

TEXAS TECH UNIVERSITY SYSTEM
Lubbock, Texas

Minutes

Board of Regents
August 8, 2003

Friday, August 8, 2003.—The members of the Board of Regents of the Texas Tech University System convened at 9:45 a.m. on Friday, August 8, 2003, in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

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

Also participating at the opening of the meeting were Dr. David R. Smith, Chancellor, TTU System; Dr. Donald Haragan, Interim President, Texas Tech University; Dr. M. Roy Wilson, President, Texas Tech University Health Sciences Center; Mr. Jim Brunjes, Chief Financial Officer, TTUS; Mr. Richard Butler, Senior Vice Chancellor, TTUS; Mr. Ben Lock, Senior Vice Chancellor, TTUS; Mr. Pat Campbell, Vice Chancellor and General Counsel, TTUS; Mr. Mike Ellicott, Vice Chancellor for Facilities Planning and Construction, TTUS; Dr. William Marcy, Provost, TTU; Mr. Elmo Cavin, Executive Vice President, TTUHSC; Mr. Jeremy Brown, President, Student Government Association, TTU; Ms. Elizabeth Hamilton, President, Student Government Association, TTUHSC; and Lucy Lanotte, Executive Secretary to the Board of Regents.

- I. CALL TO ORDER.—Chairman Black announced a quorum present and called the meeting to order.
- II. INTRODUCTIONS AND RECOGNITIONS.—Chairman Black called on Dr. Smith for the introductions and recognitions. Dr. Smith introduced Dr. M. Roy Wilson, who began his tenure as president of the Texas Tech University Health Sciences Center in June.

Dr. Haragan introduced the new Graduate and Professional Student Government Association Officers: Dusty McAfee, president; and Kelly Jones, treasurer. Dr. Haragan then introduced new Staff Senate Officers: Chance Dragich, president;

Brent Guinn, president-elect; Kerri Ford, secretary; and Susan Kitten, treasurer. Dr. Haragan introduced Professor Brian Shannon, associate dean for academic affairs at the law school, who was appointed to the Governor's Committee on People with Disabilities, and Dr. John Borrelli, new dean of the Graduate School.

Dr. Haragan also recognized Jeremy Brown, president of the TTU Student Government Association.

Dr. Wilson introduced Elizabeth Hamilton, the new president of the TTUHSC Student Government Association.

- III. EXECUTIVE SESSION.—At approximately 9:50 a.m., the board recessed and convened into Executive Session as authorized by Chapter 551 of the *Texas Government Code*.

RECESS FOR LUNCH.—At approximately 12:50 p.m., the board reconvened in open session in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas, and then recessed for lunch.

- IV. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 2:19 p.m. on Friday, August 8, the board reconvened in open session in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas, to consider items as a board and in the Committee of the Whole.

- IV.A. APPROVAL OF MINUTES.—Regent Newby moved that the minutes of the board meeting held on May 16, 2003 be approved. Regent Lopez seconded the motion, and the motion passed unanimously.

IV.B. COMMITTEE OF THE WHOLE

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

- IV.B.1. Regent Newby presented the item regarding approval of the Consent Agenda and acknowledgment of review of the Information Agenda. Regent Newby moved that the Consent Agenda be approved. The motion was seconded and passed unanimously. The following are the Minute Orders approved by this motion:

- IV.B.1.a. TTU: Approve conferral of degrees for August 9, 2003 commencement.—The board approved the conferral of degrees for the August 9, 2003 commencement upon all candidates who 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 9, 2003, as approved administratively by the president and the chancellor.
- IV.B.1.b. TTU: Approve leaves of absence.—The board approved the following leaves of absence, as approved administratively by the president and the chancellor:

Leave without pay for Ruth Gornet, associate professor, College of Arts and Sciences, for the period September 1, 2003 through May 31, 2004. Dr. Gornet will be collaborating with researchers in spectral theory, geometrical dynamics and algebraic geometry. This leave will be taken in Dallas/Fort Worth, Texas.

Leave without pay for John Howe, professor, College of Arts and Sciences, for the period September 1, 2003 through May 31, 2004. The purpose of this leave is to assume an Erasmus Institute Carey Faculty Fellowship at Notre Dame University, which should help in the production of a book. This leave will be taken in Notre Dame, Indiana.

Leave without pay for Carol Korzeniewski, associate professor, College of Arts and Sciences, for the period September 1, 2003 through May 31, 2004. The purpose of this leave is to serve as a rotator for the Chemistry Division at the National Science Foundation. This leave will be taken in Arlington, Virginia.

Leave without pay for Douglas Kutach, assistant professor, College of Arts and Sciences, for the period September 1, 2003 through December 31, 2004. The purpose of this leave is to write a book and enhance research credentials. This leave will be taken at the University of Sydney, Sydney, Australia.

Leave without pay for Richard Nisbett, assistant professor, College of Arts and Sciences, for the period January 16, 2004 through May 31, 2004. The purpose of this leave is to produce a publication on sociology, anthropology and social work. This leave will be taken in Riverside, California.

Leave without pay for Vaia Papadimitriou, professor, College of Arts and Sciences, for the period September 1, 2003 through May 31, 2004. The purpose of this leave is to conduct research at the Fermilab which is located outside of Chicago, Illinois.

Leave without pay for Song Yang, professor, College of Arts and Sciences, for the period January 16, 2004 through May 31, 2004. The purpose of this leave is to continue with research efforts at the National Institutes of Health. This leave will be taken in Bethesda, Maryland.

- IV.B.1.c. TTU: Approve employee appointment to non-elective position.—The board approved the appointment of Brian Shannon, J.D., associate dean and professor at the Texas Tech University School of Law, to the Governor’s Committee on People with Disabilities by the Honorable Rick Perry, for a term to expire on February 1, 2005, as approved administratively by the president and the chancellor.

The board also found with respect to the appointee that his service is of benefit to the State of Texas and Texas Tech University and that his service does not conflict with his position of employment at Texas Tech University.

- IV.B.1.d. TTUHSC: Approve emeritus appointment.—The board approved granting the title of “director emeritus” to Charles Sargent, Ph.D., first director of the Texas Tech University School of Medicine Library, as approved administratively by the president and the chancellor.

In addition to serving as the first director of the Health Sciences Center library, beginning in 1972, in 1977 Dr. Sargent was also appointed as the first chairman of the Health Communications Department at the Health Sciences Center, a position he held until his retirement.

- IV.B.1.e. TTUHSC: Approve consulting agreement.—The board approved granting a consulting agreement with Ron Jackson, as approved administratively by the president and the chancellor.

Texas Tech University Health Sciences Center previously contracted with Ron Jackson from April 1, 1997 through March 1, 2003, to provide insight and expertise into correctional organizations and operations for which Texas Tech University Health Sciences Center provides medical services, including Texas Department of Criminal Justice and Texas Youth Commission. The

term of the renewal contract will be September 1, 2003, through August 31, 2004, for a total contract amount of \$15,000.

- IV.B.1.f. TTU: Authorize the use of the Revenue Financing System to purchase a scoreboard and video screen for Dan Law Field.—The board authorized the issuance of debt through the Revenue Financing System to purchase a new scoreboard and video screen for Dan Law Field, as approved administratively by the president and the chancellor. The anticipated cost of the scoreboard and video screen is approximately \$600,000. Commitments totaling \$135,000 annually for five years have been identified by the Athletics Department, with an additional one-time commitment of \$50,000. The commitments are sufficient to provide funding for the debt incurred by the purchase. The term of the debt will be five years and it will be financed through the Commercial Paper System component of the Revenue Financing System.
- IV.B.1.g. TTUHSC: Approve budget adjustments for the period April 1, 2003 through June 30, 2003.—The board approved budget adjustments for the period April 1, 2003 through June 30, 2003, as approved administratively by the president and the chancellor, and included herewith as Attachment No. 1.
- IV.B.1.h. TTUS/TTU/TTUHSC: Approve delegation of signature authority.—The board approved the delegation of signature authority in accordance with the following requests approved administratively by the presidents and the chancellor as required by board policy:

The request in accordance with *Texas Government Code, Sec. 2103.061*:

- (1) To authorize the chancellor to designate officers and employees of the university to approve all travel of employees of 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, 2003, and to continue until August 31, 2004, or until such time as they are separated from the university or assigned other responsibilities, which ever comes first.
- (2) To authorize the chancellor to designate officers and employees of the university to approve official travel reimbursement from State appropriations and all other

funds for officers and employees of 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, 2003, and to continue until August 31, 2004, or until such time as they are separated from the university or assigned other responsibilities, whichever comes first.

- (3) To authorize the chancellor to designate officers and employees of the university to approve and pay all accounts covering expenditures for state-appropriated funds and all other university-controlled funds, effective September 1, 2003 and to continue until August 31, 2004 or until such time as they are separated from the university 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, 2003 and to continue until August 31, 2004, 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:

David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
William M. Marcy, Provost
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Associate Vice President for
Fiscal Affairs
Nancy H. Whittaker, Assistant Vice President for
Fiscal Affairs and Comptroller
Gloria J. Hale, Assistant Vice President for Human
Resources
Rebecca Perez, Interim Director of Grants and
Contracts Accounting

- (5) To sign and/or countersign cashier's checks drawn on the university's Cashier's Account, effective September 1, 2003, and to continue until August 31, 2004 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:

David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Assistant Vice President for
Fiscal Affairs
Gloria J. Hale, Assistant Vice President for Human
Resources
Rebecca Perez, Interim-Director of Grants and
Contracts Accounting

Employees who may countersign only:

Becky Hyde, Director of Student and University
Financial Services

- (6) To authorize transfer by wire or other means, of funds between Texas Tech University depositories, effective September 1, 2003, and to continue until August 31, 2004, or until such time as they are separated from the university or assigned other responsibilities, whichever comes first.

Employees who may authorize or counter-authorize:

David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Charles D. Wall, Assistant Vice Chancellor,
Investments, and Assistant CFO
Yvette Acosta, Manager of Cash Management
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Associate Vice President for
Fiscal Affairs
Nancy H. Whittaker, Assistant Vice President for
Fiscal Affairs and Comptroller

- (7) To authorize and approve the sale, purchase and transfer of stocks, bonds, and other securities which are owned or controlled by Texas Tech University provided such action is approved by any two of the individuals listed below, effective September 1, 2003, and to continue until August 31, 2004, or until such time as they are separated

from the university or assigned other duties or responsibilities:

David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Charles D. Wall, Assistant Vice Chancellor,
Investments, and Assistant CFO
Lynda Gilbert, Vice President for Fiscal Affairs
Charlie L. Stallings, Associate Vice President for
Fiscal Affairs
Nancy H. Whittaker, Assistant Vice President for
Fiscal Affairs

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

- (8) 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, 2003, and to continue until August 31, 2004, 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:

- (9) To sign checks drawn on all checking accounts of the Health Sciences Center in any depository bank effective September 1, 2003, and to continue until August 31, 2004, or until such time as they are separated from 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:

M. Roy Wilson, M.D., M.S., President
David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Elmo M. Cavin, Executive Vice President
Michael Crowder, Associate Vice President for
Business Affairs
Celeste Kulinski, Director of Business Services
Carole Wardroup, Director of HSC Business
Projects

Thomas B.M. Downen, Director of Accounting
Services
Teri Riedel, Accounting Manager

- (10) To authorize transfer, by wire or other means, of funds between Texas Tech University Health Sciences Center depositories, effective September 1, 2003, and to continue until August 31, 2004, 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:

M. Roy Wilson, M.D., M.S., President
David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Charles D. Wall, Assistant Vice Chancellor,
Investments, and Assistant CFO
Elmo M. Cavin, Executive Vice President
Michael Crowder, Associate Vice President for
Business Affairs
Carole Wardroup, Director of HSC Business
Projects
Celeste Kulinski, Director of Business Services
Thomas B.M. Downen, Director of Accounting
Services
Teri Riedel, Accounting Manager
Lynda Gilbert, Vice President for Fiscal Affairs,
TTU
Charlie L. Stallings, Associate Vice President for
Fiscal Affairs, TTU
Nancy H. Whittaker, Assistant Vice President for
Fiscal Affairs and Comptroller, TTU
Yvette Acosta, Manager of Cash Management,
TTU

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

- (11) 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, 2003, and to continue until August 31, 2004, or until such time as they are separated from the Texas Tech University System or assigned other duties of responsibilities, whichever comes first:

M. Roy Wilson, M.D., M.S., President
David R. Smith, M.D., Chancellor
Jim Brunjes, Senior Vice Chancellor and CFO
Charles D. Wall, Assistant Vice Chancellor,
Investments, and Assistant CFO
Elmo M. Cavin, Executive Vice President
Michael Crowder, Associate Vice President for
Business Affairs
Lynda Gilbert, Vice President for Fiscal Affairs,
TTU
Charlie L. Stallings, Associate Vice President for
Fiscal Affairs, TTU
Nancy H. Whittaker, Assistant Vice President for
Fiscal Affairs and Comptroller, TTU

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

Mark Lindemood, Vice Chancellor for Institutional
Advancement
Greg Teeter, Legal Counsel for Institutional
Advancement

- IV.B.1.i. TTU: Accept major gift-in-kind to the Museum of Texas Tech University.—The board accepted the following gift-in-kind for the benefit of the Museum of Texas Tech University, as approved administratively by the president and the chancellor: 142 pieces of Native American art valued at \$255,577 from Mr. William Davies of Lubbock, Texas.
- IV.B.1.j. TTUS: Approve the addition of projects to the MP1 Report.—The board approved the addition of four projects to the Texas Tech University System MP1 Report submitted to the Texas Higher Education Coordinating Board. The projects are as follows: (1) Residence Hall with a project budget of \$20,000,000; (2) Honors College Academic Building with a project budget of \$20,000,000; (3) College of Engineering Laboratory Renovation/Expansion with a project budget of \$10,000,000; and (4) Biological Safety Laboratory Level 3 with a project budget of \$4,000,000. The request was approved administratively by the presidents and the chancellor.
- IV.B.1.k. TTUS: Ratify the engagement of The Sterling Group as an investment manager.—The board ratified the engagement of The Sterling Group as an alternative investment manager, on an

immediate basis, to comply with the asset allocation plan of the Long-Term Investment Fund as set forth by the Board of Regents, as recommended by the Investment Advisory Committee and approved by the Chair of the Board of Regents, the Chair of the Finance and Administration Committee, and the Chair of the Investment Advisory Committee. The investment was funded on May 21, 2003.

At its meeting on May 16, 2003, the Board of Regents approved the delegation of authority for the immediate hiring of investment managers, when needed, with subsequent ratification by the board at its next regular meeting.

- IV.B.1.i. TTUS: Ratify the engagement of GMO and The Boston Company as investment managers.—The board ratified the engagement of GMO and The Boston Company as international asset investment managers, on an immediate basis, to comply with the asset allocation plan of the Long-Term Investment Fund as set forth by the Board of Regents, as recommended by the Investment Advisory Committee and approved by the Chair of the Board of Regents, the Chair of the Finance and Administration Committee, and the Chair of the Investment Advisory Committee.

At its meeting on May 16, 2003, the Board of Regents approved the delegation of authority for the immediate hiring of investment managers, when needed, with subsequent ratification by the board at its next regular meeting.

- IV.B.1.m. TTUS: Approve amendments to Chapter 09, *Regents' Rules* (Investments, Endowments and Income Producing Lands).—The board approved the following recommendation, as approved administratively by the chancellor as required by board policy:

Amend Sections 09.02.13 and 09.02.14, *Regents' Rules* (Chapter 09, Investments, Endowments, and Income Producing Lands), as follows to allow investments in the international asset class to invest in stocks which fall under SEC Rule 144 (unregistered and restricted stock) and accurately depict the way investment managers are selected.

- (1) 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) Domestic Equity Managers, purchase of unregistered or restricted stock; and

“(2) limitations as may be provided by state law.”

(2) Amend Section 09.02.14 Investment Managers, paragraph b, as follows:

“b. The selection of investment managers shall be ratified by the board. A competitive ~~sealed proposal~~ process will be used to select those investment managers that best demonstrate the necessary competence and qualifications.”

IV.B.1.n. TTUS: Authorize continuance of the employer portion of group health plan for “current and former” Regents.—The board authorized that the employer’s required premium payments for a Regent participating in the group health coverage plan be continued provided that no lapse in coverage occurs for current and former Regents. The payment for these required premium payments will be made from Texas Tech University System Administration designated (“local”) funds.

Regent Newby 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 2003, 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, 2003 for fiscal year 2003; and
- (b) TTUHSC: Report dated May 31, 2003 for fiscal year 2003.

(2) TTU and 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.”

TTU:

- (a) Contract amendment for the relocation of the utilities in order to construct Marsha Sharp Freeway; 6/19/03; amendment amount of \$334,944; total contract amount \$1,664,934.38. The original item number is VI.E.1 in the minutes of the August 8, 2002 Board of Regents meeting; and
- (b) Contract amendment for the Campus Lighting Retrofit on various buildings; 2 amendments; original contract amount \$724,448; Amendment #1 increase \$426,716.70; amendment #2 increase \$105,699.60; total contract amount \$1,256,864.30.

TTUHSC:

- (c) Correctional Managed Health Care Advisory Committee; TDCJ Master contract; 9/1/01-8/31/03; \$73,963,210;
- (d) Childress Regional Medical Center; On-site TDCJ health care services for T.L. Roach Unit and Boot Camp; 9/1/02-8/31/03; \$1,179,922;
- (e) Pecos County Memorial Hospital; On-site TDCJ health care services for Lynaugh Unit; 9/1/01-8/31/03; \$1,230,264;
- (f) Cogdell Memorial Hospital; On-site TDCJ health care services for Price Daniel Unit; 9/1/01-8/31/03; \$1,126,624; and
- (g) Texas Department of Health; Increase in fee-for-service WIC Program contract; 10/1/02-9/30/03; \$1,953,189.

- (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) Banister, Melinda, D., M.D., Instructor/NTT; Surgery, Lubbock; 7/1/03-6/30/04; \$145,000;
- (b) *Carnes, Christina, M.D., Instructor/NTT; Pediatrics, Odessa; 4/15/03-8/31/03; \$120,000;
- (c) Coghlan, Michael Edward, M.D., Assistant Professor/NTT; Internal Medicine, Odessa; 7/1/03-8/31/04; \$130,000;
- (d) *Emmick, Robert H., M.D., Assistant Professor/NTT; Emergency Medicine, El Paso; 4/10/03-8/31/03; \$150,000;
- (e) Farrell, Tommie, M.D., Instructor/NTT; Family Medicine, Lubbock; 7/21/03-7/21/04; \$110,000;
- (f) *Figueroa-Casas, Juan B., M.D., Assistant Professor/NTT; Internal Medicine, El Paso; 6/1/03-8/31/03; \$145,000;
- (g) Frezza, Eldo, M.D., Associate Professor/TT; Surgery, Lubbock; 6/15/03-6/14/04; \$200,000;
- (h) *Huang, Shih-Jwo, M.D., Ph.D., Assistant Professor/NTT; Pathology, El Paso; 7/1/03-8/31/03; \$140,000;
- (i) Kokash, Fares, M.D., Assistant Professor/NTT; Pediatrics, El Paso; 9/1/03-8/31/04; \$105,000;
- (j) LaCroix, Michel, M.D., Assistant Professor/NTT; Surgery, El Paso; 7/1/03-8/31/04; \$350,000;
- (k) Lund, Jon D., M.D., Assistant Professor/NTT; Ob/Gyn, Amarillo; 7/1/03-8/31/04; \$170,000;
- (l) *Nutis, Dinorah J., M.D., Assistant Professor/NTT; Internal Medicine, El Paso; 7/1/03-8/30/03; \$110,000;

- (m) Schutt, Robert C., M.D., Associate Professor/TT; Orthopaedic Surgery, Lubbock; 10/19/03-8/31/05; \$325,000;
- (n) Scott, Robert, M.D., Instructor/NTT; Pediatrics, Lubbock; 7/1/03-8/31/05; \$125,000;
- (o) Shariffi, Seyed Mohsen, M.D., Associate Professor/NTT; Internal Medicine, Odessa; 5/1/03-8/31/04; \$250,000;
- (p) Shi, Bing, M.D., Ph.D., Assistant Professor/TT; Anesthesiology, Lubbock; 7/1/03-8/31/04; \$180,000;
- (q) *Smith, Jennifer, M.D., Instructor/NTT; Dermatology, Lubbock; 7/1/03-8/31/03; \$180,000; and
- (r) Viesca, Carlos, M.D., Instructor/NTT; Anesthesiology, Lubbock; 8/1/03-8/31/04; \$170,000.

*Faculty contracts may be automatically renewed in FY 2004.

The motion was seconded and passed unanimously.

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

- V. OPEN SESSION. – The board continued in open session to meet concurrently with its Standing Committees.

- VI. MEETINGS AND REPORTS OF STANDING COMMITTEES.—At approximately 2:21 p.m., at the direction of Chairman Black, the board recessed into meetings of its Standing Committees, which were conducted sequentially in open session. Chairman Black also stated that committee reports to the full board for its consideration would be presented at the conclusion of the respective committee meeting.

The Finance and Administration Committee met from approximately 2:21 p.m. until approximately 3:01 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas; the Academic, Clinical and Student Affairs Committee met from approximately 3:02 p.m. until approximately 3:18 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas; and the Facilities Committee met from approximately 3:19 p.m. until approximately 3:27 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas.

VI.A. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee met from approximately 2:21 p.m. until approximately 3:01 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas.

Chairman Black stated that due to a lack of a quorum of the Finance and Administration Committee members, the matters on the Finance and Administration Committee agenda would be considered by the Board of Regents as a Committee of the Whole, and announced that for the purpose of facilitating action on these items, Regent Barth would preside over the presentation of the Finance and Administration Committee agenda items. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were approved in open session and without objection by the Board of Regents of the Texas Tech University System.

VI.A.1. TTUSA, TTU and TTUHSC: Approve FY 2004 operating budgets.

- a. TTUSA: Approve FY 2004 operating budget.—Mr. Brunjes presented the item to approve the Texas Tech University System Administration FY 2004 operating budget, a summary of which is included herewith as Attachment No. 2. In addition, it was recommended that the board appropriate 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 2004 operating budget.—Dr. Gilbert presented the item to approve the Texas Tech University FY 2004 operating budget, a summary of which is included herewith as Attachment No. 3. In addition, it was recommended that the board appropriate 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 2004 operating budget.—Mr. Cavin presented the item to approve the Texas Tech University Health Sciences Center FY 2004 operating budget, a summary of which is included herewith as Attachment No. 4. In addition, it was recommended that the board appropriate the fund balances of income generating accounts for specific activities usually supported by the accounts unless otherwise appropriated by the board.

Following discussion, Regent Barth moved that the board approve the FY 2004 operating budgets for the System Administration, Texas Tech University and Texas Tech University Health Sciences Center, as presented, and appropriate the fund balances of income generating accounts for specific activities usually supported by the accounts unless otherwise appropriated by the board. The motion was seconded and passed unanimously.

The board further recommended that the two new presidents of the University and the Health Sciences Center, with consultation from the chancellor, have an opportunity to review the budgets and report to the board at its October meeting any areas of the budget that may provide potential savings.

- VI.A.2. TTUHSC: Approve modification of endowment for the Department of Neuropsychiatry and Behavioral Science.—Mr. Cavin presented the item to approve that the Giles C. McCrary Endowment be modified and combined with the Giles McCrary Endowed Professorship in Medical/Surgical Neurology and the earnings from the Ershel A. Franklin Endowment and renamed the “Giles McCrary Endowed Chair in Addiction Medicine,” which shall be used to support the recruitment of a distinguished scholar in addiction medicine.

The Giles C. McCrary Endowment had a balance of \$289,625.20 as of June 23, 2003. Modification of the account, therefore, must be approved by the Board of Regents pursuant to Operating Policy and Procedure 02.08.4.

Following discussion, Regent Barth moved that the board approve the modification of the Giles C. McCrary Endowment and renaming the endowment the “Giles C. McCrary Endowed Chair in Addiction Medicine” in the Department of Neuropsychiatry and Behavioral Sciences at the Health Sciences Center. The motion was seconded and passed unanimously.

- VI.A.3. TTUS: Authorize consulting agreement to design and implement a communications program.—Mr. Brunjes presented the item to authorize the chancellor to negotiate and enter into an agreement to engage a consultant to design and implement a communications program targeted to alumni business and professional leaders, Texas business and professional leaders and national audiences. The term of the agreement will be October 2003 through June 2004. The anticipated cost is approximately \$125,000 plus expenses.

Opportunity for discussion followed the presentation. Regent Barth moved that the board authorize the chancellor to enter into an agreement engaging a consultant to design and implement a communications program targeted to alumni business and professional leaders, Texas business and professional leaders and national audiences. The motion was seconded and passed unanimously.

- VI.A.4. TTUS/TTU/TTUHSC: Approve amended and restated Ninth Supplemental Resolution to the Master Resolution of the Revenue Financing System.—Mr. Brunjes presented the item to approve the amended and restated Ninth Supplemental Resolution to the Master Resolution, included herewith as Attachment No. 5, authorizing the issuance, sale, and delivery of up to \$110,000,000 of Board of Regents of Texas Tech University Revenue Financing System Bonds, Ninth Series (2003) and approving and authorizing instruments and procedures relating thereto.

It was further recommended that the Board of Regents:

- (i) designate UBS Paine Webber Inc. as senior managing underwriter for the issuance of the proposed bonds;
- (ii) select the firm of Delgado, Acosta, Braden & Jones, P.C. to serve as Bond Counsel; and
- (iii) designate a Pricing Committee composed of the following individuals:
 - David R. Smith, Chancellor
 - Jim Brunjes, Chief Financial Officer
 - Charlie Wall, Assistant Chief Financial Officer

and authorize the Pricing Committee to negotiate with the senior managing underwriter acting on behalf of the other investment banking firms to assure that the bonds are sold on the most advantageous terms to the Board.

Further, it was recommended that the Board of Regents authorize the Pricing Committee to establish the aggregate principal amount of the Texas Tech University Revenue Financing System Bonds, Ninth Series (2003), in an amount not to exceed \$110,000,000 which shall be sufficient to provide for:

- (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for Texas Tech University and Texas Tech University Health Sciences Center, and
- (ii) paying the costs relating to the issuance of the bonds.

Following discussion, Regent Barth moved that the board approve the amended and restated Ninth Supplemental Resolution to the Master Resolution authorizing the issuance, sale and delivery of up to \$110 million of Board of Regents bonds Ninth Series 2003 and approve the further recommendations as presented relating to designation of a senior managing underwriter, selection of bond counsel firm and designation of a pricing committee and its responsibilities. The motion was seconded and passed unanimously.

VI.B. REPORT OF THE ACADEMIC, CLINICAL AND STUDENT AFFAIRS COMMITTEE

The Academic, Clinical and Student Affairs Committee met from approximately 3:02 p.m. until approximately 3:18 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas. At the conclusion of the committee meeting, Chairman Black called on Regent Lopez, Chair of the committee, to give the committee's report.

Committee Chairman Lopez 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 the 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 the Texas Tech University System.

VI.B.1. TTU: Approve appointments with tenure.—The board approved granting tenure to the following faculty of Texas Tech University, contemporaneously with their appointments:

Bill Hase, new Welch Chair professor in the Department of Chemistry and Biochemistry, College of Arts and Sciences. Professor Hase is currently a Distinguished Professor at Wayne State University, Detroit, Michigan;

Bennett Neiman, new associate professor in the College of Architecture. Professor Neiman is currently a tenured professor at the University of Colorado at Denver;

Andrew Swift, new Director, Wind Science and Engineering Research Center and professor in the Department of Civil Engineering, College of Engineering. Professor Swift is currently a tenured professor at the University of Texas at El Paso; and

Alice Young, new professor in the Department of Psychology, College of Arts and Sciences. Professor Young is currently a tenured professor at Wayne State University, Detroit, Michigan.

VI.B.2. TTU: Approve submission of the proposal for the College of Mass Communications to the Texas Higher Education Coordinating Board.—The board approved the proposal for creation of the College of Mass Communications and authorized submission, by the Office of the Provost, to the Texas Higher Education Coordinating Board seeking its approval for such a college.

Implementation of this new college will require reclassification of four faculty members and three staff positions. The cost of operations for the college will be reallocated from the College of Arts and Sciences to the College of Mass Communications. Other costs will be borne by donors identified by the Director of the School of Mass Communications. A new college will not be created until such donor commitments are in place.

- VI.B.3. TTU: Approve Honors Arts and Letters degree in the Honors College.—The board approved the new degree program for an Honors Arts and Letters in the Honors College and authorized submission, by the Office of the Provost, to the Texas Higher Education Coordinating Board seeking its approval for such a program

Resources required for the implementation of this degree are available from (1) one FTE faculty member already employed by the Honors College, whose energies will be directed toward this program, and (2) the generation of course fees appropriate for the delivery of courses in this program.

- VI.B.4. TTUHSC: Approve expansion of the Doctor of Pharmacy program.—The board (i) approved the expansion of the School of Pharmacy's Doctor of Pharmacy ("Pharm.D.") program to offer a 4-year satellite program in the Dallas/Fort Worth Metroplex region, and (ii) authorized the chancellor to cause a proposal to be submitted to the Texas Higher Education Coordinating Board seeking approval for expansion of such a program.

Concurrent with the establishment of the satellite program, the entry class size would be increased from the current 78 students admitted to the main program in Amarillo, to approximately 78 students for the DFW and 78 students for Amarillo, resulting in a total Pharm.D. entry class size of 156.

The first two professional years of the Metroplex satellite program is envisioned as receiving simultaneous courses with the Amarillo program by deploying faculty on all campuses (Amarillo, DFW, El Paso and Lubbock) via distance education technology. Additional faculty will be hired for both the satellite and main programs to provide those course and clinical requirements that cannot be delivered via distance education. However, no new state appropriations will be requested during FY04/05 to implement this program.

- VI.B.5. TTUHSC: Approve physician employment agreement.—The board approved a three-year physician employment agreement for Robert Schutt, M.D., a newly recruited pediatric orthopaedic surgeon for the Department of Orthopaedic Surgery.

Dr. Robert Schutt has recently been recruited to serve as an Associate Professor in the Department of Orthopaedic Surgery. He is specialized in pediatric orthopaedic surgery.

VI.C. REPORT OF THE FACILITIES COMMITTEE

The Facilities Committee met from approximately 3:19 p.m. until approximately 3:27 p.m. in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas. At the conclusion of the committee meeting, Chairman Black called on Regent Robert Brown, Chair of the committee, to give the committee's report.

Committee Chairman Brown 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 the 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 the Texas Tech University System.

- VI.C.1. TTUHSC: Approve planning budget for the El Paso Medical School.—The board authorized the Office of Facilities Planning and Construction to establish a planning budget of \$2,250,000 (funded with \$1,250,000 in HSC HEAF and \$1,000,000 in El Paso MPIP) in order to plan, program, and design the El Paso Medical School facility. The expected project budget is \$45,000,000. The board also authorized the Office of Facilities Planning and Construction to select a design professional to plan, program, and design the project and prepare an estimate of probable cost, and to select a Construction Manager-at-Risk for pre-construction services to assist with the design and cost estimating process.
- VI.C.2. TTU: Approve naming of gallery at the Museum of Texas Tech University.—The board approved naming a gallery of Southwest Indian Art at the Museum of Texas Tech University the “William and Evelyn M. Davies Gallery of Southwest Indian Art” in honor of William and Evelyn M. Davies.
- Mr. William Davies has given 142 items in a Native American art collection appraised at \$255,577. Mrs. Evelyn M. Davies has given 201 items in a Native American art collection appraised at \$226,090. They have also jointly given four items in a Native American art collection appraised at \$7,150, and have jointly donated stock valued at approximately \$400,000. These funds will be used to renovate existing space to create a Gallery of Southwest Indian Art to house the collection.
- VI.C.3. TTUS: Report on Office of Facilities Planning and Construction projects.—The board accepted the report on the Office of Facilities

Planning and Construction, a summary of which is included herewith as Attachment No. 6.

VII. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 3:27 p.m. on Friday, August 8, the board reconvened in open session in Rooms 1 and 2, Second Floor, McInturff Conference Center, 602 Indiana Avenue, Lubbock, Texas, to consider items as the Committee of the Whole and Meeting of the Board of Regents.

VII.A. COMMITTEE OF THE WHOLE

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

VII.A.1. TTUS: Approve appointment of members to the Board of Directors of Texas Tech Foundation, Inc.—Mr. Brunjes presented the item to approve the appointment of the following nine individuals to the Board of Directors of Texas Tech Foundation, Inc., whose terms of service will be from September 1, 2003 to August 31, 2006: Wick Alexander, Jack Hightower, Lance Hughes, Richard Ligon, Randall Morris, John Owens, Betsy Triplett-Hurt, David Webber and Lea Wright.

Mr. Brunjes noted that the appointments are for renewals of service for a three-year term. Their reappointment will provide continuity on the Foundation board.

Opportunity for discussion followed the presentation. Regent Newby moved that the board approve the appointment of members to the Board of Directors of Texas Tech Foundation, Inc. The motion was seconded and passed unanimously.

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

VII.B. REPORT OF EXECUTIVE SESSION

Chairman Black called on Vice Chair Newby to present motions regarding items discussed in Executive Session.

Regent Newby moved that the board authorize the general counsel or his designee to resolve the litigation discussed in Executive Session within the

parameters set by the board. The motion was seconded, and passed unanimously.

Regent Newby also moved that board formally approve extending Dr. Smith's employment contract to August 8, 2006. Regent Newby noted that this motion is a reflection of the board's confidence in Dr. Smith and its appreciation of the great job that the chancellor is doing on behalf of the System and both universities. The motion was seconded, and passed unanimously.

VII.C. REPORT ON HISTORICALLY UNDERUTILIZED BUSINESSES.—Chairman Black called on Mr. Brunjes, who presented the report on historically underutilized businesses, included herewith as Attachment No. 7.

VII.D. SCHEDULE FOR BOARD MEETINGS.—Mr. Ben Lock presented the following schedule for future board meetings: October 2-3, 2003, Lubbock; December 18-19, 2003, Lubbock; February 26 (workshop/retreat) -27, 2004, Lubbock; and May 13-14, 2004, Lubbock.

VII.E. THE PRESIDENT'S REPORT, TTU.—Chairman Black called on Interim President Haragan, who presented the President's Report, included herewith as Attachment No. 8.

VII.F. THE PRESIDENT'S REPORT, TTUHSC.—Chairman Black called on President Wilson, who presented the President's Report, included herewith as Attachment No. 9.

VII.G. CHANCELLOR'S REPORT.—Chairman Black called on Chancellor Smith, who presented the Chancellor's Report, included herewith as Attachment No. 10.

VII.H. CHAIRMAN'S ANNOUNCEMENTS.—Chairman Black announced the resignation of Regent David Lopez from the Texas Tech University System Board of Regents. Chairman Black thanked Regent Lopez for his time, commitment and effort for serving as Chair of the Advisory Committee for the Health Sciences Center presidential search and for serving with Regent Newby on the Texas Tech University presidential search committee.

Regent Lopez expressed his appreciation for the opportunity to serve Texas Tech as a member of the Board of Regents. He noted that it had been a privilege to serve on the board during a time of growth and progress for Texas Tech and complimented the strength of Tech's excellent administrative and

academic leadership and its positive impact on Tech's current, and future, growth.

Chairman Black announced that a retreat session had been scheduled to discuss the newly-authorized tuition flexibility, state funding results, and the U.S. Supreme Court decisions upholding affirmative action and admission policies. In view of the lateness of the hour, Chairman Black stated that the discussion session was postponed to a subsequent meeting.

- VII.I. ADJOURNMENT.—Regent Brown moved that the meeting be adjourned. The motion was seconded and passed unanimously. Chairman Black adjourned the meeting at approximately 4:05 p.m.

INDEX OF ATTACHMENTS

Attachment 1	TTUHSC Budget Adjustments for the period April 1, 2003 through June 30, 2003
Attachment 2	TTUSA FY 2004 Summary Operating Budget
Attachment 3	TTU FY 2004 Summary Operating Budget
Attachment 4	TTUHSC FY 2004 Summary Operating Budget
Attachment 5	TTUS, TTU, TTUHSC Amended and Restated Ninth Resolution to the Master Resolution
Attachment 6	TTUS Report on the Office of Facilities Planning and Construction projects
Attachment 7	TTUS Report on Historically Underutilized Businesses
Attachment 8	TTU President's Report
Attachment 9	TTUHSC President's Report
Attachment 10	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 August 8, 2003.

Ben Lock
Secretary

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