

TEXAS TECH UNIVERSITY SYSTEM
Lubbock, Texas

Minutes

Board of Regents
August 16-17, 2004

Monday, August 16, 2004.—The members of the Board of Regents of the Texas Tech University System convened at 10:00 a.m. on Monday, August 16, 2004, at the Firewater Café, 4701 112th Street, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were C. Robert Black, Chairman; Brian C. Newby, Vice Chair; Carin Barth; E. R. “Dick” Brooks; F. Scott Dueser; L. Frederick “Rick” Francis; J. Frank Miller, III; Windy Sitton; and Bob L. Stafford.

Also participating at the opening of the meeting were Dr. David R. Smith, Chancellor, TTU System; Dr. Jon Whitmore, President, Texas Tech University; Dr. M. Roy Wilson, President, Texas Tech University Health Sciences Center; Mr. Ben Lock, Senior Vice Chancellor, TTUS, and Secretary of the Board of Regents; Dr. Terrence MacTaggart, AGB facilitator; and Ms. 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.A. RETREAT.—The board met as a Committee of the Whole in a workshop/retreat forum for board education and training regarding higher education governing board best practices at which no action was taken.

- II.B. RECESS TO EXECUTIVE SESSION.—At approximately 1:02 p.m., at the direction of Chairman Black, the board recessed and convened in Executive Session as authorized by Chapter 551 of the *Texas Government Code*.

- II.C. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 4:52 p.m., the board reconvened in open session at the Firewater Café, 4701 112th Street, Lubbock, Texas, for the purpose of continuing board education and training in a workshop/retreat forum.

RECESS.—The board recessed from the workshop/retreat at 5:10 p.m.

CALL TO ORDER AND RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 7:35 p.m., the board reconvened in open session at the Chancellor's Suite, Jones SBC Stadium, Boston Avenue and Sixth Street, Lubbock, Texas, for the purpose of continuing board education and training in a workshop/retreat forum at which no action was taken. The following were in attendance:

ATTENDANCE. –

Regents present were C. Robert Black, Chairman; Brian C. Newby, Vice Chair; Carin Barth; E. R. "Dick" Brooks; F. Scott Dueser; L. Frederick "Rick" Francis; J. Frank Miller, III; Windy Sitton; and Bob L. Stafford.

Also participating were Dr. David R. Smith, Chancellor, TTU System; Dr. Jon Whitmore, President, Texas Tech University; Dr. M. Roy Wilson, President, Texas Tech University Health Sciences Center; Mr. Richard Butler, Senior Vice Chancellor, TTUS; Mr. Ben Lock, Senior Vice Chancellor, TTUS, and Secretary of the Board of Regents; Dr. John Opperman, Vice Chancellor for Policy and Planning, TTUS; Mr. Mark Lindemood, Vice Chancellor for Institutional Advancement, TTUS; Ms. Lynn Denton, Associate Vice Chancellor for Communications and Marketing, TTUS; Dr. Terrence MacTaggart, AGB facilitator; Ms. Casey Turner and Ms. Donna Van de Water, Lipman Hearne, Inc; and Ms. Lucy Lanotte, Executive Secretary to the Board of Regents.

II. RECESS.—The board recessed from the workshop/retreat at 9:00 p.m.

Tuesday, August 17, 2004.—The members of the Board of Regents of the Texas Tech University System reconvened at 9:22 a.m. on Tuesday, August 17, 2004, in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were C. Robert Black, Chairman; Brian C. Newby, Vice Chair; Carin Barth; E. R. "Dick" Brooks; F. Scott Dueser; L. Frederick "Rick" Francis; J. Frank Miller, III; Windy Sitton; and Bob L. Stafford.

Also participating at the opening of the meeting were Dr. David R. Smith, Chancellor, TTU System; Dr. Jon Whitmore, 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; Dr. John Opperman, Vice Chancellor for Policy and Planning, TTUS; Mr. Mike Ellicott, Vice Chancellor for Facilities Planning and Construction, TTUS; Mr. Mike Sanders, Vice Chancellor for Governmental Relations, TTUS; Mr. Mark Lindemood, Vice Chancellor for Institutional Advancement, TTUS; Ms. Lynn Denton, Associate Vice Chancellor for Communications and Marketing, TTUS; Mrs. Kim Turner, Managing Director, Office of Audit Services, TTUS; Mr. Michael Phillips, Chief Information Officer, TTUS; Dr. William Marcy, Provost, TTU; Dr. Thomas Anderes, Senior Vice President for Administration and Finance, TTU; Dr. Michael Shonrock, Vice President for Student Affairs, TTU; Dr. Robert Sweazy, Vice President for Research, Technology Transfer and Economic Development, TTU; Mr. Max Hinojosa, Vice President for Operations, TTU; Mr. Elmo Cavin, Executive Vice President for Administration and Finance, TTUHSC; Dr. Roderick Nairn, Executive Vice President for Academic Affairs, TTUHSC; Mr. Mitchell Moses, President, Student Government Association, TTU; and Ms. Lucy Lanotte, Executive Secretary to the Board of Regents.

IV. CALL TO ORDER AND RECONVENING INTO OPEN SESSION.—Chairman Black announced a quorum present and called the meeting to order.

V. INTRODUCTIONS AND RECOGNITIONS.—Chairman Black called on Dr. Smith who welcomed Mrs. Kim Turner, the new Managing Director of Audit Services. Mrs. Turner succeeded Mrs. Fran Grogan who was acknowledged for her years of service to the university. Dr. Smith also introduced Chas Semple, Special Assistant to the Chancellor/Governmental Relations.

Dr. Wilson introduced Dr. German Nunez, the new Vice President for Diversity and Multicultural Affairs. Dr. Wilson also introduced Ms. Angila Faison, the new Vice President for Communications and Marketing.

Dr. Whitmore introduced Dr. Thomas Anderes, the new Senior Vice President for Administration and Finance; Dr. Juan Munoz, the new Special Assistant for Diversity for Texas Tech University; Mr. Stephen Hutcheson and Mr. Richard Lombardini, Texas Tech graduate students who were selected to represent the university this summer at the 54th Meeting of Nobel Laureates and Students in Lindau, Germany.

Chairman Black acknowledged Dr. David Smith's recent appointment to the National March of Dimes Birth Defects Foundation Board of Trustees.

II. EXECUTIVE SESSION.—The board did not recess into Executive Session, but continued meeting in open session.

VII. OPEN SESSION.—At approximately 9:33 a.m. on Tuesday, August 17, the board continued meeting in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, to consider items as a board and in the Committee of the Whole.

VII.A. APPROVAL OF MINUTES.—Regent Newby moved that the minutes of the board meeting held on May 13-14, 2004 be approved. Regent Francis seconded the motion, and the motion passed unanimously.

VII.B. COMMITTEE OF THE WHOLE

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

VII.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:

VII.B.1.a. 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 Susan Saab Fortney, professor, School of Law, for the period January 16, 2005 through May 30, 2005. Professor Fortney will benefit from this by seeing the internal workings of another law school. Her experience and reputation as an expert in law firm governance with partners in large law firms with offices in New York City. This leave will be taken in New York, New York;

Leave without pay for Victor Shubov, professor, College of Arts and Sciences, for the period September 1, 2004 through May 31, 2005. The purpose of this leave is to collaborate with researchers at Colby College in partial differential equations and fluid dynamics. This leave will be taken in Colby College, Maine;

Leave without pay for Marianna Shubov, professor, College of Arts and Sciences, for the period September 1, 2004 through May 31, 2004. The purpose of this leave is to collaborate with researchers at the University of New Hampshire in mathematical aspects of

aircraft engineering focusing on wing flutter control. This leave will be taken in Durham, New Hampshire;

Leave without pay for Michael Willig, professor, College of Arts and Sciences, for the period January 16, 2005 through January 15, 2006. Dr. Willig will assume duties as Director of Environmental Biology at the National Science Foundation. This will enhance his knowledge of the federal grants program and funding opportunities. This leave will be taken in Arlington, Virginia;

Leave without pay for Song Yang, professor, College of Arts and Sciences, for the period September 1, 2004 through May 31, 2005. The purpose of this leave is to collaborate with researchers at the National Institute of Health and make contacts which will increase chances of future funding. This leave will be taken in Bethesda, Maryland;

Faculty development leave with salary for Dr. Bruce Daniels, professor, Department of History in the College of Arts and Sciences, from January 12, 2005 to May 31, 2005. Dr. Daniels was awarded the Nikolay Sivachev Fulbright Chair of History at Moscow State University. This leave will be taken in Moscow, Russia;

Faculty development leave with salary for Dr. James Bogle, professor, School of Music in the College of Visual and Performing Arts, from September 1, 2004 to December 31, 2004, to write text and develop a course on the History of the Guitar. This leave will be taken in Lubbock, Texas;

Faculty development leave with salary for Dr. Laura J. Beard, associate professor, Department of Classical and Modern Languages and Literatures in the College of Arts and Sciences, to work an academic year at the University of Alberta, in Canada, doing research and writing a book manuscript, on narratives about the Indian boarding school/residential school experience in the United States and Canada. This leave will be taken at the University of Alberta in Canada and be part of a Fulbright grant. This leave was originally scheduled to be taken from September 1, 2004 to May 31, 2005 and was previously approved by the Board of Regents at its December 19, 2003 board meeting; the leave has been rescheduled to be taken from September 1, 2005 to May 31, 2006; and

Faculty development leave with salary for Dr. Michael C. Stoune, professor, School of Music, College of Visual and Performing Arts, to follow a flute band in its preparation and presentation of a

program for the Band Championship of Ireland in October 2005. He plans to video interviews, rehearsals, and performances to provide a documentary of this group. He will also visit other bands in the country to enrich his understanding of this rich social/cultural phenomenon. This leave will be taken in Northern Ireland. This leave was originally scheduled to be taken from September 1, 2004 to December 31, 2004 and was previously approved by the Board of Regents at its December 19, 2003 board meeting; the leave has been rescheduled to be taken from September 1, 2005 to December 31, 2005.

- VII.B.1.b. TTU: Approve addition of delivery at a distance for five degree programs.—The board approved (i) the delivery of the following four master’s degree programs and one baccalaureate program, previously approved and currently being offered in a traditional format, to be offered through distance delivery modes, and (ii) authorized the chancellor to cause a proposal to be submitted to the Texas Higher Education Coordinating Board seeking approval for delivery of such programs at a distance, as approved administratively by the president and the chancellor.

College of Agricultural Sciences and Natural Resources
Master of Agriculture
Master of Science in Crop Science
Master of Science in Horticulture
Bachelor of Science in Horticulture

College of Education
Master of Education in Language Literacy Education

- VII.B.1.c. TTU and TTUHSC: Approve delegation of authority to approve changes in method of delivery of degree programs.—The board approved delegating to the Provost, TTU, and to the Executive Vice President for Academic Affairs, TTUHSC, the authority to approve changes in method of delivery for currently approved degree programs at the baccalaureate and master’s level, as approved administratively by the presidents and the chancellor.

- VII.B.1.d. TTUHSC: Approve revision of School of Nursing undergraduate admission criteria.—The board approved the revised School of Nursing undergraduate admission criteria to remove the Nurse Entrance Test as a factor to consider in making admission decisions as approved administratively by the president and the chancellor.

- VII.B.1.e. TTUHSC: Approve renewal of consulting agreement.—The board (i) approved the renewal of a consulting agreement between Texas Tech University Health Sciences Center (“TTUHSC”) and Ron Jackson

(“Consultant”) to provide insight and expertise into correctional organizations and operations for which TTUHSC provides medical services, including but not limited to, the Texas Department of Criminal Justice and the Texas Youth Commission, as approved administratively by the president and the chancellor.

TTUHSC previously contracted with Ron Jackson from April 1, 1997 through March 1, 2003, and from September 1, 2003 through August 31, 2004. The term of the renewal contract will be September 1, 2004 through August 31, 2005, for a total contract amount of \$15,000.

- VII.B.1.f. TTU: Approve contract between Texas Tech University and the City of Lubbock to provide student transportation services.—The board approved the contract with the City of Lubbock (Citibus) and City Transit Management Company to provide on-campus and off-campus student transportation services for the period of September 1, 2004 through August 31, 2005 as approved administratively by the president and the chancellor.

The annual contract amount will be \$1,860,272, plus additional amounts due if the service is utilized during football games, men’s basketball games, women’s basketball games, and additional University events as requested by the University.

- VII.B.1.g. TTU: Approve budget adjustments for the period April 1, 2004 through June 30, 2004.—The board approved budget adjustments for the period April 1, 2004 through June 30, 2004, included herewith as Attachment No. 1, as approved administratively by the president and the chancellor.

- VII.B.1.h. TTUHSC: Approve budget adjustments for the period April 1, 2004 through June 30, 2004.—The board approved budget adjustments for the period April 1, 2004 through June 30, 2004, included herewith as Attachment No. 2, as approved administratively by the president and the chancellor.

- VII.B.1.i. TTUSA, TTU and TTUHSC: Approve delegation of signature authority.—The board approved the delegation of signature authority to include newly-hired employees, in accordance with the following requests approved administratively by the presidents and the chancellor:

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

- (2) To authorize the chancellor to designate officers and employees of the university to approve all travel of employees of the Texas Tech University System Administration, 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, 2004, and to continue until August 31, 2005, or until such time as they are separated from the university or assigned other responsibilities, which ever comes first.
- (3) 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 the Texas Tech University System Administration, 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, 2004, and to continue until August 31, 2005, or until such time as they are separated from the university or assigned other responsibilities, whichever comes first.
- (4) To authorize the president, TTU, 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, 2004 and to continue until August 31, 2005 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 Texas Tech University's Cashier's Account, effective September 1, 2004 and to continue until August 31, 2005, 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 previously approved and including the individual listed below who may sign:

Tom Anderes, Senior Vice President for Administration
and Fiscal Affairs

- (5) To sign and/or countersign cashier's checks drawn on the university's Cashier's Account, effective September 1, 2004, and to continue until August 31, 2005 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 in addition to those previously approved:

Tom Anderes, Senior Vice President for
Administration and Fiscal Affairs

- (2) To authorize transfer by wire or other means, of funds between Texas Tech University depositories, effective September 1, 2004, and to continue until August 31, 2005, 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 in addition to those previously approved:

Tom Anderes, Senior Vice President for
Administration and Fiscal Affairs

- (3) 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 previously approved and including the individual listed below, effective September 1, 2004, and to continue until August 31, 2005, or until such time as they are separated from the university or assigned other duties or responsibilities:

Tom Anderes, Senior Vice President for Administration
and 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 president, TTUHSC, 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, 2004, and to continue until August 31,

2005, 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, 2004, and to continue until August 31, 2005, 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 previously approved and including the individuals listed below who may sign:

Michael Hooten, Assistant Vice President for Fiscal Affairs, Amarillo

Larry Elkins, Assistant Vice President for Fiscal Affairs, El Paso

William Finical, Assistant Vice President for Fiscal Affairs, Odessa

- (10) To authorize transfer, by wire or other means, of funds between Texas Tech University Health Sciences Center depositories, effective September 1, 2004, and to continue until August 31, 2005, or until such time as they are separated from the Texas Tech University System or assigned other responsibilities, whichever comes first.

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 previously approved, effective September 1, 2004, and to continue until August 31, 2005, or until such time as they are separated from the Texas Tech University System or assigned other duties of responsibilities, whichever comes first:

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 employees previously approved.

- VII.B.1.j. TTUS: Approve commissioning of police officers.—The board approved the commissioning of the following individuals as police officers, effective on the dates indicated below, as approved administratively by the chancellor:
- Jeffrey Lane Rolan, effective June 1, 2004;
 - John Hampton Barber, effective June 14, 2004;
 - Gary Lynn Bones, Jr., effective June 14, 2004;
 - Ronald Dean Digby, Jr., effective June 14, 2004; and
 - Eric D. Gammon, effective July 12, 2004.
- VII.B.1.k. TTU: Approve amendment to lease with United States Department of Agriculture.—The board authorized the president to negotiate an amendment to the current lease with the United States Department of Agriculture (“USDA”) for an additional 0.25 acres, as noted on the map, included herewith as Attachment No. 3, as approved administratively by the president and the chancellor.
- VII.B.1.l. TTU: Approve the revised Five-Year Capital Projects Plan and ratify the MP1/Capital Expenditure Plan Report submitted to the Texas Higher Education Coordinating Board.—The board approved the revised Texas Tech University Five-Year Capital Projects Plan, included herewith as Attachment No. 4, and ratified the MP1/Capital Expenditure Plan Report submitted to the Texas Higher Education Coordinating Board for Texas Tech University as approved administratively by the president and the chancellor.
- VII.B.1.m. TTUHSC: Authorize negotiation of a Right of Access Agreement for Texas Tech Medical Center Southwest.—The board authorized the president to negotiate a Right of Access agreement with Citizens Bank, as approved administratively by the president and the chancellor. Citizens Bank purchased property adjacent and north of the Texas Tech Medical Center Southwest frontage along Quaker Avenue and proposes to construct a bank building while using a temporary building.
- VII.B.1.n. TTUHSC: Ratify action of Executive Committee authorizing contract amendment to consider the implications and process for a possible name change for the Texas Tech University Health Sciences Center.—The board approved an amendment to the existing agreement with Lipman Hearne that would provide for a marketing study of the implications and process for a possible name change for the Texas Tech University Health Sciences Center (“TTUHSC”), as approved administratively by the president and the chancellor.

The marketing study will evaluate the pros and cons of any name change including test marketing of any proposed change. The project will have as a goal to provide the president, chancellor, and the Board of Regents with appropriate information prior to the approval and initiation of any name change. The estimated cost of the study is \$30,000 and will be funded by TTUHSC funds.

- VII.B.1.o. TTUS: Approve amendments to Chapter 01, *Regents' Rules*, regarding the Audit Committee as a Standing Committee of the Board of Regents.—The board approved an amendment to the Bylaws of *The Rules and Regulations of the Board of Regents of the Texas Tech University System*, Section 01.01.8, Board committees, related to the establishment of the Audit Committee, as noted below, as approved administratively by the chancellor.

Currently, the Audit Committee is listed in the Bylaws as a special committee of the Board of Regents. It was established as a Standing Committee and should be correctly listed in that section of the Bylaws. The proposed amendment would move the listing of the Audit Committee and its responsibilities to the Standing Committee section (Section 01.01.8.c.) of the Bylaws. Additionally, as a result of the establishment of the Audit Committee, certain responsibilities previously listed under the Finance and Administration Committee have been assumed by the Audit Committee. The proposed amendment reflects the transfer of these responsibilities from the Finance and Administration Committee.

- (1) Amend the following subparagraphs of Section 01.01.8.c(3), Finance and Administration Committee, as follows:
- (d) all administrative matters relating to affirmative action and equal employment opportunity, central computing services, communication services, purchasing and contracting, office services, financial administration of grants, accounting services, personnel, budgeting, cash management, investments, water management, ~~internal audit~~, police operations, and all parts thereof;
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- (g) review of all private fund-raising activities for the TTU system and make recommendations that will ensure coordination of all private fundraising functions including any funds used to supplement the salary of any TTU system employee; and
 - (h) ~~all audits and the subsequent review of audit findings; and~~

(2) Add new Section 01.01.8.c(4), Audit Committee, as follows, and change current subparagraph (4), Executive Committee, to subparagraph (5):

(4) Audit Committee. The Audit Committee shall have five members. The committee shall assure that the board maintains direct access to both internal and external audits of the TTU system. The Audit Committee shall recommend to the board guidelines for the operation of the committee and the auditing functions throughout the TTU system. The director of Internal Audits shall be responsible to the board through the Audit Committee. The committee shall:

(a) provide oversight of the internal and external audits;

(b) make recommendations for the selection of external auditors;

(c) review the scope of audits;

(d) provide guidance for the director of Internal Audits on risk assessment and audit plans;

(e) review the findings of all external auditors; and

(f) review system-wide risk assessment evaluations and plans to address the identified significant risk functions.

No later than August 1 of each year, the Audit Committee-approved annual audit plan will be presented to the board for approval. Audits of the Office of the Board of Regents shall be the responsibility of the full board.

(5) (4) Executive committee. The executive committee shall consist of the chair and vice chair of the board and the standing committee chairs. The committee shall consider items requiring action at such times as board action is not possible.

(3) Delete Section 01.01.8.f, Audit Committee, as follows:

~~f. Audit Committee. The Audit Committee shall have five members. The committee shall assure that the board maintains direct access to both internal and external audits of the TTU system. The Audit Committee shall recommend to the board guidelines for the operation of the committee and the auditing functions throughout the TTU system. The~~

~~director of Internal Audits shall be responsible to the board through the Audit Committee. The committee shall:~~

- ~~(1) provide oversight of the internal and external audits;~~
- ~~(2) make recommendations for the selection of external auditors;~~
- ~~(3) review the scope of audits;~~
- ~~(4) provide guidance for the director of Internal Audits on risk assessment and audit plans;~~
- ~~(5) review the findings of all external auditors; and~~
- ~~(6) review system wide risk assessment evaluations and plans to address the identified significant risk functions.~~

~~No later than August 1 of each year, the Audit Committee approved annual audit plan will be presented to the board for approval. Audits of the Office of the Board of Regents shall be the responsibility of the full board.~~

VII.B.1.p. TTUS: Approve revised Charter of the Office of Audit Services and amendments to Chapter 07, Regents' Rules, concerning audits.—The board approved (i) the revised Charter of the Office of Audit Services, included herewith as Attachment No. 5; and (ii) the proposed amendments to Chapter 07, *Regents' Rules*, concerning audits, included herewith as Attachment No. 6, in order to comply with the charge of the Audit Committee previously approved by the Board of Regents on May 14, 2004, as approved administratively by the chancellor.

VII.B.1.q. TTUSA: Approve the Texas Tech University System Administration to utilize Texas Tech University Operating Policies and Procedures as its base Policies and Procedures Manual.—The board approved the following amendment to Section 02.02, *Regents' Rules*, relating to the Texas Tech University System Administration, as approved administratively by the chancellor. This request is to approve the Texas Tech University System Administration utilizing the Texas Tech University Operating policies and Procedures as its base Policies and Procedures Manual.

Amend the first paragraph of Section 02.02, TTU system administration, as follows:

02.02 TTU system administration. The TTU system administration consists of the chancellor, such ~~senior vice deputy~~ chancellors and vice chancellors as the chancellor may require, a chief financial officer, and such staff as may be required to carry out the duties assigned to the TTU system administration by the board. Except to the extent there is a conflict with *Regents' Rules* or with a policy issued by the TTU system, the TTU system offices and employees are subject to the provisions of the Texas Tech University Operating Policies and Procedures Manual. Consistent with the provisions of Sections 109.001 and 51.353, *Texas Education Code*, the board assigns the following responsibilities to the TTU system administration under the direction of the chancellor.

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 2004, 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, 2004 for fiscal year 2004; and
 - (b) TTUHSC: Report dated May 31, 2004 for fiscal year 2004.

- (2) TTUHSC: Contract Renewals per Section 07.12.4.b., *Regents' Rules*: "Approval of the president is required for all contract renewals. A list of those renewal contracts greater than \$1,000,000 per annum, including the amount of the contract, will be provided to the board as an information item at the next regular board meeting."
 - (a) El Paso County Hospital District, dba R.E. Thomason General Hospital; Medical Services Agreement; 9/1/03-8/31/04; \$5,485,500;
 - (b) El Paso County Hospital District, dba R.E. Thomason General Hospital; Pathology Services Agreement; 7/1/03-8/31/04; \$1,106,419;
 - (c) Texas Tech Physician Associates; amendment to Management Agreement; effective 1/21/99; \$14,360,000; and
 - (d) University Medical Center; amendment to Master Coordinating Agreement; 7/1/03-6/30/04; \$20,000,000.

- (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."
- (b) Baker, Teresa, M.D., Instructor/NTT; Ob/Gyn, Amarillo; 9/1/04-8/31/05; \$170,000;
 - (c) Benjamin, Bonna, M.D., Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$270,000;
 - (d) Bridges, Walter, M.D., Associate Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$158,000;
 - (e) Carrillo, Ysela, M.D., Assistant Professor/NTT; Surgery, El Paso; 7/15/04-8/31/05; \$165,000;
 - (f) Cecalupo, Anthony, M.D., Associate Professor/NTT; Pediatrics, Lubbock; 8/1/04-8/31/06; \$175,000;
 - (g) Davidson, Helen, RN, CRNA, Faculty Associate/NTT; Anesthesiology, Lubbock; 7/5/04-7/31/05; \$125,000;
 - (h) DiMundo, Rebecca, M.D., Instructor/NTT; Pediatrics, El Paso; 7/1/04-8/31/05; \$100,000;
 - (i) Ertner, Robert, M.D., Instructor/NTT; Anesthesiology, Lubbock; 7/1/04-7/1/05; \$150,000
 - (j) Giantris, Amy, M.D., Instructor/NTT; Pediatrics, El Paso; 7/1/04-8/31/05; \$100,000;
 - (k) Gomez, Gilberto, M.D., Instructor/NTT; Pediatrics, El Paso; 7/1/04-8/31/05; \$100,000;
 - (l) Habersang, Rolf, M.D., Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$300,000;
 - (m) Haider, Fyeza, M.D., Assistant Professor/NTT; Internal Medicine, Odessa; 6/28/04-8/31/05; \$120,000;
 - (n) Lopez, Nicole, M.D., Assistant Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$120,000;
 - (o) Medina, Erik, M.D., Instructor/NTT; Anesthesiology, Lubbock; 8/1/04-8/31/05; \$150,000;
 - (p) Merritt, Wesley, M.D., Instructor/NTT; Anesthesiology, Lubbock; 7/1/04-7/1/05; \$150,000;
 - (q) Miranda, Leonidas, M.D., Assistant Professor/NTT; Ob/Gyn, Odessa; 7/1/04-8/31/05; \$300,000;
 - (r) Nair, Bindu, M.D., Assistant Professor/NTT; Family Medicine, Odessa; 8/15/04-8/31/05; \$125,000;
 - (s) Nirgiotis, Jason, M.D., Associate Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$260,000;
 - (t) Oommen, Sanjay Philip, M.D., Instructor/NTT; Internal Medicine, El Paso; 7/1/04-8/31/04; \$100,000;
 - (u) Philip, Sindhu, D.O., Instructor/NTT; Pediatrics, El Paso; 7/1/04-8/31/05; \$100,000;
 - (v) Rahman, Omar, M.D., Assistant Professor/NTT; Internal Medicine, Odessa; 7/15/04-8/31/05; \$150,000;
 - (w) Regueira-Diaz, Osvaldo, M.D., Assistant Professor/NTT; Pediatrics, Amarillo; 4/1/04-8/31/05; \$150,000;
 - (x) Roberts, James, M.D., Instructor/NTT; Anesthesiology, Lubbock; 7/1/04-7/1/05; \$150,000;
 - (y) Robinson, Arvin E., M.D., Clinical Professor/NTT; Radiology, El Paso; 10/1/04-8/31/05; \$224,000 (80%FTE);

- (z) Rosenstein, Alexander D., M.D., Associate Professor/TT; Orthopaedic Surgery, Lubbock; 60 days after receipt of TX license – 2 years; \$300,000;
- (aa) Shrode, Paul W., M.D., Assistant Professor/NTT; Pathology, Lubbock; 5/18/04-5/18/05; \$145,000;
- (bb) Spillers, Christopher, M.D., Instructor/NTT; Anesthesiology, Lubbock; 8/1/04-8/31/05; \$150,000;
- (cc) Udekwu, Anthony O., M.D., Professor/TT; Surgery, Amarillo; 7/1/04-8/31/06; \$300,000;
- (dd) Voss, David, CRNA, Faculty Associate/NTT; Anesthesiology, Lubbock; 9/1/04-8/31/05; \$125,000; and
- (ee) Wang, Sheng-Yong, M.D., Ph.D., Assistant Professor/NTT; Internal Medicine, El Paso; 7/1/04-8/31/04; \$126,000

The motion was seconded and passed unanimously.

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

VIII. OPEN SESSION.—The board continued in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, for the purpose of recessing into meetings of its Standing Committees.

IX. MEETINGS AND REPORTS OF STANDING COMMITTEES.—At approximately 9:34 a.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 meetings.

The Facilities Committee met from approximately 9:34 a.m. until approximately 10:00 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas; the Academic, Clinical and Student Affairs Committee met from approximately 10:00 a.m. until approximately 10:19 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas; and the Finance and Administration Committee met from approximately 10:19 a.m. until approximately 10:35 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas.

IX.A. REPORT OF THE FACILITIES COMMITTEE

The Facilities Committee met from approximately 9:34 a.m. until approximately 10:00 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas. At the conclusion of the committee meeting,

Chairman Black called on Regent Brooks, Chair of the committee, to give the committee's report.

Committee Chairman Brooks 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.

- IX.A.1. TTU: Approve construction of the Child Development Research Center and Center for the Study of Addiction and Recovery.—The board authorized the Office of Facilities Planning and Construction (i) to proceed with a project to renovate the existing bookstore to house the Child Development Research Center and Center for the Study of Addiction and Recovery with a project budget of \$8,000,000; and (ii) to complete the design, obtain project approval from the Texas Higher Education Coordinating Board and award a construction contract. The project will be funded with HEAF, gifts and donations and through the Revenue Finance System to be repaid with gifts and donations.

The board further acknowledged that it expects to pay expenditures in connection with the construction of the project 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 the Texas Tech University System, and, as such, declared its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of a new project an aggregate maximum principal amount expected to be \$1,000,000.

The board further authorized the chancellor to negotiate any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

- IX.A.2. TTU: Approve naming of the Child Development Research Center.—The board approved naming the Child Development Research Center “The Christine DeVitt and Helen DeVitt Jones Child Development Research Center” in recognition of their significant contributions to Texas Tech.

The Helen Jones Foundation and the CH Foundation have made contributions of \$1,000,000 and \$1,500,000, respectively. Additionally, the DeVitt sisters and their families have positively shaped West Texas history through their actions and generous donations.

- IX.A.3. TTU: Approve construction of the Student Health and Counseling Center.—The board authorized the Office of Facilities Planning and Construction (i) to proceed with a project to construct a new Student Health and Counseling Center with a project budget of \$8,500,000; and (ii) to complete the design, obtain project approval from the Texas Higher Education Coordinating Board and award a construction contract. The project will be funded with fund balances and through the Revenue Finance System to be repaid with Student Services Fees and Student Medical Services Fees.

The board further acknowledged that it expects to pay expenditures in connection with the construction of the project 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 the Texas Tech University System, and, as such, declared its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of a new project an aggregate maximum principal amount expected to be \$8,000,000.

The board further authorized the chancellor to negotiate any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

- IX.A.4. 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. 7.
- IX.A.5. TTUS: Report on Campus Master Plan.—The board accepted a report by Ira Fink, Ph.D., FAIA, on the Campus Master Plan, included herewith as Attachment No. 8.

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

The Academic, Clinical and Student Affairs Committee met from approximately 10:00 a.m. until approximately 10:19 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas. At the conclusion of the committee meeting, Chairman Black called on Regent Newby, Chair of the committee, to give the committee's report.

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 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.

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

Bradley Ewing, Ph.D., new associate professor in the Area of Information Systems and Quantitative Sciences and the Jerry S. Rawls Professorship in Operations Management, Rawls College of Business Administration. Professor Ewing is currently a tenured professor at Baylor University in Waco, Texas and previously held tenure at Texas Tech University.

Rattikorn Hewett, Ph.D., new professor in the Department of Computer Science, College of Engineering. Professor Hewett is currently a tenured associate professor at Washington State University, Vancouver, Washington.

Akif Ibragimov, Ph.D., new professor in the Department of Mathematics and Statistics, College of Arts and Sciences. Professor Ibragimov is currently a visiting professor at Texas A&M University in College Station, Texas.

Nazmul Karim, Ph.D., new professor in the Department of Chemical Engineering, College of Engineering. Professor Karim is currently a tenured professor at Colorado State University, Fort Collins, Colorado.

Debra Reed, Ph.D., has been selected as the first professor to hold the Helen DeVitt Jones Endowed Faculty Chair in the Department of Nutrition, Hospitality and Retailing. She is a distinguished alumna of the College of Human Sciences. She is internationally known in the area of nutrition having published articles in the most prestigious nutrition journals. She has had numerous federal grants funded in the area of childhood obesity. Prior to her appointment to the Extension Service at Texas A&M she held tenure track positions at Louisiana State University and the University of Texas Health Science Center at Houston. Although she has not previously been granted tenure at an academic institution, she has the unanimous support of the Human Sciences faculty, department chair and dean. Her appointment with tenure is strongly supported by external letters from the academic institutions in which she served as a

faculty member. Since Dr. Reed has been recruited to fill a prestigious endowed chair filled it is entirely appropriate that the appointment be granted with tenure.

IX.B.2. TTU and TTUHSC: Report on status of SACS accreditation process.

- a. TTU: Report on status of SACS accreditation process. –The board accepted a report by Dr. William Marcy, provost, TTU, on the status of the SACS accreditation process, included herewith as Attachment No 9.
- b. TTUHSC: Report on status of SACS accreditation process. – The board accepted a report by Dr. Roderick Nairn, executive vice president for Academic Affairs, TTUHSC, on the status of the SACS accreditation process, included herewith as Attachment No. 10.

IX.C. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee met from approximately 10:19 a.m. until approximately 10:35 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas. At the conclusion of the committee meeting, Chairman Black called on Regent Barth, Chair of the committee, to give the committee's report.

Committee Chairman Barth 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 the Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Administration Committee and approved in open session and without objection by the Board of Regents of the Texas Tech University System.

- IX.C.1. TTU: Approve agreement between Buena Vista Datacasting (BVD), National Datacast, Inc. (NDI), and Texas Tech University to provide DVD quality films utilizing analog equipment.—The board approved the contract between Buena Vista Datacasting (BVD), National Datacast Inc (a division of PBS) and Texas Tech University for the period August 16, 2004 through July 31, 2010, and authorize the president to execute the agreement.

These companies would be allowed to use excess bandwidth of TTU's KTXT-TV transmission system to offer DVD-quality films to the companies' subscribers in an "on demand" format. The six-year agreement would provide a small amount of revenue to KTXT (probably less than \$10,000 per year) at no cost to KTXT or the University.

- IX.C.2. TTU: Approve budget adjustments for the period September 1, 2004 through August 31, 2005.—The board approved budget adjustments for the period September 1, 2004 through August 31, 2005, included herewith as Attachment No. 11.
- IX.C.3. TTUS: Authorize consulting/service agreement to execute an analysis and upgrde of the alumni/donor database used by the Texas Tech University System.—The board authorized the chancellor to negotiate and enter into an agreement to perform an analysis and upgrade to the alumni/donor database used by the Texas Tech University System. The term of the agreement will be from July, 2004 through April, 2005. The anticipated cost is estimated to be approximately \$85,000 plus expenses.
- IX.C.4. TTUS: Authorize an increase to the consulting agreement to continue the evaluation of the System's readiness for its next campaign.—The board authorized the chancellor to enter into an agreement to continue the engagement of a consultant to prepare infrastructure and staff of the System to support the Institutional Advancement fund raising efforts. Bentz-Whaley-Flessner will be asked to extend their original engagement as approved in December, 2002.

Institutional Advancement has identified a major need to significantly upgrade the infrastructure supporting donor stewardship, prospect research, and fund raising. The recent hiring of a significantly upgraded prospect research staff also required training to insure that consistent processes and accurate information was maintained for all donors and prospects and made available to fund raisers. Bentz-Whaley-Flessner, an experienced consultant with regards to major fund raising, was able to provide these services.

In addition, an outside evaluation has been needed for several activities including fund raising for the El Paso Medical School and the activities of the Texas Tech Foundation. Bentz-Whaley-Flessner is being engaged as a partner in developing and improving our donor and fund raising efforts.

Bentz-Whaley-Flessner has been requested by the Office of Institutional Advancement to perform services that include the following:

2. \$73,447 (adjusted from original contract amount of \$78,800) – Base Contract.
 - Provide post-campaign analysis,
 - Prospect data and management analysis,
 - Organizational structure analysis, and
 - Foundation Board assessment.

3. \$35,183 - Database Structure and Training for Prospect Researchers.
 - Primarily to train new research staff in the most current methods of gathering, maintaining and providing accurate and consistent data on current and potential donors.
4. \$25,883 – Reporting Needs, Data Integrity and Prospect Management.
 - Evaluation of the database and the ability to meet the needs of development officers.
5. \$12,990 – Foundation Board Retreat and Meetings with Deans.
 - Meeting with Deans and Board members to evaluate understanding of roles.
 - Facilitate a retreat to foster better understanding, communication and participation.
6. \$10,000 – General Development Counsel.
 - Meeting with Deans and senior development officers.
7. \$25,000 – Evaluate the readiness of El Paso to conduct a major fund raising campaign for the El Paso Medical School.
8. \$50,000 – Future Consulting.

The term of the agreement will be extended through August 31, 2005. The total anticipated cost is \$232,503 and approval for this amount is now requested.

IX.C.5. TTUS: Report on Organizational Efficiencies Study.—The report by Accenture on the cost saving, efficiency, and revenue enhancement study was deferred to a later meeting to allow the Finance and Administration Committee to further review the report.

X. OPEN SESSION.—At approximately 10:35 a.m. on Friday, August 17, the board continued in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, to consider items as the Committee of the Whole and Meeting of the Board.

X.A. COMMITTEE OF THE WHOLE

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

- X.A.1. TTUS: Approve appointment of members to the Board of Directors of Texas Tech Foundation, Inc.—Mr. Lindemood presented the item to approve the appointment of the following four individuals to the Board of Directors of Texas Tech Foundation, Inc., whose terms of service will be from September 1, 2004 to August 31, 2008: J. Robert Brown, David Davenport, Nancy Jones and Jim Cummings.

Following discussion, 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.

- X.A.2. TTUS: Approve amendment to Section 01.01.8.e., *Regents' Rules*, regarding Investment Advisory Committee composition and term.—Mr. Brunjes presented the item to approve amending the Bylaws of *The Rules and Regulations of the Board of Regents of the Texas Tech University System*, Section 01.01.8.e., Investment Advisory Committee, as follows:

- e. Investment Advisory Committee. The Investment Advisory Committee, a special committee of indefinite duration, shall meet quarterly with investment counsel, investment managers, and the appropriate officers and staff of the TTU system administration for the purpose of reviewing and consulting with these parties and, from time to time, advising the board on asset allocation policies and investment results. The Investment Advisory Committee shall be composed of three regents designated by the chair, a member of the Board of the Texas Tech Foundation, Inc. designated by the Chair, Texas Tech Foundation, Inc., and five persons appointed by the chancellor after consultation with the board and the Board of the Texas Tech Foundation, Inc. Such chancellor's appointees shall:
 - (1) have no financial interest in any organization providing investment services to the TTU system; and
 - (2) serve four ~~three~~-year staggered terms beginning on February 1.

Current provisions of the *Regents' Rules* specify that the Chairman of the Board of Regents shall designate three regents for membership on the Investment Advisory Committee and that members shall serve a three-year term. This amendment would provide for the additional appointment by the Chair of the Board of the Texas Tech Foundation, Inc. (the "Foundation") of a member of the Board of the Foundation to serve on the committee, and extend the term of committee members to four years. The amendment would also provide for the chancellor's additional consultation

with the Board of the Foundation prior to the chancellor appointments to the committee.

Opportunity for discussion followed the presentation. Regent Newby moved that the board approve amending the Bylaws of *The Rules and Regulations of the Board of Regents of the Texas Tech University System*, Section 01.01.8.e, Investment Advisory Committee, as presented. The motion was seconded and passed unanimously.

X.A.3. TTUS: Approve amendments to Chapters 04 and 07, Regents' Rules, regarding approval of certain agreements and contracts.—Mr. Brunjes presented the item to approve the following amendments to Section 04.08, Faculty Research, and Section 07.12, Contracting policies and procedures, *Regents' Rules*, regarding (1) delegation of authority for approval of sponsored program projects, and (2) an increase in the minimum amount of the initial consideration for consulting agreements:

(1) Amend Section 04.08, Faculty research, as follows:

04.08.3 Sponsored programs. Sponsored program projects include grants, contracts, and cooperative agreements from both the public and private sectors which support research, instructional, and service projects. In its operating manuals, each component institution will provide a conduit through which projects are submitted. Projects which are submitted through these conduits should be evaluated by the appropriate academic officer, the associate dean for research, or members of the faculty. Approval of such projects properly rests with the appropriate dean operating through a system of committees to ensure that the projects fall within recognized spheres of research and that a positive contribution will be made to the development of an academic discipline.

(2) Amend Section 07.12.2, Contracting policies and procedures, Board approval, by adding a new subparagraph "b", and changing the current subparagraph letters "b" through "f" to "c" through "g" accordingly, and amending the subparagraph regarding approval of consulting agreements, as follows:

b. The Board of Regents delegates to the chancellor, or his/her designee, the authority to approve the proposals for, and execute and sign contracts for sponsored program projects in excess of \$1,000,000 per annum. Sponsored program projects are those grants, contracts, and cooperative agreements from both the public and private sectors which support research, instructional, and service projects. A list of

such contracts for sponsored program projects in excess of \$1,000,000 per annum shall be provided to the board as an information item at the next regular board meeting.

- b c. Board approval is required for contracts that provide for the services of a consultant with an initial consideration of more than ~~\$25,000~~ \$15,000 and all modifications increasing that contract. Approval is also required for any modification to a consulting contract where the initial consideration was ~~\$25,000~~ \$15,000 or less and the modification will cause the total consideration to exceed ~~\$25,000~~ \$15,000.

(3) Amend Section 07.12.5, as follows:

“07.12.5 Required approvals summary

<u>Contract Terms</u>	<u>Approval Required</u>
Contract of more than \$1,000,000 per annum	Board
Contracts that exceed four years unless contract can be terminated without cause with Notice of 120 days or less	Board
Consulting contracts over \$25,000 \$15,000 and all modifications increasing that contract	Board
Modification to a consulting contract of \$25,000 \$15,000 or less, if modification causes total consideration to exceed \$25,000 \$15,000	Board
Initial placement of vending machines.	Board
Contracts of \$1,000,000 down to \$250,000 per annum, TTUHSC faculty employment contracts in excess of four years	Chancellor
<u>Sponsored program projects from \$250,000 to in excess of \$1,000,000</u>	<u>Chancellor</u>
Contracts of \$250,000 or less per annum	President
Amendment or renewal of contracts	President
Faculty employment contracts over \$100,000 per annum	President
Faculty employment contract of \$100,000 or less per annum	Dean

Following discussion, Regent Newby moved that the board approve the amendments to Section 04.08., Faculty Research, and Section 07.12, Contracting policies and procedures, *Regents’ Rules*, as presented. The motion was seconded and passed unanimously.

X.A.4. TTUS: Approve amendment to Section 09.02.2, *Regents' Rules*, regarding delegation of authority for establishment of funds functioning as an endowment (quasi-endowment).—Mr. Brunjes presented the item to approve the following amendment to Section 09.02.2, Endowment funds investment, of the *Regents' Rules*, relating to funds functioning as endowments:

09.02.2 Endowment funds investment.

a. Endowment funds are funds given to Texas Tech with a donor-imposed restriction that the corpus is not to be expended but is to be invested for the purpose of producing earnings.

Endowment funds may also include term endowment (funds for which the donor stipulates that the principal may be expended after a stated period or upon the occurrence of a certain event) and funds functioning as endowments (quasi-endowments).

b. Funds functioning as endowments. The Board of Regents delegates to the chancellor, or his/her designee, the authority to establish a fund functioning as an endowment, i.e., quasi-endowment, when such a fund totals less than \$250,000.

Mr. Brunjes noted that this request will delegate to the chancellor, or his/her designee, the authority to establish funds functioning as an endowment (quasi-endowment).

Following discussion, Regent Newby moved that the board approve the amendment to Section 09.02., Endowment funds investment, *Regents' Rules*, as presented. The motion was seconded and passed unanimously.

X.A.5. TTUS: Approve amendment to Chapter 09, *Regents' Rules*, (Investments, Endowments, and Income Producing Lands), regarding use of external managers for Short and Intermediate Term Investment Fund; ratify appointment of Short and Intermediate Term Investment Fund Managers.—The item was withdrawn.

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

X.B. REPORT OF THE AUDIT COMMITTEE.

Chairman Black called on Regent Brooks, Chair, to give the report of the Audit Committee.

Committee Chairman Brooks reported that the Audit 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 Audit Committee and approved in open session and without objection by the Board of Regents of the Texas Tech University System.

- X.B.1. TTUS: Authorize consulting agreement to execute a risk assessment of major functional areas of the Texas Tech University System.—The board authorized the chancellor to negotiate and enter into an agreement to engage a consultant to perform a risk assessment of major functional areas of the Texas Tech University System. The term of the agreement will be for the Fall, 2004. The anticipated cost is estimated to be approximately \$75,000 plus expenses.
 - X.B.2. TTUS: Approve FY 2005 Annual Audit Plan.—The board approved the FY 2005 Annual Audit Plan for the Texas Tech University System, included herewith as Attachment No. 12.
 - X.B.3. TTUSA, TTU and TTUHSC: Report on the Legislative Appropriations Process.—The board accepted a report on the legislative appropriations process for the System Administration, the University and the Health Sciences Center, included herewith as Attachment No. 13.
 - X.B.4. TTUS: Report on activities of the Office of Audit Services.—The board accepted a report on activities of the Office of Audit Services.
- X.C. REPORT ON HISTORICALLY UNDERUTILIZED BUSINESSES.—Mr. Brunjes presented a report on historically underutilized businesses, a summary of which is included herewith as Attachment No. 14.
- X.D. SCHEDULE FOR BOARD MEETINGS.—Mr. Ben Lock presented the following schedule for future board meetings: October 21-22, 2004, Lubbock; December 16-17, 2004, Lubbock; February 24-25, 2005, Austin; May 12-13, 2005, Lubbock; August 11-12, 2005, Lubbock; November 3-4, 2005, Lubbock; and December 15-16, 2005, Lubbock.

It was determined that the board will continue with five official meetings a year with an additional board visit to a non-Lubbock campus of the Texas Tech University System. The board will decide if meetings are to be scheduled in conjunction with commencement. A majority of the board indicated that two-day meetings are preferred with the location of such meetings being in Lubbock.

The board also approved the schedule of commencement regent representation, included herewith as Attachment No 15.

X.E. THE PRESIDENT'S REPORT, TTU.—Chairman Black called on President Whitmore, who presented the President's Report, included herewith as Attachment No. 16.

X.E.1. REPORT BY STUDENT GOVERNMENT ASSOCIATION, TTU.—Chairman Black called on Mitchell Moses, president, Student Government Association, TTU, who presented a report from the Student Government Association.

X.F. THE PRESIDENT'S REPORT, TTUHSC.—Chairman Black called on President Wilson, who presented the President's Report, included herewith as Attachment No. 17.

RECESS FOR LUNCH.—The board recessed for lunch at approximately 11:40 a.m.

RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 12:00 noon, the board reconvened in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, for the purpose of continuing meeting as a Committee of the Whole and meeting of the board.

X.G. CHANCELLOR'S REPORT.—Chairman Black called on Chancellor Smith, who presented the Chancellor's Report, included herewith as Attachment No. 18.

XI. EXECUTIVE SESSION.—At approximately 12:30 p.m., the board recessed and convened into Executive Session as authorized by Chapter 551 of the *Texas Government Code*.

XII. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 2:50 p.m., the board reconvened in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, to consider items as a Committee of the Whole and Meeting of the Board.

XII.A. 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 authorized by the board. The motion was seconded, and passed unanimously.

Regent Newby moved that the board authorize the chancellor or his designee be authorized to proceed with the energy contract negotiations within the parameters set forth in Executive Session. The motion was seconded, and passed unanimously.

Regent Newby also moved that the board ratify the action of the Executive Committee taken on July 23, 2004 extending Dr. Smith's employment contract to August 8, 2007, under the terms discussed in Executive Session and that Chairman Black be authorized to execute the agreement. The motion was seconded, and passed unanimously.

XII.B. CHAIRMAN'S ANNOUNCEMENTS.—Chairman Black announced the appointment of Regents Scott Dueser, Windy Sitton and himself to serve as an ad hoc committee on communications and marketing.

Chairman Black also announced the change of the name of the News and Publications Office to the Office of Communications and Marketing.

Chairman Black announced the appointment of Regent Frank Miller to replace Regent Dick Brooks as a member of the Investment Advisory Committee and recognized Regent Brooks for his service to the committee.

Chairman Black recognized Regent Carin Barth on her recent appointment by President Bush to the position of Chief Financial Officer of the Department of Housing and Urban Development.

XIII. ADJOURNMENT.—Regent Barth moved that the meeting be adjourned. The motion was seconded and passed unanimously. Chairman Black adjourned the meeting at approximately 2:54 p.m.

INDEX OF ATTACHMENTS

Attachment 1	TTU Budget Adjustments for the period April 1, 2004 through June 30, 2004
Attachment 2	TTUHSC Budget Adjustments for the period April 1, 2004 through June 30, 2004
Attachment 3	TTU map relating to USDA lease amendment
Attachment 4	TTU Revised Five-Year Capital Projects Plan
Attachment 5	TTUS Revised Charter of Office of Audit Services
Attachment 6	TTUS Amendments to Chapter 07, <i>Regents' Rules</i>
Attachment 7	TTUS Report on the Office of Facilities Planning and Construction projects
Attachment 8	TTUS Report on Campus Master Plan
Attachment 9	TTU Report on SACS Accreditation Process
Attachment 10	TTUHSC Report on SACS Accreditation Process
Attachment 11	TTU Budget Adjustments for the period September 1, 2004 through August 31, 2005
Attachment 12	TTUS FY 2005 Annual Audit Plan
Attachment 13	TTUSA, TTU and TTUHSC Report on the Legislative Appropriations Process
Attachment 14	TTUS Report on Historically Underutilized Businesses
Attachment 15	TTUS Schedule of Commencement Regent Representation
Attachment 16	TTU President's Report
Attachment 17	TTUHSC President's Report
Attachment 18	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 16-17, 2004.

Ben Lock
Secretary

Seal