to be funded by HEAF; and (ii) to proceed with selection of a design professional to conduct site planning analysis, prepare programming documents, and develop the total project budget.

The increase in the planning budget is necessary due to the anticipated increase of the proposed scope of the project from \$25 million to \$40 million. The planning budget will provide documents to be shown to prospective donors but will not produce schematics. It is anticipated that this project will be a partnership with the City of Lubbock.

4. TTU: Approve increasing planning budget for new College of Business Administration facility.—The board authorized the Office of the Chancellor (i) to increase a previously approved planning budget from \$200,000 (from Higher Education Assistance Funds ("HEAF")) to \$325,000 (the increase of \$125,000 to be funded from HEAF); and (ii) to proceed with the selection of a design professional to conduct a site analysis, prepare programming documents, and develop the total project budget for a new College of Business Administration.

The increase in the planning budget is necessary due to the anticipated increase of the proposed scope of the project from \$25 million to \$50 million. The planning budget will provide documents to be shown to prospective donors but will not produce schematics.

5. TTU: Approve planning of a new Student Health Center and Counseling Center.—The board authorized the Office of the Chancellor (i) to proceed with the planning of a new Student Health Center and Counseling Center; (ii) to establish a planning budget of \$100,000 to be funded by the Student Health Fund Balance; and (iii) to proceed with the selection of a design professional, conduct a preliminary site analysis, prepare programming documents, a schematic design, and develop the total project budget.
6. TTU: Approve a golf course.—The board authorized the Office of the Chancellor to design and construct a golf course with a project budget of \$12,500,000, with \$2,975,000 coming from revenue bonds to be repaid with golf course operating revenues and \$9,125,000 from gifts and donations and \$400,000 from institutional funds.

The board acknowledged that it expects to pay expenditures in connection with the construction of the golf course 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, declares 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 design, planning and construction of a golf course from bonds expected to be issued in an aggregate maximum principal amount of \$2,975,000.

7. TTU: Authorize release of right of reversion or granting an easement for land to be acquired by TxDOT for the East-West Freeway.—The board authorized the Office of the Chancellor to execute any and all agreements with TxDOT, the City of Lubbock, and any other entities required in order to release Texas Tech's reversionary interest or grant an easement in two tracts of land totaling 805.6 square feet of land along the East-West Freeway adjacent to the Lubbock Municipal Coliseum.
8. TTU: Approve building name changes for (i) the University Center; (ii) the Journalism building; (iii) the Men's Gym; and (iv) the Women's Gym.—The board approved the following building name changes:

(i) The University Center to “Student Union Building”

Renaming the facility is consistent with other colleges and universities while recognizing the vital support of student fees for activities conducted within the facility. Changing the name to Student Union will be part of the University Center grand opening upon completion of the new addition scheduled for fall 2003.

(ii) The Journalism Building to “Student Media Building”

Changing the name to Student Media more clearly reflects the student activities housed within: KTXT-FM Radio, the La Ventana yearbook, and the University Daily newspaper.

(iii) The Men’s Gym to “Exercise Sciences Center”

(iv) The Women’s Gym to “Sport Studies Center”

The names “Exercise Sciences Center” and “Sport Studies Center” more clearly reflect the academic activities housed within each building. The Exercise Science Center will house the exercise science laboratories and the faculty associated with those laboratories, whereas the Sport Studies Center will house the faculty in sport management and physical education, two areas generally referred to as sport studies.

9. TTU: Approve naming the College of Education courtyard.—The board approved naming the interior, horseshoe-shaped courtyard within the Education portion of the new Education, Philosophy, English complex the “Helen DeVitt Jones Courtyard” to recognize The Helen Jones Foundation for its recent and past support.
10. TTU: Approve naming the University Library Access Services Center area.—The board approved naming the University Library Access Services Center area “The E. Dale Cluff Access Services Center,” in recognition of Dr. E. Dale Cluff’s contributions and achievements during his 19 years of service as Dean of Libraries.
11. TTU: Accept transfer of property from the Texas Tech Foundation to Texas Tech University.—The board authorized the Office of the Chancellor to accept property located at 705 North Knoxville Avenue known as the “Grantham Property” from the Texas Tech Foundation.

12. TTUHSC: Approve planning budget for El Paso Research Facility I.—The board authorized the Office of the Chancellor to establish a planning budget of \$650,000 to be funded by Tuition Revenue Bonds for the El Paso Research Facility I. The total Tuition Revenue Bond authority for this project is \$40,000,000. The planning budget will provide funds to select a design professional, prepare geographical and environmental surveys of the proposed site for the new facility, a master plan of the new site for placement of the new facility and planned future growth, programming, a schematic design and budget development.

The board acknowledged that it expects to pay expenditures in connection with the construction of the El Paso Research Facility I building 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 System, and, as such, declares 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 design, planning and construction of a new El Paso Research Facility I from bonds expected to be issued in an aggregate maximum principal amount of \$40,000,000.

13. TTUHSC: Approve planning budget for a Clinical Tower/Research Center in Lubbock.—The board authorized the Office of the Chancellor to establish a planning budget of \$350,000 to be funded by Tuition Revenue Bonds for a Clinical Tower/Research Center in Lubbock. The proposed total project budget is \$30,915,025, \$26,882,525 from Tuition Revenue Bond authority and \$4,032,500 from the Revenue Financing System supported by local funds. The planning budget will provide funds to select a design professional to prepare programming documents, a schematic design, and develop the total project budget.

The board acknowledged that it expects to pay expenditures in connection with the construction of a new Clinical Tower/Research Center building 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 System, and, as such, declares 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 design, planning and construction of a Clinical Tower/Research

Center from bonds expected to be issued in an aggregate maximum principal amount of \$26,882,525.

14. 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. 7.

VI.E. 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 which 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.

1. TTU: Approve a Doctor of Philosophy degree in Hospitality Administration.—The board (i) approved a new degree program for a Doctor of Philosophy in Hospitality Administration in the College of Human Sciences; and (ii) authorized the Office of the Chancellor to seek approval from the Texas Higher Education Coordinating Board for such a program.
2. TTU: Approve appointments with tenure.—The board approved the granting of tenure to the following faculty of Texas Tech University contemporaneously with their appointments:

Francis T. Durso, Ph.D, new professor in the Department of Psychology, College of Arts and Sciences. Dr. Durso was previously tenured as a professor at the University of Oklahoma.

Bruce C. Daniels, Ph.D., new professor and chairperson in the Department of History, College of Arts and Sciences. Dr. Daniels was previously tenured as a professor at the University of Winnipeg in Canada.

Ralph Viator, Ph.D., new professor in the Area of Accounting, College of Business Administration. Dr. Viator was previously tenured as an associate professor at the University of Kentucky.

Azmy Ackleh, Ph.D., new associate professor in the Department of Mathematics and Statistics, College of Arts and Sciences. Dr. Ackleh was previously tenured as an associate professor at the University of Louisiana-Lafayette.

Chris W. Letchford, Ph.D., new professor in the Department of Civil Engineering, College of Engineering. Dr. Letchford has been a research professor at Texas Tech University since July 1999.

JoAnn Wilson, new associate professor in the Department of Merchandising, Environmental Design and Consumer Economics, in the College of Human Sciences. Ms. Wilson was previously tenured as an associate professor at Utah State University.

3. TTU: Approve degree programs offered via distance education.—The board (i) approved the delivery at a distance of the five degree programs listed below, and (ii) authorized the Office of the Chancellor to seek approval from the Texas Higher Education Coordinating Board for delivery of such programs at a distance.

Bachelor of General Studies – College of Arts and Sciences
Master of Arts in Technical Communication – College of Arts and Sciences

Master of Science in Restaurant Hotel and Institutional Management – College of Human Sciences

Master of Science in Petroleum Engineering – College of Engineering

Master of Science in Software Engineering (to be offered beginning fall 2001) – College of Engineering

Except for the Master of Science in Software Engineering, which is slated to begin enrolling students in the fall of 2001, Texas Tech University has offered the other programs at a distance in a manner consistent with previous Texas Higher Education Coordinating Board regulations.

4. TTU: Approve consulting agreement for food service program.—The board authorized the Office of the President to enter into a contract with The Ricca Planning Studio, Inc. to provide comprehensive consulting and facility planning services for the Texas Tech University food service program that will result in a master plan for on-campus dining services.

The total fees are expected to be \$51,000 plus reimbursable expenses for travel, printing, postage, overnight delivery, and long-

distance telephone. The contract will encompass dining programs, operations and facilities related to residence dining and retail foodservice, and to catering, summer, arena, and stadium operations.

5. TTU: Approve consulting agreement for student housing program.—The board authorized the Office of the President to enter into a contract with Brailsford & Dunlavey to provide comprehensive consulting and facility planning services for the Texas Tech University student housing program that will result in a master plan for on-campus housing.

The total fees are expected to be \$70,745 plus reimbursable expenses for travel, printing, postage, overnight delivery, and long-distance telephone. The contract will include a preliminary assessment and the development of a Student Housing Market/Feasibility Study.

6. TTUHSC: Approve change in academic rank.—The board approved a change in academic rank for Catherine S. McVay, Ph.D., from instructor to research assistant professor in the Department of Microbiology, School of Medicine, effective September 1, 2001.
7. TTUHSC: Approve resident/fellow supplemental medical training stipend agreements and extension of faculty employment agreement terms.—The board authorized the Office of the President to enter into agreements with residents and/or fellows in physician specialty and sub-specialty training programs and/or military service to pay supplemental medical training and government service stipends, in return for a two-, four- or six-year faculty commitment following the completion of the training program or military service. Payment of the stipends will be by the School of Medicine's Medical Practice Income Plan.

Dr. Smith noted that while the current Board of Regents policy gives the president the authority to enter into faculty employment agreements for a term no longer than two years, a long-term commitment is needed to ensure the availability of these specialty physicians for our professional and clinical programs. Dr. Smith further noted that authorizing the president to enter into long-term agreements with the physicians and the corresponding faculty employment agreements will give TTUHSC the ability to compete in a dynamic job market for highly sought after physicians in a timely manner.

8. TTUHSC: Approve agreement with the University of Texas Medical Branch at Galveston to provide health care services to Texas Department of Criminal Justice offenders.—The board authorized the Office of the Chancellor to enter into an agreement with the University of Texas Medical Branch at Galveston (“UTMB”) to provide health care services to Texas Department of Criminal Justice (“TDCJ”) offenders, effective September 1, 2001 through August 31, 2003. The estimated dollar amount for the two-year agreement is \$151 million, which was approved by the Correctional Managed Health Care Committee (“CMHCC”) on June 24, 2001.

Dr. Smith noted that the CMHCC initially entered into an agreement with Texas Tech University Health Sciences Center for the provision of medical and psychiatric care to offenders in GSA 1,2,9 and 10 on February 1, 1994. This agreement expired August 31, 1994 and subsequent renewals have occurred since the initial term. The current agreement began September 1, 1999 and will expire August 31, 2001. At the expiration of this agreement, the CMHCC desires to renew the contract with Texas Tech University Health Sciences Center. Senate Bill 347, 77th Texas Legislative Session requires the renewal of this agreement to be processed through the University of Texas Medical Branch, Galveston.

The scope of the agreement with UTMB is not expected to change significantly from the original agreement and subsequent renewals.

9. TTU: Report on inventory of holdings in the Museum of Texas Tech University.—The board accepted a report by Dr. Schmidly on the inventory of holdings in the Museum of Texas Tech University, included herewith as Attachment No. 8.
10. TTU: Scheduled reports on the status of academic units.
 - a. TTU: Report on the Texas Tech Library.—The board accepted a report by Dr. E. Dale Cluff, dean, on the activities and plans for Texas Tech Library, included herewith as Attachment No. 9.
 - b. TTU: Report on the National Ranching Heritage Center.—The board accepted a report by Mr. James R. Pfluger, executive director, on the activities and plans for the National Ranching Heritage Center, included herewith as Attachment No. 10.

VI.F. 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 which 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.

1. TTU and TTUHSC: Approve elimination of student property deposit.—The board approved elimination of the requirement for collection of the student property deposit.

Mr. Brunjes noted that with the passage of Senate Bill 1472 by the 77th Legislature, the wording in Section 54.052, Texas Education Code, no longer requires collection of a mandatory student property deposit. He further noted that with approval of this item by the Board of Regents, during the Fall 2001 semester students will be given the option to either request a refund of the student property deposit fee or donate the fee to the university. Once the student has stated which option is preferred, the Student Business Service Office will either refund the property deposit during the next billing cycle or forward the funds to the appropriate scholarship account.

2. TTUHSC: Approve FY 2002 premium rates for the professional medical self-insurance plan.—The board approved the findings and recommendations contained in the May 18, 2001 funding study and rate review of the Plan prepared by Fred R. White Companies, Fred R. White, C.P.C.U., for the period September 1, 2001 through August 31, 2002 establishing the premiums to be paid by faculty and resident physicians as set forth in the annual rate schedule enumerated below:

Annual Premium Rate Schedule
(September 1, 2001 through August 31, 2002)

<u>Risk Class</u>	<u>Faculty</u>	<u>Resident</u>
1	\$ 2,772	\$ 1,764
2	3,516	2,940
3	7,800	4,956
4	12,828	8,124
5	17,856	14,064

The board also approved the recommendations that (i) the \$2,000,000 quasi Research Initiation Endowment established May 9, 1997 from the Plan's reserve funds be returned to the Plan; (ii) faculty members pay FY 2002 premiums for the months of September, October, November and December; and (iii) residents insured by the Plan shall pay premiums for the FY 2002 Plan year.

A summary of annual premiums is included herewith as Attachment No. 11.

3. TTUS: Approve FY 2002 operating budgets.

a. TTU System Administration: Approve FY 2002 operating budget.

The board approved the Texas Tech University System Administration FY 2002 operating budget and appropriated the fund balances of income generating accounts for specific activities usually supported by the accounts unless otherwise appropriated by the board.

b. TTU: Approve FY 2002 operating budget.

The board approved the Texas Tech University FY 2002 operating budget and appropriated the fund balances of income generating accounts for specific activities usually supported by the accounts unless otherwise appropriated by the board.

c. TTUHSC: Approve FY 2002 operating budget.

The board approved the Texas Tech University Health Sciences Center FY 2002 operating budget and appropriated the fund balances of income generating accounts for specific activities usually supported by the accounts unless otherwise appropriated by the board.

4. TTUS: Approve selection of primary depository institution.—The board approved the selection of Plains National Bank as the Primary Depository Institution for the Texas Tech University System in accordance with Vernon's *Texas Codes Annotated (VCTA)*, Education Code, Chapter 51, Section 51.003 Depositories and the Public Funds Collateral Act (PFCA), Article 2529d.

5. TTUS: Approve contract with a consultant to develop a request for proposal to solicit applications from vendors interested in offering the optional retirement program.—The board authorized the Office of the Chancellor to enter into a contract with a consultant to assist

in developing a Request for Proposal ("RFP") to solicit applications from vendors interested in offering the Optional Retirement Program to employees of TTUS and to assist in evaluating the applications received against the minimum selection criteria established in the RFP so that vendors may be selected by the TTU System Administration, TTU and TTUHSC for placement on the approved list of vendors.

6. TTUS: Approve foreign travel authorization.—The board delegated to the chairman of the Board of Regents the authority to approve all travel to foreign countries paid with funds appropriated in the General Appropriation Act, except travel to Canada or Mexico.
7. TTUS: Authorize changing the Facilities Planning and Construction surcharge collection methodology.—The board authorized the Office of the Chancellor to change the method of collecting the Office of Facilities Planning and Construction surcharge from a percent of invoice method to a formula that pays 50% of the fee when the board authorizes a project for design, 30% on signing a construction contract, and 20% of the fee at substantial completion of the project; provided, however, that this funding methodology will not apply to projects that are funded directly with non-bonded Higher Education Assistance Funds ("HEAF").
8. TTU: Report on Athletic Department budget.—The board accepted a report by Dr. Lynda Gilbert, vice president for fiscal affairs, TTU, on the Athletic Department budget, included herewith as Attachment No. 12.

VI.G. REPORT OF THE SPECIAL COMMITTEE TO STUDY ENROLLMENT MANAGEMENT AND DISCUSSION OF TEXAS TECH'S ROLE IN STRATEGIES FOR THE TEXAS HIGHER EDUCATION COORDINATING BOARD'S "CLOSING THE GAPS."—Chairman Brown called on Regent Newby who presented the Special Committee report, included herewith as Attachment No. 13.

VI.H. SCHEDULE FOR BOARD MEETINGS.—Mr. Crowson presented the proposed schedule for future board meetings and asked for comments. The established schedule is as follows: November 1 (workshop/retreat)-2, 2001, Lubbock; December 13-14, 2001, Odessa; March 7-8, 2002, Austin; 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.

Mr. Crowson noted that due to the regents' desire to attend December commencements in Lubbock, the location of the December board meeting is being reviewed in an attempt to alleviate potential travel complications associated with an out-of-town board meeting preceding commencement in Lubbock.

- VI.I. THE PRESIDENT'S REPORT, TTU.—Chairman Brown called on President Schmidly who presented the President's Report, included herewith as Attachment No. 14. Dr. Schmidly introduced John Steinmetz, president of the Student Government Association, who presented a report on Red Raider Camp.
- VI.J. THE PRESIDENT'S REPORT, TTUHSC.—Chairman Brown called on President Smith who waived presentation of the President's Report.
- VI.K. CHANCELLOR'S REPORT.—Chairman Brown called on Chancellor Montford who presented the Chancellor's Report, included herewith as Attachment No. 15.
- VI.L. ADJOURNMENT.—Prior to adjourning the meeting, Chairman Brown made the following appointments:
1. Appointment of special advisory committee.—Chairman Brown appointed Regents Black, John Jones, Barth and Nancy Jones (chair) to serve as a special advisory committee to the Board of Regents to present recommendations for the board's consideration regarding the process to implement and the university constituents to involve in the search for an individual to serve as Chancellor of the Texas Tech University System.
 2. Appointment of compensation committee.—Chairman Brown appointed Regents Brooks, Weiss and Lopez (chair) to serve as a compensation committee of the Board of Regents to review with the interim chancellor and make recommendations to the board regarding the positions and salaries of the System, University and Health Sciences Center administrative personnel.

Chairman Brown adjourned the meeting at approximately 3:47 p.m.

INDEX OF ATTACHMENTS

Attachment 1	TTU Budget and Salary Adjustments, April 1, 2001 to June 30, 2001
Attachment 2	TTU and TTUHSC Resolutions amending the Four-Year Capital Projects Plan and establishing a Five-Year Capital Projects Plan
Attachment 3	TTU and TTUHSC Facilities Construction and Deferred Maintenance Master Plan (MP-1 through MP-4 Reports)
Attachment 4	TTUS Campus Land Use Plan map
Attachment 5	Report of Investment Advisory Committee
Attachment 6	TTUS Report on Study of the Reorganization of the Office of Institutional Advancement
Attachment 7	TTUS Report on the Office of Facilities Planning and Construction projects
Attachment 8	TTU Inventory report of holdings in the Museum of Texas Tech University
Attachment 9	TTU Report on the Texas Tech Library
Attachment 10	TTU Report on the National Ranching Heritage Center
Attachment 11	TTUHSC Summary of Annual Premiums for the Professional Medical Self-Insurance Plan
Attachment 12	TTU Report on Athletic Department budget
Attachment 13	TTUS Report of the special committee to study enrollment management
Attachment 14	TTU President's Report
Attachment 15	TTUS Chancellor's Report

I, James L. Crowson, the duly appointed and qualified Assistant 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 August 10, 2001.

James L. Crowson
Assistant Secretary

Seal