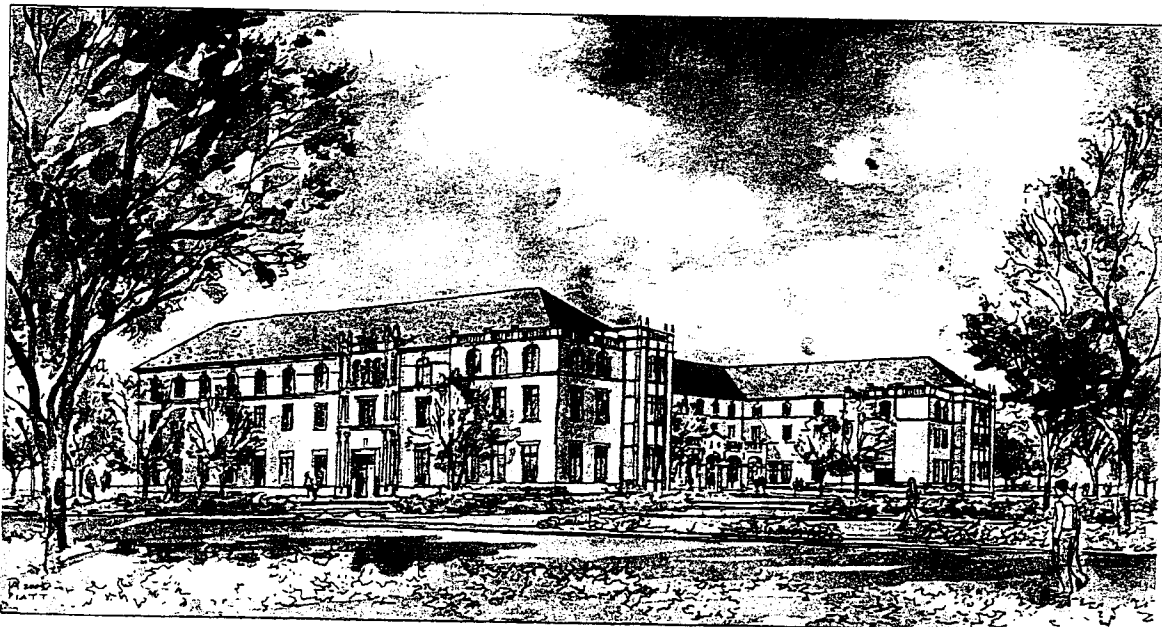


**T** RAWLS COLLEGE OF BUSINESS  
TEXAS TECH UNIVERSITY

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***Mission, Vision, Benchmarks  
and a New Building***





***Vision and Benchmarks***

February 2005

***The Rawls College of Business will be among the top business schools of choice in Texas for prospective students, employers, faculty, business community, and the public at large. The Rawls College will concentrate on programs where we will be excellent. College of Business educates and develops our students for positions of leadership in Texas and the global marketplace.***

**Programs.** The College offers undergraduate, masters, and doctoral programs in the traditional topics of business administration: accounting, finance, management, marketing, and information systems.

- The College also offers more specialized academic and executive education programs to students and the professionals, including energy commerce, taxation, entrepreneurship and family business, health organization management, and international business.
- In addition, there are significant joint masters programs with the School of Medicine, School of Law, and the College of Architecture.
- Executive education will include niche programs where we can compete effectively, such as the Practicing Physician MBA, the School of Governmental Finance, the Tax Institute, and the Banking School.

**Student Services.**

- **Advising.** The students will be well advised such as to complete their degrees on time and with minimal repeating of courses.
- **Career Management.** Every student will have the opportunity to get career advice early in their programs and opportunities for interviews with significant employers.
- **Scholarships.** A large number of scholarships will provide students with the opportunity to further their education.

**Outstanding Faculty.** The faculty will have high quality teaching and will bring prestige to our programs through their academic achievement.

**New Building:** The proposed configuration of the building will currently cost \$56 million and will handle the projected student demand for upper division and graduate students. An addition costing about \$7 million could handle an additional 25% students.



**Vision and Benchmarks**

February 2005

**Benchmarks.** Over the next 5 years we would expect the Rawls College of Business to approach the benchmarks of:

	<b>Current (Fall 2004)</b>	<b>Benchmarks (Fall 2009)</b>
<b>Degrees Granted per year</b>	1,305 (2003-04)	1,250 (2008-09)
<b>Students:</b>		
Undergraduate (Impact of the 2.75 GPA)	4,210	3,600
Graduate	<u>571</u>	<u>700</u>
Total	<u>4,791</u>	<u>4,300</u>
<b>Full-time Faculty*:</b>		
Tenure Track	63	80
Non-Tenure Track	<u>34</u>	<u>20</u>
Total Full-Time	<u>97</u>	<u>100</u>
<b>Students to Full-Time Faculty</b>	57.7	40-45
<b>Percent of Full-time Faculty with Doctorates</b>	75.6%	85%
<b>Average Class Sizes:</b>		
Undergraduate Core Class Size	63	50
Undergraduate Majors Class Size	47	35
Graduate Core Class Size	32	32
Other Graduate Class Size	16	20
<b>Undergraduate Students who graduate:</b>		
Admitted to College and Graduate in six years	68%	75%
Admitted to College and Graduate in four years	37%	60%
Admitted to Upper Division and Graduate	n/a	90%
<b>Placement</b>		
Companies on Campus	125	300
Interviewing Opportunities	3,000	6,000
<b>Minors Program</b>		
Enrollment	~300	500
Average Class Size	n/a	40
Dedicated Faculty	0	4

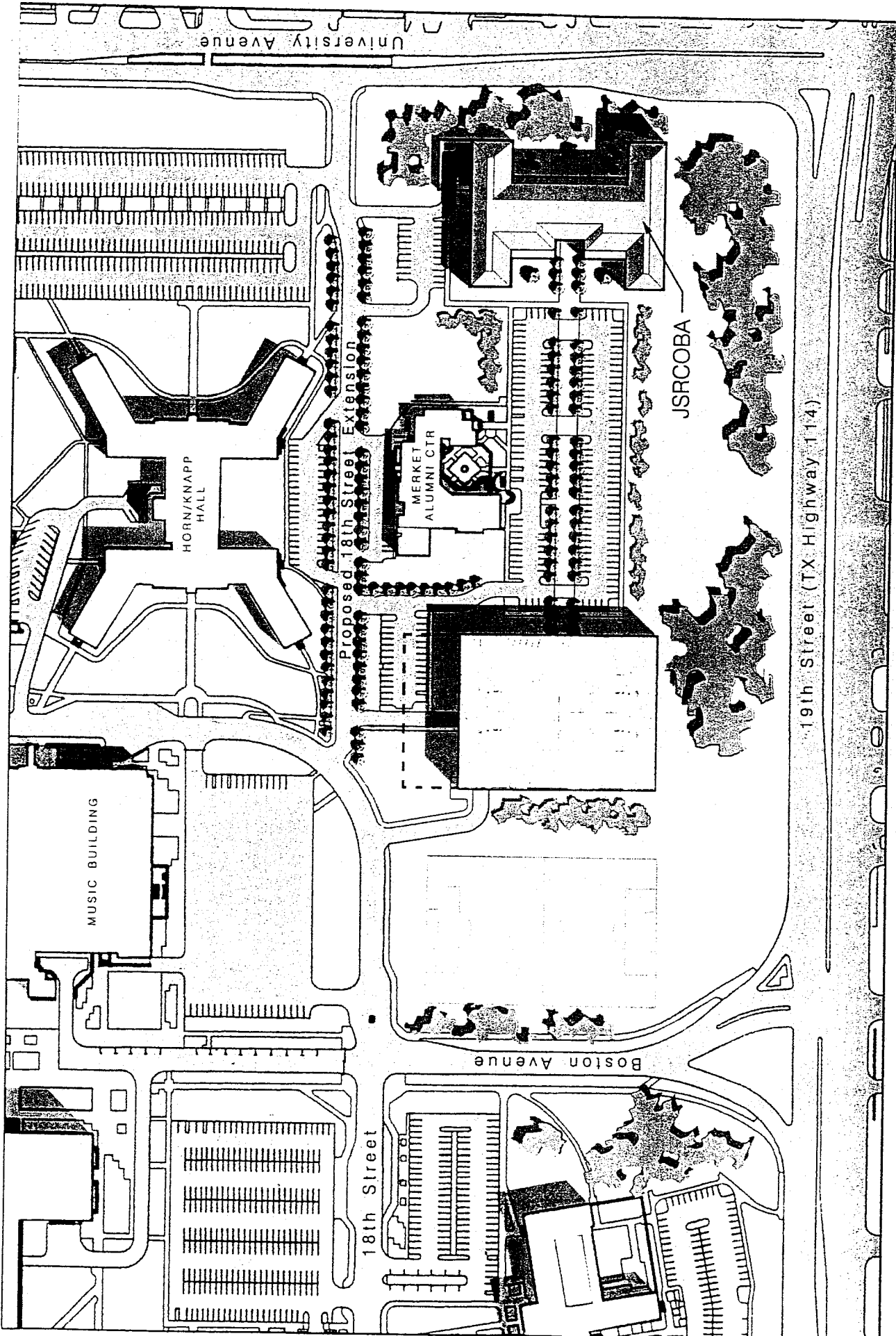
\*Based on our view forward the budget requirements to meet this benchmark would be as follows:

	<b>Tenure Track</b>	<b>Instructors</b>		
Projected Faculty Salary Budget for Fall 2005	67	24*		\$ 9,410,000
Approved for fiscal year 2007	1			<u>155,000</u>
				\$ 9,565,000
Additions Requested for fiscal year 2006	7		\$ 710,000	
Projected Requests for fiscal year 2007 and 2008	5		<u>615,000</u>	
Total				<u>1,325,000</u>
Total Budget to meet benchmarks for Fall 2008 in 2005 faculty costs	80	20		<u>\$10,890,000</u>

\* Four instructors will be replaced by tenure track faculty.

We anticipate that the faculty salary budget will remain at about 12% of the total for the University.





# Southeast Campus Site Map

Texas Tech University - Lubbock, Texas - February 2005

Scale: 1" = 200'-0"

19th Street & University Ave. Option N



***The Rawls College of Business will be among the top business schools of choice in Texas for prospective students, employers, faculty, business community, and the public at large. The Rawls College will concentrate on programs where we will be excellent. College of Business educates and develops our students for positions of leadership in Texas and the global marketplace.***

Rawls College of Business  
Texas Tech University  
***Looking Forward***  
February 2005

The new home for the Rawls College of Business will be a highly visible signature facility at Texas Tech that facilitates easy access and enhances the beauty of the campus. It will create a professional, inter-active learning environment that brings out the best in our educators and students. The building will promote a high level of interaction among all stakeholders, including students, faculty, staff, employers, and business leaders. Its design will emphasize easy expandability to meet future space needs and will provide significant naming opportunities for our alumni and supporters. The new facilities will also support the master plan for the University by freeing our current location to be used as a multi-disciplinary classroom building.

The Rawls College of Business will have:

- **Undergraduate students** who graduate on time with a high graduation rate. Students who enroll in each course one time.
- **Highly qualified faculty** that bring prestige and quality teaching to their classrooms.
- Sufficient **staff** to advise and coach students through their programs. A career management center that is a significant part of our student services.
- Reaffirmation of an **AACSB accredited** program.
- Great **business community interaction**—numerous companies interacting with our students and faculty.
- A **minor's program** that will provide a high quality business education experience across the entire campus with about 500 students enrolled in the minors courses each semester.
- An **executive education program**, which will be highly focused on specific needs of our user community.

**Programs.** The College offers undergraduate, masters, and doctoral programs in the traditional topics of business administration: accounting, finance, management, marketing, and information systems. The College also offers more specialized academic and executive education programs to students and the professionals, including energy commerce, entrepreneurship and family business, physician leadership, and international business. In addition, there are significant joint masters programs with the School of Medicine, School of Law, and the College of Architecture. Executive education will include niche programs where we can compete effectively, such as the Practicing Physician MBA, School of Governmental Finance, Tax Institute, and the Banking School.



The new building is projected for completion in 2009 at a cost of \$56 million, which will be funded by a combination of private donations and matching state funds. The development team is well organized and actively working to raise the resources needed not only to construct the new building, but also to enhance the overall educational environment for our students and faculty.

**Productivity.** Over the past 5 years, the Rawls College students have received about 25% of the degrees granted by Texas Tech University.

		1999-00	2000-01	2001-02	2002-03	2003-04	Total 5 years
BACHELORS	BA Univ.	997	1,065	1,029	984	1,091	5,166
	% BA	3,637	3,671	3,625	3,475	3,918	18,326
		27.4%	29.0%	28.4%	28.3%	27.8%	28.2%
MASTERS	BA Univ.	230	205	197	231	213	1,076
	% BA	827	817	770	976	1,045	4,435
		27.8%	25.1%	25.6%	23.7%	20.4%	24.3%
DOCTORS	BA Univ.	9	8	12	8	1	38
	% BA	156	121	147	166	175	765
		5.8%	6.6%	8.2%	4.8%	0.6%	5.0%
Law		181	194	180	219	210	984
Total Degrees	BA Univ.	1,236	1,278	1,238	1,223	1,305	6,280
	% BA	4,801	4,803	4,722	4,836	5,348	24,510
		25.7%	26.6%	26.2%	25.3%	24.4%	25.6%

**Efficiency.** The college is efficient in that the faculty salary expended is about 12% of the total University faculty salaries paid and the college departmental operating expenses are 4% of the total departmental operating expenses for a total of about 11% of the university college-related expenses.

1999-00	2000-01	2001-02	2002-03	2003-04
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**Teaching Salaries (\$millions)**

BA	\$7.10	\$7.73	\$9.23	\$9.23	\$9.43
Univ.	\$65.33	\$68.48	\$74.69	\$74.99	\$80.19
% BA	10.87%	11.29%	12.36%	12.31%	11.76%

**Department Operating Expenses (\$millions)**

BA	\$0.53	\$0.64	\$0.65	\$0.65	\$0.46
Univ.	\$13.06	\$13.78	\$13.30	\$13.43	\$11.02
% BA	4.06%	4.64%	4.89%	4.84%	4.17%

**Total Faculty Salaries and Dept. Oper. Expense (\$millions)**

BA	\$7.63	\$8.37	\$9.88	\$9.88	\$9.89
Univ.	\$78.39	\$82.26	\$87.99	\$88.42	\$91.21
% BA	9.73%	10.18%	11.23%	11.17%	10.84%

The 2004-05 nine-month budgeted faculty salaries for the Rawls College are \$8.7 million and the total for all colleges is \$75.5 million or 11.52%. For the 2004-05 12-month the total Rawls College budget is \$10.2 million out of \$94.1 or 10.83%.



**Total faculty salaries and operating expenses per degree<sup>1</sup>:**

	1999-00	2000-01	2001-02	2002-03	2003-04
Average Cost Per Degree Completed	\$6,176	\$6,546	\$7,983	\$8,073	\$7,579
Average Cost Per Year of a Degree	\$3,214	\$3,388	\$4,115	\$4,208	\$3,948

**COMPARISON WITH OTHER BIG XII BUSINESS SCHOOLS FOR 2003-04**

Compared the average of Big XII business schools, the Rawls College has a larger than average undergraduate program, similar sized graduate program, slightly larger faculty, lower proportion of faculty with doctorates, and higher student-to-faculty ratio. If the projected effects of recent changes were to reduce the undergraduate student body to about 3,600, then the undergraduate program would still be somewhat larger than average for a Big XII business schools.

**Big XII Business Schools for 2003-04**

<i>Institution Name</i>	<i>Undergrads Students</i>	<i>Graduate Students</i>	<i>Total Students</i>	<i>Degrees Granted</i>	<i>FT Faculty</i>	<i>% FT Fac with PhD</i>	<i>Students per FT Faculty</i>
Baylor University, Hankamer School of Business	2,878	285	3,163	966	129	70.5%	24.5
Iowa State University, College of Business	3,621	311	3,932	990	69	91.3%	57.0
Kansas State University, College of Business Administration	2,760	116	2,876	677	56	76.8%	51.4
Oklahoma State University, College of Business Administration	4,043	735	4,778	1,129	102	87.3%	46.8
Texas A&M University, Mays Business School	4,388	866	5,254	1,805	125	88.0%	42.0
Texas Tech University, Jerry S. Rawls College of Business Administration	4,667	522	5,189	1,305	90	75.6%	57.7
The University of Texas at Austin, Red McCombs School of Business	4,408	1687	6,095	1,954	151	91.4%	40.4
University of Colorado at Boulder, Leeds School of Business	3,297	295	3,592	854	74	83.8%	48.5
University of Kansas, School of Business	913	486	1,399	695	47	91.5%	29.8
University of Missouri-Columbia, College of Business	3,554	327	3,881	624	50	98.0%	77.6
University of Nebraska-Lincoln, College of Business Administration	2,923	327	3,250	769	66	97.0%	49.2
University of Oklahoma, Michael F. Price College of Business	3,544	372	3,916	897	62	90.3%	63.2
<b>Average for Big XII</b>	<b>3,416</b>	<b>527</b>	<b>3,944</b>	<b>1,055</b>	<b>85</b>	<b>85.8%</b>	<b>49.0</b>

<sup>1</sup> The average costs presented here includes the costs of (1) students who do not complete their degrees, but who take coursework, (2) students who retake courses, and (3) non-BA students taking BA classes. For undergraduates, the average cost relates to one half of the degree.



## **RAWLS COLLEGE OBJECTIVES**

- **Students who Graduate on Time**

Most students will enroll in each required course once and graduate on time. Students must be well advised, enroll in a full load of 15 hours (currently only 40% enroll in 15 hours or more), be capable of passing each course the first time (currently 90% do, which is much improved over 4 years ago), and have access to required courses as needed. Under the new AACSB standards, the quality of the interaction between students and faculty is crucial for education to occur—this means smaller classes with ample opportunities to communicate.

- **Highly Qualified Faculty**

The faculty will be well qualified to teach the courses assigned and bring prestige to the degrees conferred. Faculty members will have access to research resources, including data, businesses, research funds, and the technological tools of research. Faculty members will keep themselves current with the business community, which requires opportunities for interaction with high-level business leaders. Each tenure-track faculty member should bring quality instruction to the classroom, as well as prestige to the value of a business degree from Texas Tech University.

- **Great Business Community Interaction**

The College will actively engage and interact with the business community. The College will facilitate opportunities for business community-student interaction by providing attractive facilities and convenient parking for visitors. Furthermore, the College will encourage faculty members to become involved in such activities.

- **Career Management Center—An Important Part of our Student Services**

Employers visiting the campus will increase in numbers and will enthusiastically recruit Rawls' students and graduates. Employers will be actively recruited by the College and will be provided outstanding facilities and support while on campus. Moreover, employers will interview highly motivated and qualified individuals who will be viewed as assets to any organization. Once hired, Rawls graduates must progress well in their careers in order to attain positions of leadership within their organizations and communities.

- **Executive Education: a focused opportunity**

Selected executive education opportunities will be pursued in which there is a strong opportunity to attain prominence. As an example, the successful executive MBA program in physician leadership, which currently has 26 physicians enrolled in the program, is highly rated by the students and is building excellent connections with the regional medical community. Additionally, there are successful programs in banking, taxation, and governmental accounting.

- **A Significant Minor's Program, taking education opportunities across the campus**

The non-Business students enrolled in the College will receive comparable quality instruction and class sizes. The non-Business major will receive a tailored program that provides general business education to those students and parents desiring some business education, but not a complete program.



### ACCREDITATION ISSUES--INFLUENCE ON RECENT ACTIVITY

*In the spring of 2003, the college was placed on "continuing review" by its accrediting board, primarily because there were too many students and too few faculty. The college was characterized as having excessively large class sizes that were out of control. The college was given until Fall 2005 to regain and demonstrate control of enrollment and demonstrate progress on faculty size, especially tenure-track faculty.*

- **The college had excessively large classes and relatively few faculty.** The college was required to present an *Enrollment Management Plan* involving the reduction of enrollment and an increase in faculty. The plan as presented to the accrediting body included:
  - **Improvement in the quality of the students:** Increase the entrance standards for the upper division from a 2.50 GPA to 2.75<sup>2</sup>. This was projected to decrease the number of students who were unsuccessful in the undergraduate program. This should reduce enrollment from approximately 4,800 undergraduate students to approximately 3,600 undergraduates.
  - **Increase in the number of full-time faculty** by 20 tenure track and 5 instructors over a 5 year period at a budgeted increased cost of \$2.78 million. The faculty count of full-time has increased over the past 3 years from 82 to 97. The number of full-time tenure-track faculty has stayed at 63, but this should increase to 68 for Fall 2005.
  - **Program for business minors** with a 2.75 entrance requirement and 18 hours of business-related coursework.
- **Enrollment Caps.** The current mode of operation involves capping undergraduate SCH enrollments to within an allowed limit of 28,500 for Fall 2004 as compared with about 39,800 for Fall 2001. At the same time, graduate SCH enrollments have increased from about 4,000 to about 4,700.
- **Class Size.** The AACSB standards require strong instructor-student interaction. The college has traditionally had very large undergraduate core classes, which does not support strong instructor-student interaction. As a consequence, the college has dramatically decreased the average *undergraduate* class sizes over the past 3 years while maintaining graduate class sizes:

Average Fall Class Sizes	2002	2003	2004
Undergraduate Core	158	116	63
Undergrad Majors Class	63	52	47
MBA Core	33	32	32
Other Graduate Class	18	16	16

**Upper Division Majors.** Upper division majors have been fairly stable over the past 5 years. These are the students who can possibly graduate. (Students below a 2.75 are unlikely to finish their degree in business because they are frequently

<sup>2</sup> The 2.75 GPA was selected as the standard because students at or above this level seldom have to retake classes as compared to the 2.50 student (about 60% of the below 2.75 students have to retake BA classes many times where less than about 5% of the 2.75 or better students must retake one or more classes.)



unsuccessful at passing the required courses—they just try over and over again to no avail.) Since the adoption of the 2.75, the number of upper division majors has remained at slightly over 2,200 students with about 1,000 degrees granted per year:

<i>Fall Semester Enrolled</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
Upper Division Majors	2,239	2,084	2,177	2,211	2,237
Total Students	4,742	4,647	4,808	4,667	4,248

The number of freshmen should stay near 700 per year and the number of transfer students should increase gradually from about 300 per year as the college improves its reputation as a school of choice in Texas.

### DEMONSTRATING PROGRESS ON FACULTY SIZE, ESPECIALLY TENURE TRACK

The Rawls College has made progress<sup>3</sup> on increasing the faculty size:

<i>Fall Semester Full-Time Faculty</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005 Projected</i>
Tenured and Tenure-track	61	63	61	62	67
Visitors in Tenure-Track	1	0	2	3	0
Non-Tenure Track	19	19	27	32	24
Total Full-Time Faculty	81	82	90	97	91

### IMPROVEMENT IN ACADEMIC OPERATIONS

- *The college had a number of large classes with high failure rates, especially at the sophomore level.* The AACSB peer team recommended increasing standards and having a single minor. The peer review team found no sophomore standards, a 2.50 GPA standard for junior coursework, and numerous business minors with no effective standards.
- The sophomore class sizes and passing rates have shown dramatic improvement as a result of the 2.75 GPA requirement. The average sophomore class size decreased from 261 to 64—a dramatic reduction. Over the past five years there has been an increase in the sophomore passing rate from 65.5% to 86.0% as demonstrated below. This is especially noticeable in the introductory accounting course (ACCT 2300). For ACCT 2300 the average section size decreased from 151 for Fall 2000 to 45 in Fall 2004 and the passing rate has increased from 49% to 86%. This change is emblematic of the changes considered desirable by the accrediting body.

#### FALL 2000

<i>Fall 2000</i>		<i>Ave. Size</i>	<i>Ave. Grade</i>	<i>Total</i>	<i>Passing</i>	<i>Passing %</i>	<i>DF&amp;W</i>	<i>No Pass</i>
ACCT	2300	151	1.95	906	442	48.8%	464	51.2%
ACCT	2301	151	1.86	523	312	59.7%	211	40.3%
ISQS	2440	394	2.92	788	699	88.7%	89	11.3%
Total	Lower Div	261	2.32	2,217	1,453	65.5%	764	34.5%

<sup>3</sup> While the college has some progress for Fall 2005, the Rawls College should be able to demonstrate more progress by increasing the tenure-track faculty further for Fall 2005.



**FALL 2004**

Fall 2004		Ave. Size	Ave. Grade	Total	Passing	Passing %	DF&W	No Pass
ACCT	2300	45	2.87	493	426	86.4%	67	13.6%
ACCT	2301	55	2.44	275	193	70.2%	82	29.8%
ISQS	2340	86	3.30	517	486	94.0%	31	6.0%
Total	Lower Div	64	2.98	1,285	1,105	86.0%	180	14.0%

**NEW FACILITY**

The new business facility will provide a student-friendly, interactive learning environment that encourages frequent interaction with faculty members and the business community. The design will feature common areas that bring faculty and students closer together, which are important attributes that the current facility lacks. The new facility will provide a better technology platform for the college: it will reflect the most current technology available in 2009 for instruction and research and be adaptable to foreseeable change.

**SITE SELECTION**

The University reviewed seven locations for the new building, evaluating the following factors for each:

- Prominence (Campus Interior and Exterior)
- Location Inside 10-Minute Circle
- Location Within the Current Campus Community
- Future Expansion Possibilities
- Location on an Existing Bus Route
- Access to Utilities
- Availability of Parking
- Other Issues

**PROJECT SCOPE AND BUDGET**

The Project Team (Project Manager and Design Professionals) has worked with the College to develop a Preliminary Program [*List of Rooms and Functions in the Building*] and Concept Design [*basically, floor plans at this point*] for the new Rawls College of Business Building. The current plans will construct a 140,000 square foot building containing 12 undergraduate classrooms ranging from 35 to 120 seats, 5 graduate classrooms ranging in size from 30 to 60 seats, offices for 91 faculty<sup>4</sup> and 48 doctoral students, graduate and undergraduate student centers, 18 student break-out rooms, many study areas, and administrative space as necessary to support the College's academic programs.

The project was originally budgeted at \$50 million. The cost of the project has risen to \$56 million as a consequence of recent substantial increases in the cost of construction materials. The funding of the project will be a combination of private donations and matching state funds.

<sup>4</sup> 91 faculty offices in direct space plus another 7 offices for faculty holding administrative functions (Dean, Associate Deans, Assistant Deans, Communications skills instructors). Additionally, several faculty for the minors program will be housed in the old facility. There are 12 doctoral suites each holding space for 4 doctoral students.



**Expandability.** The plans also include the possibility of about 9,800 square feet of space for expansion at a cost of about \$7 million as a second and third floor on the west central pod. This space can accommodate the expansion of about 20 faculty and about 600 students in the upper division, which will result in about a 27% increase in upper division students. An upper division student body of 2,800 would be larger than the Texas Tech upper division business student body has ever been and would be about the largest upper division student body in the Big XII. While University of Texas had 2,865 upper division students Fall 2003, they have since decreased in size. Texas A&M had 2,403 for Fall 2003 and they are also decreasing the undergraduate student body.

The additional space will also provide facilities for centers and institutes that are not currently in the plans.

**CONSTRUCTION TIME LINE\***

• Complete Programming	Mar 2005
• Funding/Budget Approval	May 2005
• Schematic Design	Sep 2005
• Design Development	Mar 2006
• Construction Documents I	Aug 2006
• Start Construction	Nov 2006
• Construction Documents II	Jan 2007
• Complete Construction	May 2009

\*Assumes Funding is Available to Meet Expenses

**CURRENT EXPENDITURE SCHEDULE**

DESIGN PHASE:

Expended through December 31, 2004

Design and Planning<sup>5</sup>

\$ 575,000

Needs for 2005

Estimated Expenditures through February 2005

\$ 200,000

Complete Design Expenditures

March 2005 through January 2006

1,300,000

Design and Planning

\$1,500,000

Total to complete Design Phase

\$2,075,000

CONSTRUCTION PHASE:

Construction Manager and other services  
to be hired.

\$ 300,000

The project will support the overall campus plan including rehabilitation of the existing BA building, which will include a minors program available to the larger campus taught outside the building. It is anticipated that the campus plan will address the parking issue.

**DEVELOPMENT ACTIVITIES**

Development activities are underway to raise the private donations needed to construct the new facility. Presently, we are in the silent phase of the campaign, during which we hope to raise \$10 to \$12 million. Alumni and friends in each of the 10 major cities of Texas have been organized into peer committees to help us raise the necessary funds. Well-attended campaign committee meetings have already been held in Houston, Dallas and Lubbock, with strong enthusiasm and support being shown by our alumni. In addition, industry chairs have been designated for the

<sup>5</sup> The University paid for the first phase of planning. Funding after this will come from a combination of University funding and donations.



banking, energy, technology, and real estate sectors, and a regional structure organized to cultivate foundation prospects. Our top 25 potential individual donors have also been made aware of the campaign through personal contacts, with the next group of 25 to be contacted in the coming weeks. The next phase of fundraising efforts will be unveiled in early 2005. The vision of this campaign involves more than just constructing a new physical home for the Rawls College, but also enhancing our academic programs, centers of excellence, student scholarships, and faculty support.

Rawls College of Business  
Texas Tech University  
***Capital Campaign Status***  
February 15, 2005

	Goals	Pledges	Goal Raised to Date
<b>Regions</b>			
West Texas	\$ 10,000,000	\$ 1,930,000	19.30%
South Texas, Austin, San Antonio, Houston	7,500,000	250,000	3.33%
North Texas/DFW	7,500,000	1,050,000	14.00%
Other Areas		1,010,000	
<b>Overall Campaign</b>	<u>\$25,000,000</u>	<u>\$ 4,240,000</u>	<u>16.96%</u>
<b>Donor Proposals Submitted Currently</b>	<u>\$17,250,000</u>		
<b>Donor Proposals in Preparation</b>	<u>\$23,000,000</u>		



**Benchmarks.** Over the next 5 years we would expect the Rawls College of Business to approach the benchmarks of:

	<b>Current (Fall 2004)</b>	<b>Benchmarks (Fall 2009)</b>
<b>Degrees Granted per year</b>	1,305 (2003-04)	1,250 (2008-09)
<b>Students:</b>		
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Graduate	<u>571</u>	<u>700</u>
Total	<u>4,791</u>	<u>4,300</u>
<b>Full-time Faculty*:</b>		
Tenure Track	63	80
Non-Tenure Track	<u>34</u>	<u>20</u>
Total Full-Time	<u>97</u>	<u>100</u>
<b>Students to Full-Time Faculty</b>	57.7	40-45
<b>Percent of Full-time Faculty with Doctorates</b>	75.6%	85%
<b>Average Class Sizes:</b>		
Undergraduate Core Class Size	63	50
Undergraduate Majors Class Size	47	35
Graduate Core Class Size	32	32
Other Graduate Class Size	16	20
<b>Undergraduate Students who graduate:</b>		
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Admitted to Upper Division and Graduate	n/a	90%
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Interviewing Opportunities	3,000	6,000
<b>Minors Program</b>		
Enrollment	~300	500
Average Class Size	n/a	40
Dedicated Faculty	0	4



\*Based on our view forward the budget requirements to meet this benchmark would be as follows:

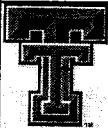

	<b>Tenure Track</b>	<b>Instructors</b>		
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Approved for fiscal year 2007	1			155,000
				\$ 9,565,000
Additions Requested for fiscal year 2006	7		\$ 710,000	
Projected Requests for fiscal year 2007 and 2008	5		615,000	
Total				1,325,000
Total Budget to meet benchmarks for Fall 2008 in 2005 faculty costs	80	20		\$10,890,000

\* Four instructors will be replaced by tenure track faculty.

We anticipate that the faculty salary budget will remain at about 12% of the total for the University.



	
<h1>TEXAS TECH</h1>	
<h2>Parking and Transportation Report</h2>	
<p>Jim Moran Vice President, Walker Parking Consultants</p> <p>Max Hinojosa Vice President for Operations</p>	
	

	<h2>Purpose</h2>
	<p><b><i>Make Campus Access Easier</i></b></p>
	





## Committee Members

- Alisa Abuzeineh, Graduate VP, SGA
- Mike Ellicott, VC, FP&C
- Max Hinojosa, VP Operations
- Anne Hunninghake, External VP, SGA
- Buddy Knox, Dir, Traffic & Parking
- Jim Moran, VP Walker Parking
- Mike Shonrock, VP Student Affairs
- Alton Smith, Assoc CFO



## Goals

- **Improve** Campus Parking for Students, Faculty, Staff, and Visitors.
- Provide **Choices** in Parking Locations and Prices.
- Provide **Positive Incentives** to Reduce Demand.
- Have Everyone Pay a **Fair and Equitable** Share of the Costs.
- Provide **One** Parking Space per On-Campus Residence Hall **Bed**.
- Maintain the **Effectiveness** of the Campus Bus System.





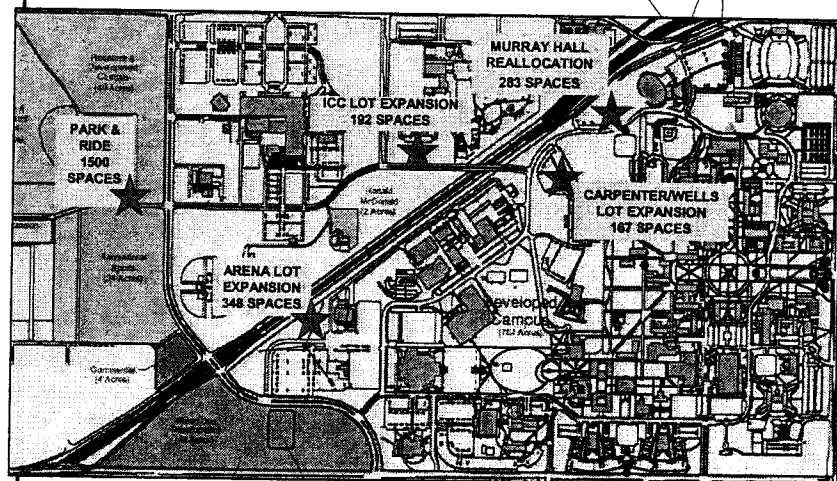


## Progress to Date

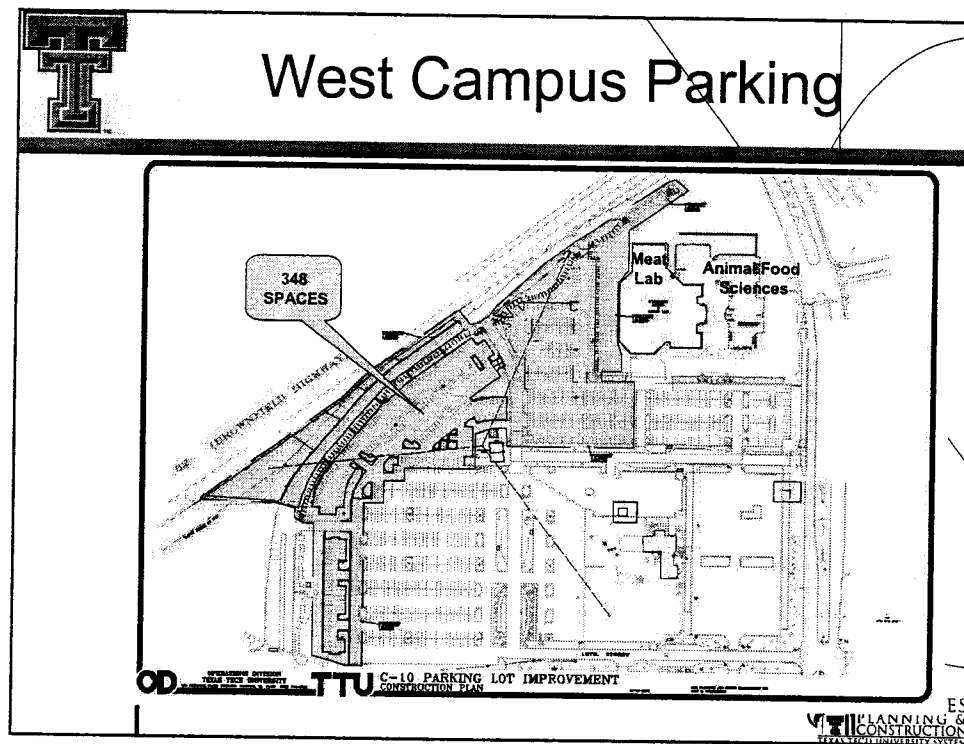
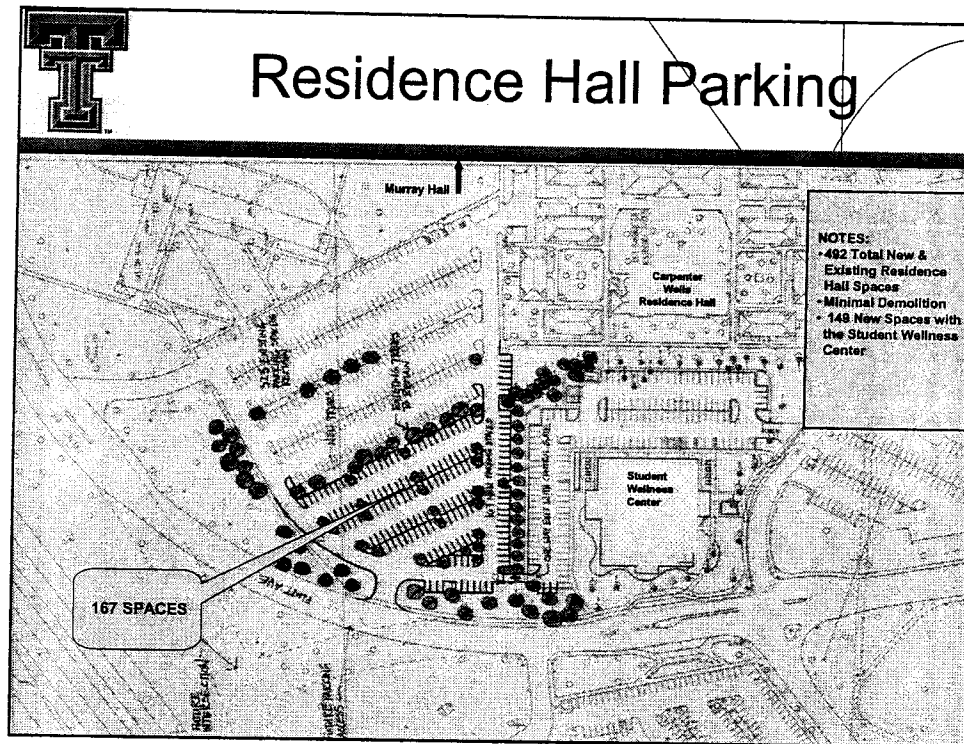
- Expanding Lots West of the Arena This Summer – 348 Spaces
- Designing 167 Space Expansion of the Carpenter Wells Apartments/Murray Hall Suites Lot
- Completed 1000-Car Park and Ride Lot; 500-Car Expansion Underway
- Completed 192-Car ICC Lot
- Reallocated a 283-Space Lot to Murray Hall
- Adjusted Existing Campus Lots to Gain 120 Spaces



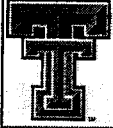

## Campus Parking Expansion

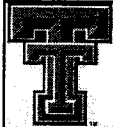











	Assumptions
	<ul style="list-style-type: none"> <li>▪ Campus Parking is an <b>asset used</b> by the <b>Community</b> as a whole and <b>paid</b> for by the <b>students, faculty, and staff</b>.</li> <li>▪ All those using campus parking and transportation should pay a <b>fair and equitable</b> price.</li> <li>▪ Charge an amount sufficient to <b>build, operate, and maintain</b> a quality parking program.</li> <li>▪ The campus will grow up to 30,000 students, with associated growth in faculty and staff, by 2009.</li> </ul> <div data-bbox="1133 919 1297 972">            FACILITIES PLANNING &amp; CONSTRUCTION <small>THE UNIVERSITY OF TEXAS AT AUSTIN</small> </div>

	Parking System Parameters	
	<p><i>Types</i></p> <ul style="list-style-type: none"> <li>▪ Residence Hall Student Parking</li> <li>▪ Commuter Student Parking</li> <li>▪ Faculty &amp; Staff Parking</li> <li>▪ Visitor Parking</li> <li>▪ Event Parking</li> </ul>	<p><i>Revenue Sources</i></p> <ul style="list-style-type: none"> <li>▪ Parking Permits</li> <li>▪ Park and Pay Fees</li> <li>▪ Student Transportation Fee</li> <li>▪ Event Parking Surcharges</li> <li>▪ Parking Citations</li> <li>▪ Federal/State Grants</li> </ul> <p><i>The Parking System Must Be Self-Sufficient</i></p>

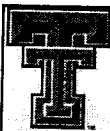


 <h2>Historical Population Data</h2>					
	2004	2003	2002	2001	
Student Enrollment History	28,325	28,549	27,569	25,573	
Faculty and Staff (FTE)	4,792	4,361	4,361	4,298	
Faculty/Staff Spaces (approximately 3,900 permits sold)	3,608	3,606	3,538	3,478	
Residence Hall Occupancy	5,217	5,892	6,034	5,942	
Residence Hall Spaces	4,179	4,155	4,222	3,679	
Commuter Students	23,108	22,657	21,535	19,631	
Commuter Spaces w/o Park and Ride	6,662	5,673	5,386	5,490	
					

 <h2>Current Parking Data</h2>		
Parking Inventory (Including Town & Country) w/o Park and Ride	15,158	
Faculty & Staff	3,608	
Student w/o Park and Ride	9,156	
Service, Visitor, ADA, Etc.	2,394	
Permits/Space – Faculty & Staff	1.10	
Permits/Space – Student	1.58	
Residence Hall Space/Bed (Optimum Capacity)	0.77	
Commuter Spaces/Commuter Student	0.23	





	TTU	A&M	UT	Missouri	Iowa
Enrollment	28,325	44,590	50,000	27,003	29,745
Staff & Faculty	4,792	8,159	21,000	11,868	13,350
Users	33,117	52,749	71,000	38,871	43,045
Surface Spaces	15,793	24,410	7,843	14,523	12,800
Structured Spaces	791	9,623	7,100	8,477	1,200
Total Spaces	15,158	34,129	14,943	23,000	14,000
Space/User	0.50	0.65	0.21	0.60	0.32





(In \$/Year)	TTU	A&M	UT	OU	Iowa
Reserved	\$401	\$264	\$600	\$580	\$540
Area Reserved	\$139	\$130	\$381	\$145	\$360
Student-Garage	\$268	\$366	\$616	\$580	n/a
Student - Lot	\$139	\$133	\$80	\$127	\$198
Commuter	\$118	\$133	\$80	\$127	\$126
Visitors	\$6.00 max.	\$1.50/hr.	\$7.00 max	Free	\$8.00 max



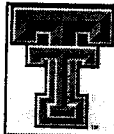
 <h2>Comparison Transit Data</h2>							
	TTU	Kansas	A&M	UT	Missouri	Iowa	
Transit Fee	\$45.00	\$18.00	\$60.00	\$51.00	\$11.00	\$16.50	
Ridership (million)	5.4m	1.9m	5.2m	7.8m	1.0m	3.6m	
Annual Miles	610k	n/a	2,000k	2,250k	n/a	775k	
Annual Cost	\$1.9m	\$1.6m	\$5.5m	\$5.2m	\$0.6m	\$2.2m	
Cost per Mile	\$3.11	n/a	\$2.75	\$2.32	n/a	\$2.84	
Cost per Passenger	\$0.36	\$0.83	\$1.06	\$0.67	\$0.54	\$0.61	


**FACILITIES  
PLANNING &  
CONSTRUCTION**  
TEXAS TECH UNIVERSITY SYSTEM

 <h2>Walker Parking Consultants Parking Study Results:</h2>	
	<ul style="list-style-type: none"> <li>■ The Available Parking is <b>Not Located</b> Near the Demand.</li> <li>■ There is a Shortage of Faculty and Staff Parking in the <b>Core Campus</b> (e.g. Southeast Quadrant of the Campus) and a Shortage of <b>On-Campus Residence Hall Parking</b>.</li> <li>■ There will be a Shortage of <b>1,200</b> Parking Spaces in 2009, Assuming Growth to up to 30,000 students.</li> </ul>


**FACILITIES  
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TEXAS TECH UNIVERSITY SYSTEM

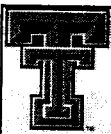




## Alternatives Considered

*Examine various investment strategies for  
Capital and Operational Expenditures*

- A. Remote Lots:** Off Campus Remote Parking and Off-Campus Bus Routes (Current)
- B. Close In Parking:** Core Campus Parking (Decks), Limited On-Campus Bus Routes
- C. Park and Ride:** On-Campus Park and Ride Lots and On-Campus Bus Routes



## Alternative 1: Remote Lots

- Limited Capital Expenditures
- Limited Use of Texas Tech Land and Funds for Parking  
*but*
- Increased and Increasing Operating Costs for Foreseeable Future
- Does Not Solve Lack of Residence Hall and Southeast Quadrant Parking
- Reduces the Desirability of On-Campus Housing







## Alternative 2: Close-In Parking

- Provides Convenient, On-Campus Parking to Meet Current Demand
- Provides Strong Selling Point for Students, Faculty, and Staff  
*but*
- Extremely Costly to Construct and Operate
- Demand Will Always Increase to Exceed Supply
- Uses Most/All Available Master Plan Building Sites and Green Space for Parking Facilities

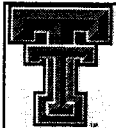



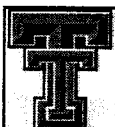

## Alternative 3: On-Campus Park & Ride Lots

- Moderate Capital Investment; Reduction of Operating Expenses
- Promotes On-Campus Residence Halls and Community Activity  
*but*
- Parking Not as Convenient as Some Would Like
- Does Not Solve Lack of Residence Hall and Southeast Quadrant Parking
- Community Acceptance Issues

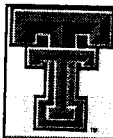




	<h2 data-bbox="630 285 1122 342">Recommendations</h2>
	<ul style="list-style-type: none"><li data-bbox="480 422 1289 506">♦ Expand On-Campus Park and Ride Lots and On-Campus Bus Routes</li><li data-bbox="480 520 1289 604">♦ Identify Alternate Funding for Off-Campus Bus Routes</li><li data-bbox="480 619 1289 703">♦ Retain the Wal-Mart Park and Ride Lot and Bus Route; Consider Others</li><li data-bbox="480 718 1289 802">♦ Charge an Event Parking Surcharge on Ticketed Events (Less Student Tickets)</li></ul> 

	<h2 data-bbox="626 1115 1117 1222">Recommendations (Con't)</h2>
	<ul style="list-style-type: none"><li data-bbox="474 1270 1282 1522">♦ Adjust Parking Fees<ul style="list-style-type: none"><li data-bbox="521 1318 1282 1402">• To Fully Recover Operating Costs and Debt Service Expenses</li><li data-bbox="521 1402 1282 1444">• For Equity</li><li data-bbox="521 1444 1282 1522">• To Differentiate the Cost of More Desirable Parking</li></ul></li><li data-bbox="474 1537 1282 1789">♦ Construct a 1200-Car Parking Garage in the Core Campus<ul style="list-style-type: none"><li data-bbox="521 1633 1282 1717">• Relieves Southeast Quadrant and Residence Hall Parking Problems</li><li data-bbox="521 1717 1282 1789">• Provides Additional Rawls College of Business Administration Visitor Parking</li></ul></li></ul> 





## Other Issues

- ◆ Expanding Class Scheduling Hours
- ◆ Bus Routes Improvements –  
More Point-to-Point Routes
- ◆ Bike Routes
- ◆ Infrastructure Upgrade/Improvements
- ◆ Location of Future Residence Halls
- ◆ Improve East Stadium Lot Usage
- ◆ Inter-Modal Transfer Station
- ◆ Student Transportation Fee
- ◆ Tailgate Party Locations

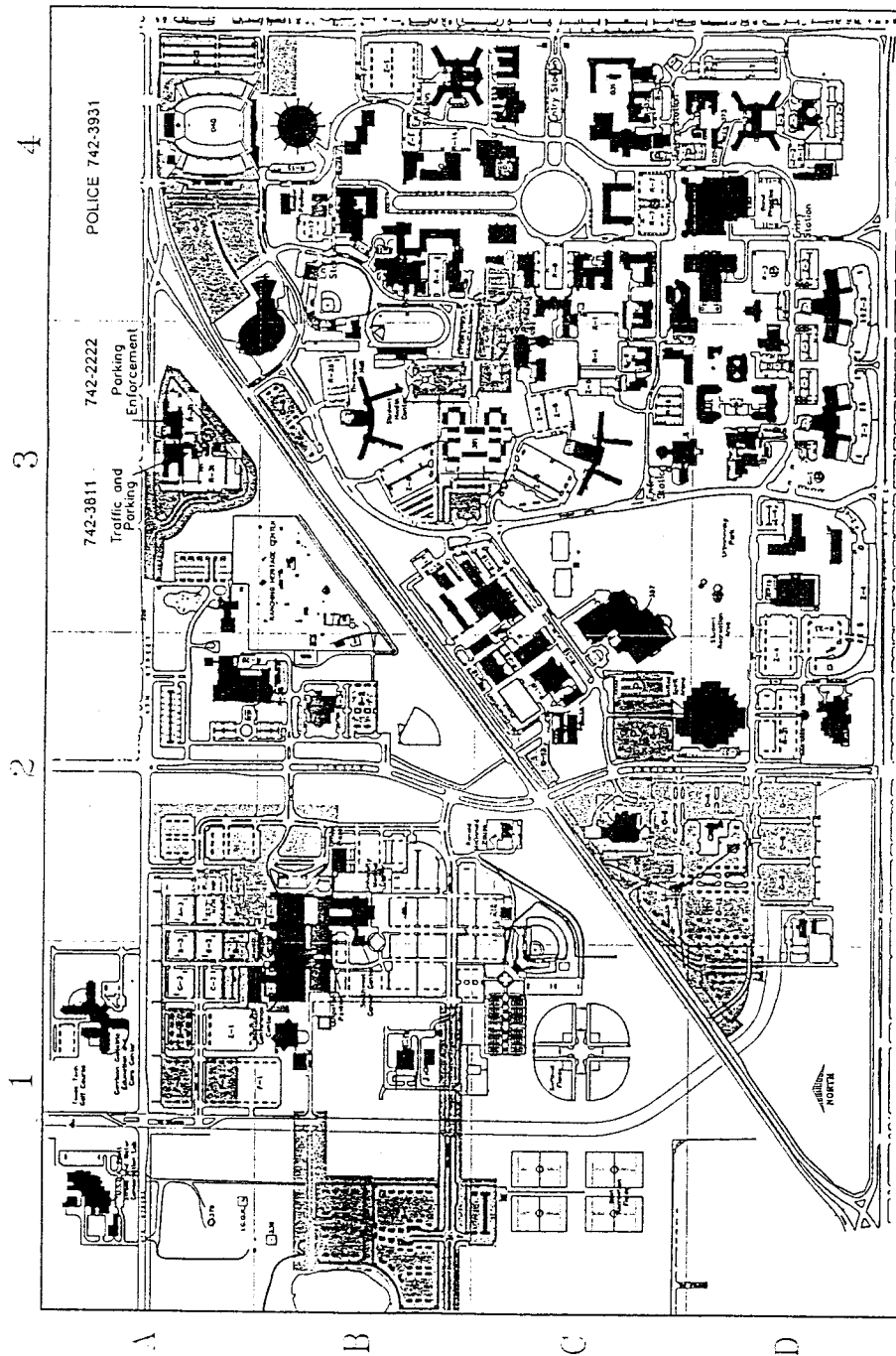


## Where do we go from here?

- ◆ Presentations to the Faculty, Staff and Student Senates
- ◆ Telephone Surveys (Earl Research Center)
- ◆ Focus Groups
- ◆ Town Hall Style Meetings
- ◆ Input from Board Members
- ◆ Present Best Solution





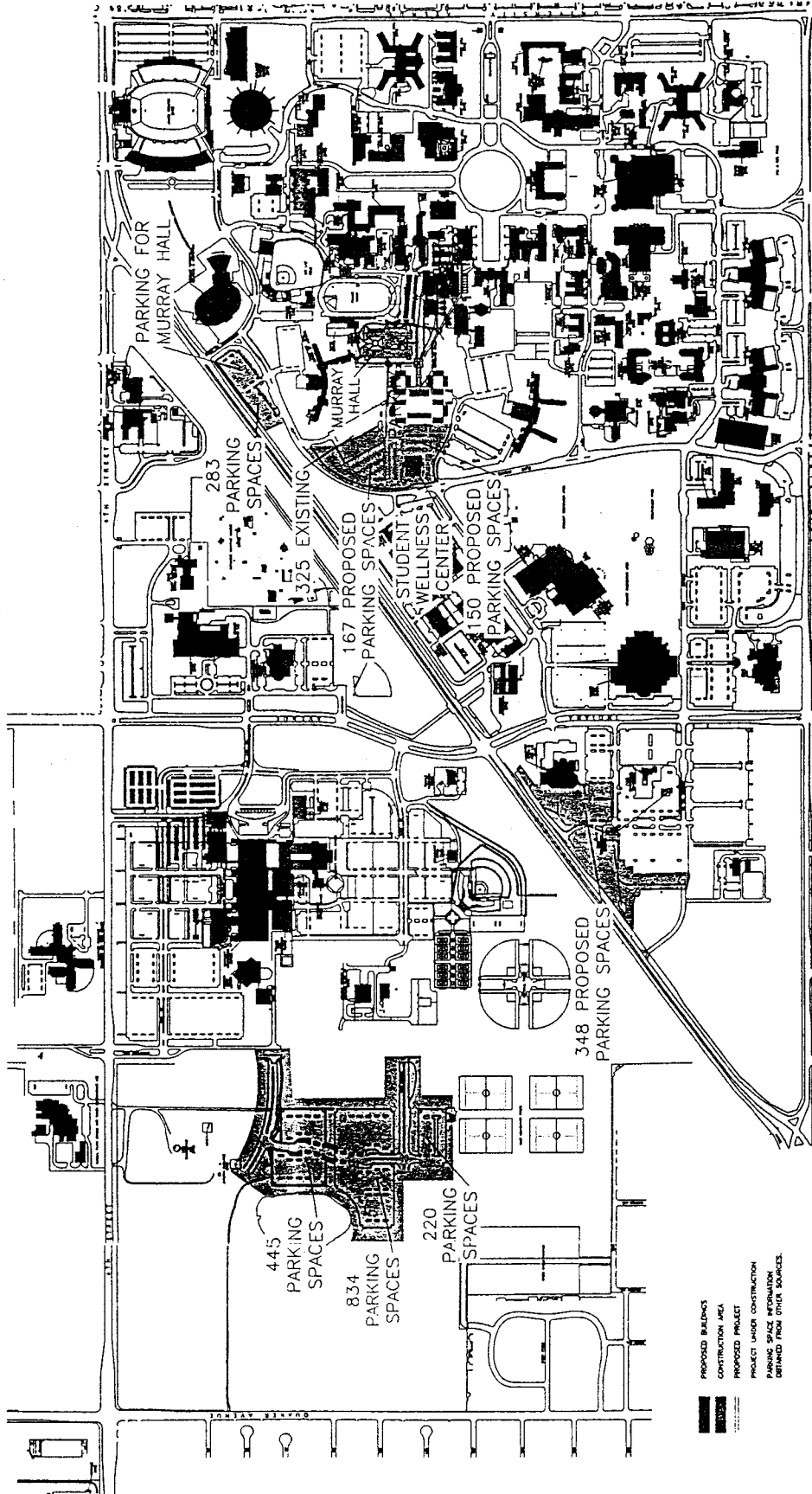


SOURCE: ANNUAL INVENTORY UPDATE FALL  
SEMESTER 2004



LOT	TOTALS	LOT	TOTALS
Z1B	454	R07	359
Bledsoe/Gordon Kitchen	9	R08	137
Z1C	71	R09	47
Gordon	10	R10	67
Sneed Snack Bar	4	R11	199
Z2A	38	R12	21
Z2B	223	R13	254
Z2C	48	R13V	70
Z2D	90	R14	164
Doak (R19 X)	27	R15	76
Hom/Knapp Kitchen	8	R16	56
Weeks (Included in R13)	0	R17	90
Z3E	104	R18	530
Wall/Gates Kitchen	10	R19 (Listed above in Z lots)	0
Z3F	106	R20	36
Z3G	94	R21	380
Hulen/Clement Kitchen	11	R23 (Wiggins)	114
Z3J	45	R24	19
Z3K	209	R28 (Museum)	333
Z3L	240	R28 (RHC)	208
Z4M	101	R31 (ASC/UPD)	242
Z4N	54	R32	9
Z4P	709	R33 (Market)	141
Z4R	251	R34 (ICC)	108
R19R	88	R37 (Arena)	57
Dock Wiggins	3	AA Courtyard	6
Wiggins Pit	19	Admin (S. Dock)	3
Hartford	18	Ag Ed Service	17
Z5A	61	BA Service	5
Z5B	301	Bio. Service	12
Z5C	465	Bookstore	26
Stangel Kitchen	6	Chancellor	0
Z5E	316	Chem E. Service	4
Carp/Wells	10	Chem. Service	4
Flint Ave Parking Garage	791	Credit Union	0
C1	1238	Dan Law Field	50
C2	523	Double T Shop	33
C2W	69	Key	64
C3 (S2)	192	English	0
C4	785	Journalism Drive	7
C4E	29	Library	7
C5	283	Livestock Arena	7
C6	593	Mech. Engr.	2
C7	0	Memorial Circle	19
C8	0	Music Service	4
C9	0	N. Broadway	9
C10	150	Petr. Engineering	8
C12	765	President	0
C13	124	Rec. Ctr. Service	8
C18	102	S. Broadway	13
Track	77	S. Greenhouse	16
R01	423	Science	9
R02	149	UC (SUB)	0
R03	245	West Hall	25
R03V	31	West Hall (East Visitor)	15
R04	87	Z5 Visitor	20
R05	144	Holden Service	4
R06V	23	2600 6th Service	11
		2700 7th	7
		Total Spaces	15,158





# TTU

OPERATIONS DIVISION  
TEXAS TECH UNIVERSITY  
104 PHYSICAL PLANT BUILDING LUBBOCK, TX. 79409 (806) 742-3803

## PARKING CONSTRUCTION

REVISION: 2/23/2005  
PRINTED: 2/23/2005



# BIG 12 PARKING SURVEY PARKING SYSTEM COMPARISON

FEBRUARY 14, 2005



**WALKER**  
RESEARCH CORPORATION

School	Baylor University	The University of Iowa	Iowa State University	The University of Kansas	Kansas State University	The University of Missouri	University of Nebraska Lincoln	Oklahoma University	The University of Texas at Austin	Texas A&M University	Texas Tech University
Total Parking System Spaces	8,640	14,000	18,703	13,502	10,000	23,000	14,808	8,790	14,943	34,129	16,584
Enrollment	13,799	29,745	25,282	25,000	23,050	27,003	21,792	27,807	50,000	44,590	28,325
Faculty and Staff	1,969	13,350	6,647	5,000	4,208	11,868	4,952	9,095	21,000	8,159	4,792
Surface Parking Spaces	4,628	12,800	17,654	11,932	10,000	14,523	11,163	5,166	7,843	24,410	15,793
Surface Parking Revenues	-	-	-	-	\$2,032,017	-	\$855,900	\$0	\$2,200,000	\$6,780,032	\$3,700,000
Surface Parking Expenses	-	-	-	-	-	-	-	-	\$400,000	\$745,500	\$2,650,000
Structured Parking Spaces	4,012	1,200	1,049	1,570	0	8,477	3,145	1,284	7,100	9,623	791
Structured Parking Revenues	-	\$3,825,000	-	-	\$0	-	\$513,700	-	\$6,400,000	\$5,588,299	\$304,400
Structured Parking Expenses	-	\$1,491,000	-	-	\$0	-	-	-	\$1,900,000	\$960,399	\$163,000
Total Parking System Revenues	-	\$12,392,000	\$2,840,539	\$3,544,000	\$2,032,017	\$6,700,000	\$7,062,000	\$4,347,696	\$10,600,000	\$15,085,370	\$3,981,000
Revenue from Permit Holders	-	\$4,605,000	\$1,457,900	\$1,787,000	\$1,381,770	\$2,000,000	\$4,371,000	\$2,191,111	\$5,700,000	\$8,903,537	\$2,900,000
Annual Debt Service	-	\$1,715,881	\$469,607	\$1,380,000	\$0	\$3,200,000	\$3,000,000	\$2,421,000	\$5,100,000	\$6,693,769	\$1,183,000
Parking System's Annual Administrative Costs	-	\$644,000	\$954,013	\$970,800	-	\$534,000	-	\$1,417,000	\$4,800,000	\$8,391,137	\$1,600,000
Semester Fee	-	\$16.50	\$0.00	\$18.00	\$0.00	\$11.00	\$0.00	\$1.50	\$51.00	\$60.00	\$45.00 *
Transit Fee per Use	-	Free	Free	\$1.00	Free	Free	Free	Free	Free	Free	Free
Annual Transit Expenses	\$325,000	\$2,200,000	\$234,412	\$1,566,232	-	\$550,000	\$1,200,000	\$1,800,000	\$5,209,250	\$5,493,993	\$1,796,500
Annual Transit Ridership	85,000	3,600,000	638,000	1,883,636	-	1,015,000	400,000	1,080,000	7,784,804	5,200,000	5,017,845
Annual Transit Mileage	6,500	775,000	-	-	-	-	-	240,000	2,250,000	2,000,000	492,335

\* The semester fee is calculated based on \$3.00 per credit hour with a maximum charge per semester of \$45.00.



# **BIG 12 PARKING SURVEY**

## **PARKING SYSTEM COMPARISON**



FEBRUARY 14, 2005

School	Baylor University	The University of Iowa	Iowa State University	The University of Kansas	Kansas State University	The University of Missouri	University of Nebraska Lincoln	Oklahoma University	The University of Texas at Austin	Texas A&M University	Texas Tech University
Parking Operating Cost per Surface Parking Space	-	-	-	-	-	-	-	-	\$51.00	\$30.54	\$167.80
Parking Operating Cost per Structured Parking Space	-	\$1,242.50	-	-	\$0.00	-	-	-	\$267.61	\$99.80	\$206.07
Parking Annual Debt Service per Space	-	\$122.56	\$25.11	\$102.21	\$0.00	\$139.13	\$202.59	\$275.43	\$341.30	\$196.13	\$71.33
% of Annual Revenue Committed to Debt Service	-	13.8%	16.5%	38.9%	0.0%	47.8%	42.5%	55.7%	48.1%	44.4%	29.7%
Permit Revenue per Space	-	\$328.93	\$77.95	\$132.35	\$138.18	\$86.96	\$295.18	\$249.27	\$381.45	\$260.94	\$174.87
Total Population Per Space	1.83	3.08	1.71	2.22	2.73	1.69	1.81	4.20	4.75	1.55	2.00
Administrative Cost per Space	-	\$46.00	\$51.01	\$64.49	-	\$23.22	-	-	\$321.22	\$245.87	\$96.48
Transit Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Separate Fee for Usage	-	Free	Free	\$1.00	Free	Free	Free	Free	Free	Free	Free
Semester Fee	-	\$16.50	\$0.00	\$18.00	\$0.00	\$11.00	\$45.00	-	\$51.00	\$60.00	\$45.00
Transit Service Cost per Mile	\$50.00	\$2.84	-	-	-	-	-	\$6.52	\$2.32	\$2.75	\$3.68
Transit Service Cost per Passenger	\$3.82	\$0.61	\$0.37	\$0.83	-	\$0.64	\$3.00	\$1.67	\$0.67	\$1.06	\$0.36



# **BIG 12 PARKING SURVEY** PARKING SYSTEM COMPARISON



FEBRUARY 14, 2005

School	Name	Title	Phone	Email	Website
Baylor University	Don Bagby	Director of Facilities Management	254-710-8200	<a href="mailto:Don_Bagby@baylor.edu">Don_Bagby@baylor.edu</a>	--
Colorado	Bryan Flansburg	Director of Transportation Services	303-492-6010	<a href="mailto:bryan.flansburg@colorado.edu">bryan.flansburg@colorado.edu</a>	<a href="http://www.ucbparking.colorado.edu/">www.ucbparking.colorado.edu/</a>
The University of Iowa	Linda Noble	Manager of Parking Operations	319-335-1473	<a href="mailto:linda-noble@uiowa.edu">linda-noble@uiowa.edu</a>	<a href="http://www.uiowa.edu/~parking/">www.uiowa.edu/~parking/</a>
Iowa State University	Peggy Best	Parking Division	515-294-1987	<a href="mailto:dad@iastate.edu">dad@iastate.edu</a>	<a href="http://www.dps.iastate.edu/parking">www.dps.iastate.edu/parking</a>
The University of Kansas	Donna Hulline	Director, Parking Department Office	785-864-7275	<a href="mailto:dhulline@ku.edu">dhulline@ku.edu</a>	<a href="http://www.ku.edu/~parking/">www.ku.edu/~parking/</a>
Kansas State University	Darwin Abbott	Parking Services	785-532-7275	<a href="mailto:parking@ksu.edu">parking@ksu.edu</a>	<a href="http://www.ksu.edu/parking/">www.ksu.edu/parking/</a>
The University of Missouri	James L. Joy	Director of Parking and Transportation	573-882-4568	<a href="mailto:joyi@missouri.edu">joyi@missouri.edu</a>	<a href="http://mubswb.missouri.edu/parking/index.cfm">http://mubswb.missouri.edu/parking/index.cfm</a>
University of Nebraska Lincoln	Dan Carpenter	Director of University Parking Services	402-472-1800	<a href="mailto:dcarpent@unlnotes.unl.edu">dcarpent@unlnotes.unl.edu</a>	<a href="http://parking.unl.edu/">http://parking.unl.edu/</a>
Oklahoma	Theta Dempsey	Director of Parking & Transit Services	405-325-2046	<a href="mailto:tdempsey@ou.edu">tdempsey@ou.edu</a>	<a href="http://www.ou.edu/parking/">www.ou.edu/parking/</a>
Oklahoma State	Hugh Kierig	Parking and Transit Services Manager	405-744-6525	<a href="mailto:kierigh@okstate.edu">kierigh@okstate.edu</a>	<a href="http://www.parking.okstate.edu/">www.parking.okstate.edu/</a>
The University of Texas Austin	Bob Harkins	Director of Parking and Transportation Services	512-471-7275	<a href="mailto:bharkins@mail.utexas.edu">bharkins@mail.utexas.edu</a>	<a href="http://www.utexas.edu/parking/">www.utexas.edu/parking/</a>
Texas A&M University	Rod Weis	Parking, Transit, & Traffic Associate Director	979-845-9700	<a href="mailto:rew@potts.tamu.edu">rew@potts.tamu.edu</a>	<a href="http://transport.tamu.edu/">http://transport.tamu.edu/</a>
Texas Tech University	Eric Crouch	Manager of Traffic & Parking Operations	806-742-3811	<a href="mailto:eric.crouch@ttu.edu">eric.crouch@ttu.edu</a>	<a href="http://www.parking.ttu.edu">www.parking.ttu.edu</a>

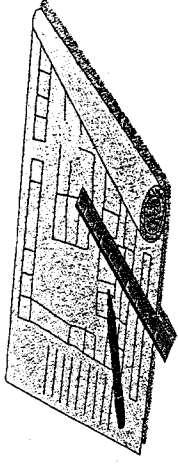


# Bricks and Mortar Report

## Projects Under Construction

### February 2005

www.fpc.ttu.edu

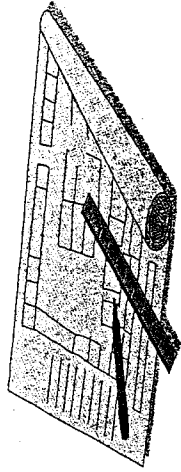


Project	Cost	Status	Completion Date
<b>TTU</b>			
Experimental Sciences Building	\$36,997,000	Under Construction	August 2005
Animal and Food Sciences Facility	\$17,000,000	Under Construction	March 2005
Student Union Bldg. Expansion/Renov.	\$38,085,814	Under Construction	October 2003/February 2005
Museum NSRL Addition	\$4,100,000	Under Construction	March 2005
New Residence Hall Complex	\$24,000,000	Under Construction	August 2005
Admin Building Stone Repair	\$2,332,099	Substantially Complete	January 2005
English-Philosophy Demo	\$1,210,000	Under Construction	April 2005
<b>TOTAL</b>	<b>\$123,724,913</b>		
<b>HSC</b>			
HSC Clinical Tower Research Center	\$35,792,550	GMP Signed	November 2006
HSC Campus Infrastructure Improvement	\$5,000,000	Under Construction	December 2004
HSC EI Paso Clinic Expansion/Renov	\$9,780,000	Substantially Complete	February 2005
HSC EI Paso Hydronic Pipe Replacement	\$1,700,000	Substantially Complete	February 2005
HSC EI Paso Medical Science Bldg. I	\$38,890,868	Under Construction	November 2005
Texas Tech Parkway	\$9,227,265	Under Construction	April 2005
Combest Health & Wellness Center	\$1,605,210	Under Construction	December 2005
<b>TOTAL</b>	<b>\$101,995,893</b>		
<b>GRAND TOTAL</b>	<b>\$225,720,806</b>		



# Bricks and Mortar Report

## Projects In Design February 2005



Project	Cost	Status	Completion Date
<b>TTU</b>			
Art 3-D Annex	\$8,200,000	Design in Progress	TBD
Student Union Building Phase II B	\$6,000,000	Design in Progress	December 2005
NRHC - Christine DeVitt Wing	\$3,700,000	Design in Progress	TBD
CDRC / CSAR	\$8,000,000	Design in Progress	TBD
Rawls College of Business Administration	\$56,000,000	Design in Progress	TBD
Student Wellness Center	\$8,500,000	Design in Progress	TBD
The Rawls Course Clubhouse Complex	\$2,000,000	Design in Progress	TBD
Outreach & Extended Studies Building	\$8,500,000	Design in Progress	August 2006
Engineering Expansion/Renovation	\$10,000,000	Programming in Progress	TBD
Marsha Sharp Freeway [TxDOT Project]	TBD	Contractor Selected	2010+
Walls/Gates Life Safety Upgrade	\$3,700,000	GMP Negotiated	August 2005
Law School Lanier Center	\$12,000,000	DP Selected	TBD
<b>TOTAL</b>	<b>\$126,600,000</b>		
<b>HSC</b>			
International Pain Center	\$4,250,000	GMP Negotiated	December 2006
El Paso Medical Education Bldg.	\$45,000,000	Design in Progress	August 2008
Amarillo Clinic Conversion / Renovation	\$2,900,000	Programming in Progress	TBD
HSC Roof Replacement	\$2,000,000	Design in Progress	TBD
<b>TOTAL</b>	<b>\$54,150,000</b>		
<b>GRAND TOTAL</b>	<b>\$234,900,000</b>		

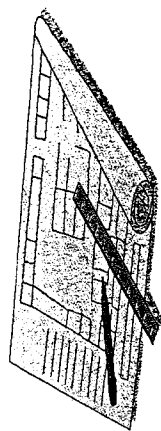




# Bricks and Mortar Report

Future Projects

February 2005



Board Minutes  
February 25, 2005  
Attachment 3, Page 3

Project	Cost	Status	Completion Date
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## Texas Tech System

System Office Relocation	\$3,000,000	Proposed	TBD
<b>TTU</b>			
Sneed/Gordon/Bledsoe Improvements	\$7,150,000	Proposed	August 2005
Experimental Science Lab Build Out	TBD	Proposed	TBD
Honors College	\$8,000,000	Student Project	TBD
CoBA Building Renovations	\$25,000,000	Study in Progress	TBD
Jones SBC Stadium Stage IV	TBD	On Hold	TBD
Utility Infrastructure Upgrade	TBD	DP Selected	TBD
Child Care Center	\$2,000,000	On Hold	TBD
Dairy Barn Renovation	\$2,000,000	Student Project	TBD
Retirement Village	TBD	On Hold	TBD
Vietnam Center	\$35,000,000	Proposed	TBD
<b>TOTAL</b>	<b>\$79,150,000</b>		

## HSC

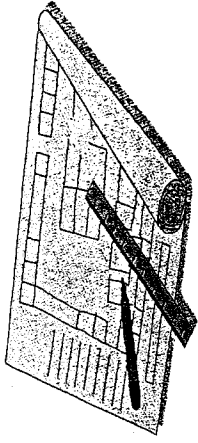
El Paso Medical Science Building I Build Out	\$9,000,000	Proposed	TBD
El Paso Medical Science Building II	\$95,000,000	Programmed	TBD
Midland Medical Education Expansion	\$13,500,000	Proposed	TBD
School of Pharmacy Expansion	\$11,250,000	Proposed	TBD
<b>TOTAL</b>	<b>\$128,750,000</b>		
<b>GRAND TOTAL</b>	<b>\$210,900,000</b>		



# Bricks and Mortar Report

Projects Completed  
February 2005

**TTU**



Project	Cost	Status	Completion Date
Jones SBC Stadium Stage IIA /IIB	\$53,740,000	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	\$3,623,110	Complete	August 2004
Football Training Facility	\$11,000,000	Complete	May 2004
Marsha Sharp Center for Student Athletes	\$3,850,266	Complete	January 2004
The Rawls Course Support Facilities	\$1,692,000	Complete	November 2003
Admin Building Roof Repairs	\$827,901	Complete	November 2003
The Rawls Course	\$9,013,000	Complete	August 2003
Horn/Knapp Fire Suppression	\$3,600,000	Complete	December 2002
Campus Conference Bonfire Circle	\$400,000	Complete	September 2002
English-Philosophy & Education Complex	\$46,199,000	Complete	August 2002
Flint Avenue Parking Facility	\$10,900,000	Complete	August 2002
Dan Law Field	\$1,612,000	Complete	June 2002
Fuiler Track Field House	\$480,000	Complete	June 2002
Pflugler Fountain	\$826,000	Complete	April 2002
Museum Addition	\$6,900,000	Complete	March 2002
Recreation Center Expansion/Renovation	\$12,000,000	Complete	November 2001
Jones SBC Stadium Stage I	\$22,000,000	Complete	September 2001
Frazier Plaza & Masked Rider Statue	\$515,000	Complete	September 2001
Tennis-Softball Complex	\$4,059,784	Complete	September 2001
Campus Fiber Optic Connection	\$1,667,000	Complete	September 2001
West Hall/Visitors Center	\$6,000,000	Complete	August 2001
Broadway Gatehouses	\$816,000	Complete	August 2001



Marquee	\$352,000	Complete	August 2001
Stangel/Murdough Fire Suppression	\$1,704,000	Complete	August 2001
Chitwood/Weymouth Fire Suppression	\$2,769,000	Complete	August 2000
<b>TOTAL</b>	<b>\$206,546,061</b>		

## HSC

Project	Cost	Status	Completion Date
HSC Academic Classroom Bldg.	\$15,400,000	Complete	October 2003
HSC Synergistic Center	\$2,300,000	Complete	March 2003
Amarillo Academic/Clinic Facility	\$23,319,252	Complete	April 2002
Midland Physicians Assistant Building	\$6,000,000	Complete	August 2001
HSC Admin Relocation	\$1,862,000	Complete	March 2001
Odessa Clinic Renovation	\$1,200,000	Complete	September 2000
Communications Disorders Renovation	\$2,161,000	Complete	May 2000
<b>TOTAL</b>	<b>\$52,242,252</b>		
<b>GRAND TOTAL</b>	<b>\$258,788,313</b>		



TEXAS TECH UNIVERSITY – BOARD APPROVAL ITEM  
(November 1, 2004 – December 31, 2004)

Activity	Source of Funds		Expense
	Other	Income	
<b>Bowl Games</b>		1,091,500	1,091,500
This was the minimum preliminary budget for the 2004 Holiday Bowl game held in San Diego, California.			
<b>Various Athletic Accounts</b>		1,312,803	1,312,803
To budget a portion of excess revenues received from ticket sales and Big XII football settlements. Excess revenues total \$1,745,642. Of these excess revenues, \$1,312,803 will be budgeted to cover cost of salary increases and new positions over original budget.			
<b>Traffic and Parking</b>	777,049		777,049
Expansion of existing C10/C12 commuter parking lots. This involves improvement of roadway infrastructure and brings the existing C10/C12 parking lots up to the correct grade. Project will be managed by Grounds Maintenance. The source of funds is fund balances generated by parking fees.			
<b>Student Parking Expansion</b>	300,000		300,000
Parking expansion for the new Student Wellness Center. This will be split-funded from the fund balances of Student Service Fees and Student Health Fees at \$150,000 each.			
<b>Total</b>	1,077,049	2,404,303	3,481,352



## Chapter 09 -- Investments, Endowments, and Income Producing Lands

### 09.00 Chapter definitions

- 09.00.1 "ADV" means the Advisor Registration Form.
- 09.00.2 "CMOs" mean collateralized mortgage obligations.
- 09.00.3 "LTIF" means the Long Term Investment Fund.
- 09.00.4 "NAV" means the Net Asset Value.
- 09.00.5 "S&P" means Standard and Poors.
- 09.00.6 "SEC" means the Securities and Exchange Commission.
- 09.00.7 "SITIF" means the Short/Intermediate Term Investment Fund.
- 09.00.8 "UMIFA" means the Uniform Management of Institutional Funds Act.

09.01 **Institutional funds investment.** This policy statement is issued by the board of the TTU system for guidance in the investment of the subset of institutional funds, known as the SITIF, of the TTU system. Certain eligible endowment funds may be invested in a separate fund, called the LTIF, in accordance with Section 09.02, *Regents' Rules*. Certain other institutional funds in amounts determined from time to time by the board may be invested in accordance with the policies governing the LTIF. All other funds will comply with this policy statement.

Notwithstanding the above, this policy statement does not preclude the acceptance and retention of securities as gifts to the TTU system. The TTU system shall manage and safeguard such securities in original form, in accordance with the donor's written instructions. However, upon the partial or total disposition of the original investment, the proceeds will be invested in accordance with this policy.

- 09.01.1 Investment authority. The *Texas Education Code* provides that the TTU system shall invest all funds under prudent person standards. The prudent person standard is the standard of judgment and care that persons of ordinary prudence, discretion, and intelligence exercise in the management of their affairs in regard to the investments of their funds considering probable income as well as probable safety of their



capital.

#### 09.01.2 Investment objectives

- a. The investment of funds ~~under this policy statement~~ for the SITIF shall provide incremental return to assist in meeting the operating needs of the TTU system. The investment will be accomplished by having three components of the SITIF:

	Target	Range
1) Bank deposits and eligible investment pools	33%	25-40%
2) Fixed income securities	33%	25-40%
3) Fixed income index mutual fund	34%	30-40%

- b. The investment of the funds shall consider asset diversification, total return, suitability, and the experience, quality, and capability of investment personnel. It will be governed by the following investment objectives in order of priority:

- (1) preservation and safety of principal;
- (2) liquidity; and
- (3) yield.

The investment of funds shall also consider asset diversification, yield, suitability, and the experience, quality, and capability of investment personnel.

e. In determining whether the above objectives have been met ~~exercised~~, the following shall be taken into consideration:



- (1) the investment of all funds rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with this written policy.

09.01.3 Investment concept.

- a. The SITIF shall employ a total return philosophy ~~hold to maturity concept to provide stability of yield to the SITIF. Under such a concept, the ability to purchase an eligible security possessing an acceptable yield and to hold that security to maturity, even though market values may decline, requires the SITIF to maintain an adequate liquidity position. Because the SITIF shall maintain both the ability and intent to hold securities to maturity, unrealized gains and losses will not be recorded. This concept differs significantly from a "total return" investment where market timing is critical.~~
- b. ~~Notwithstanding the preceding paragraph, certain SITIF securities may be sold provided that there is a significant material advantage to be gained by the transaction and it is in compliance with federal and state laws, university policy, and this policy statement. Under such a concept realized gains and losses will be recorded.~~

09.01.4 Performance goals and objectives. As discussed above~~below~~, the SITIF will be comprised primarily of collateralized bank accounts, money market mutual funds, and eligible fixed income securities and index mutual funds. Consequently, the SITIF's annual performance will be compared to the indices of comparable securities. (1) The first component, deposits and investment pools, will be evaluated against the 90-day T-Bill. (2) The fixed income securities component, will be evaluated against either the 2-year T-Note or ~~The annual yield objective of the SITIF is to exceed the annual yield of both the Lehman Brothers Intermediate Term U.S. Treasury Index and the Lehman Brothers Intermediate Term Government Index, depending upon the types of securities held.~~ (3) The fixed income index mutual fund component will be compared to the Lehman Brothers Intermediate Term Government Index.

09.01.5 Authorized officials. The board designates the chief financial officer as the authorized investment officer. However, at each August meeting,



the board will further delegate its authority to sell, purchase, and transfer investments to the following officers:

- a. To authorize and approve the sale, purchase, and transfer of stocks, bonds, and other securities which are owned or controlled by the TTU system provided such action is approved by any two of the officers listed below:

- (1) chancellor;

- (2) president;

- (3) chief financial officer;

- (4) assistant vice chancellor for investments;

- (5) vice president for fiscal affairs; or

- (6) ~~assistant~~/associate chief financial officer ~~vice president for business affairs.~~

- b. However, for all instruments contributed to the TTU system, one of the two officers named below must approve any sale:

- (1) vice chancellor for institutional advancement; or

- (2) legal counsel for institutional advancement.

09.01.6 Potential conflicts of interest. Any officer authorized in Section 09.01.5, Regents' Rules, who has a personal business relationship with an entity seeking to sell an investment to the TTU system shall file a statement disclosing the personal business interest. An investment officer who is related within the second degree of affinity or consanguinity (see the chart in Section 03.01.8, Regents' Rules), to an individual seeking to sell an investment to the TTU system shall file a statement disclosing that relationship. A statement required under this section of the policy statement must be filed with the board and the Texas Ethics Commission.

09.01.7 Authorized investments. The following are authorized investments:

- a. Obligations of, or guaranteed by, governmental entities:

- (1) obligations of the United States or its agencies and instrumentalities;



- ~~(2) direct obligations of the state of Texas or its agencies and instrumentalities;~~
  - (3) CMOs directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; and
  - (4) other obligations, such as mortgage-backed securities, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas or the United States or their respective agencies and instrumentalities.
- b. ~~Notwithstanding the above, the following investments are not authorized under this section:~~
- ~~(1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;~~
  - ~~(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;~~
  - ~~(3) CMOs that have a weighted average maturity at time of purchase of greater than 10 years; and~~
  - ~~(4) CMOs the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.~~
- be. The following are limitations on authorized investments:
- (1) obligations of the United States or its agencies and instrumentalities:
    - (a) maximum term -- 10 years;
    - (b) maximum single purchase -- without limitation; or
    - (c) maximum aggregate position -- no limit;
  - ~~(2) direct obligation of the state of Texas or its agencies and instrumentalities:~~
    - ~~(a) maximum term -- 10 years;~~
    - ~~(b) maximum single purchase -- 5% of portfolio; or~~
    - ~~(c) maximum aggregate position -- 25% of portfolio;~~
  - (3) CMOs directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States:
    - (a) maximum term -- 10 years weighted average life, at time of purchase;
    - (b) maximum single purchase -- 3% of portfolio; or
    - (c) maximum aggregate position -- not to exceed 75% of portfolio (with the specific intent to reduce, over time, the CMO component to 40% of the portfolio).
  - (4) other obligations, such as mortgage-backed securities, the principal



and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas or the United States or their respective agencies and instrumentalities:

- (a) maximum weighted average life -- 10 years, at time of purchase;
- (b) maximum single purchase -- 3% of portfolio; or
- (c) maximum aggregate position -- 25% of portfolio.

cd. Bank deposits and certificates of deposit

- (1) Funds shall be deposited into those depositories consistent with Section 07.08, Regents' Rules, on Selection of Primary and Secondary Depositories for the TTU system.

On any given day, no depository bank shall have institutional funds on deposit in an amount that exceeds any one of the following limits:

- (a) 25% of the total funds available for investment by the TTU system; or
- (b) based upon the bank's latest regularly published statement of financial condition: 15% of its total deposits or an amount equal to the sum of its capital, permanent surplus, retained earnings, and reserves.

The above limitations shall not be construed to establish a commitment and/or guarantee on the part of the TTU system to deposit any particular amount in any one bank. The TTU system may develop additional institutional guidelines that may employ other criteria to establish limits on the total amount of deposits in any bank. Such guidelines, however, shall not allow the total deposits in any bank to exceed the limits otherwise established under this policy.

- (2) Certificates of deposit if issued by a state or national bank or a savings and loan association domiciled in the state of Texas shall have the following limitations.:

- (a) maximum term -- 10 years;
- (b) maximum single purchase -- 3% of portfolio; and
- (c) maximum aggregate position -- same as bank deposits, see above.

- (3) For both bank deposits and certificates of deposit discussed in Section 9.01.7.d.(1) and (2), Regents' Rules, the following provisions apply:

- (a) All cash instruments, including certificates of deposit, must be fully collateralized as required in the Texas Education Code and with the Public Funds Investment Act, as amended, except that surety bonds are not authorized as collateral. The pledged collateral shall be placed in a custodian bank or banks named by the TTU system. In no event will the custodian be affiliated with



the depository bank.

- (b) Deposits and certificates of deposits must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or be secured by eligible obligations that are described in Section 09.01.7.a., Regents' Rules, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the deposits and/or certificates.

de. A repurchase agreement is a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in Section 09.01.7.a., Regents' Rules, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement is secured by obligations described in Section 09.01.7.a., Regents' Rules, and requires the securities being purchased to be pledged to the TTU system and deposited at the time the investment is made with a third party selected and approved by the TTU system. Repurchase agreements must be placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas.

Limitations are the same as for bank deposits - see above. Reverse repurchase agreements are not permitted.

~~f. A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:~~

- ~~(1) has a defined termination date;~~
- ~~(2) is secured by obligations described by Section 09.01.7.a., Regents' Rules, in an amount at least equal to the amount of bond proceeds invested under the contract; and~~
- ~~(3) is pledged to the TTU system and deposited with a third party selected and approved by the TTU system.~~

~~Bond proceeds may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.~~

~~To be eligible as an authorized investment, bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received must be obtained. The TTU system must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received. The price of the guaranteed investment~~



~~contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.~~

fg. A no-load money market mutual fund is an authorized investment if it:

- (1) is regulated by the SEC;
- ~~(2) has a dollar-weighted average stated maturity of 90 days or fewer;~~
- (23) includes in its investment objective the maintenance of a stable net asset value of \$1 for each share; and
- ~~(4) invests in only United States government and government agency securities.~~

~~The investment in any one no-load money market mutual fund cannot exceed 25% of the market value of the SILTIF.~~

gh. Eligible investment pools are authorized investments.

- (1) To be considered an eligible investment pool, the investment pool must furnish an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:
  - (a) the types of investments in which money is allowed to be invested;
  - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
  - (c) the maximum stated maturity date of any investment security within the portfolio;
  - (d) the objectives of the pool;
  - (e) the size of the pool;
  - (f) the names of the members of the advisory board of the pool and the dates their terms expire;
  - (g) the custodian bank that will safe-keep the pool's assets;
  - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
  - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
  - (j) the name and address of the independent auditor of the pool;
  - (k) the requirements to be satisfied for the TTU system to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the TTU system to invest funds in and withdraw funds from the pool; and



- (1) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
- (2) To maintain eligibility, the investment pool must furnish the following:
  - (a) investment transaction confirmations; and
  - (b) a monthly report that contains, at a minimum, the following:
    - i. the types and percentage breakdown of securities in which the pool is invested;
    - ii. the current average dollar-weighted maturity of the pool, based on the stated maturity date;
    - iii. the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
    - iv. the book value versus the market value of the pool's portfolio, using amortized cost valuation;
    - v. the size of the pool;
    - vi. the number of participants in the pool;
    - vii. the custodian bank that is safekeeping the assets of the pool;
    - viii. a listing of daily transaction activity of the TTU system;
    - ix. the yield and expense ratio of the pool;
    - x. the portfolio managers of the pool; and
    - xi. any changes or addenda to the offering circular.
  - (c) ~~(e)~~—In addition to the eligibility requirements discussed above, the investment pool must mark its portfolio to market daily and, to the extent reasonably possible, stabilized at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold by the pool as necessary to maintain the ratio between 0.995 and 1.005. Further, the investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
  - (d) Corporate bonds, debentures, or similar obligations are eligible investments if rated investment grade or above.
- i. ~~Bankers' acceptances are eligible investments if the bankers' acceptance:~~
  - ~~(1) has a stated maturity of 270 days or less from the date of its issuance;~~
  - ~~(2) will be, in accordance with its terms, liquidated in full at maturity;~~
  - ~~(3) is eligible for collateral for borrowing from a Federal Reserve Bank;~~
  - ~~and~~
  - ~~(4) is acceptable by a bank organized and existing under the laws of the United States or any state, if the short term obligations of the bank, or~~



~~of a bank holding company of which the bank is the largest subsidiary,  
are rated not less than A-1 or P-1 or an equivalent rating by at least  
one nationally recognized credit rating agency.~~

~~(5) Limitations are as follows:~~

~~(a) maximum single purchase—3% of portfolio; and~~

~~(b) maximum aggregate position—10% of portfolio.~~

~~j. Commercial paper is an eligible investment if the commercial paper:~~

~~(1) has a stated maturity of 270 days or less from the date of its issuance;  
and~~

~~(2) is rated not less than A-1 or P-1 or an equivalent rating by at least:~~

~~(a) two nationally recognized credit rating agencies; or~~

~~(b) one nationally recognized credit rating agency and is fully secured  
by an irrevocable letter of credit issued by a bank organized and  
existing under the laws of the United States or any state.~~

~~(3) Limitations are as follows:~~

~~(a) maximum single purchase—3% of the portfolio; and~~

~~(b) maximum aggregate position—10% of the portfolio.~~

~~k. Cash management and fixed income funds are eligible investments if  
they are sponsored by organizations exempt from federal income  
taxation under Section 501(f), Internal Revenue Code of 1986.~~

~~Limitation for maximum aggregate position is 25% of portfolio.~~

~~l. Corporate bonds, debentures, or similar debt obligations are eligible  
investments if rated by a nationally recognized investment rating firm  
in one of the two highest long-term rating categories.~~

~~Limitations for maximum exposure to any one of the following:~~

~~(1) corporation—3% of the portfolio; and~~

~~(2) maximum aggregate position—15% of the portfolio.~~

#### 09.01.8 Securities dealer selection

- a. The TTU system may rely on certain information and advice of securities sales representatives concerning proposed investments, investment timing and pricing. It is essential that the TTU system have sufficient knowledge about the securities firms and personnel with whom they are doing business. Firms that are unwilling to provide complete and timely disclosure of their financial conditions will not be utilized.
- b. The following will be considered in the selection of securities firms:
  - (1) the ability of the securities dealer to fulfill commitments as evidenced



- by capital strength, liquidity and operating results. This evidence shall be gathered from current financial data, annual reports, credit reports, and other sources of financial information;
- (2) the dealers' general reputation for financial stability and fair and honest dealings with customers;
  - (3) information available from state or federal securities regulators and securities industry self-regulatory organizations, such as the National Association of Securities Dealers, concerning any formal enforcement actions against the dealer, its affiliates or associated personnel; and
  - (4) a review of the background of the sales representative with whom business will be conducted in order to determine experience and expertise.
- c. A copy of this policy statement is to be provided to all securities dealers seeking to conduct securities transactions with the TTU system.
  - d. The TTU system shall make reasonable, good faith efforts to include woman-owned and minority-owned businesses in its investment process. A minority-owned business means a business entity in which 51% of the ownership interests in the entity are held by one or more minority group members. A woman-owned business means a business entity in which at least 51% of the ownership interests in the entity are held by one or more women.
- 09.01.9 Investment training. The appropriate officers discussed in Section 09.01.5, Regents' Rules, shall attend at least one training session per year relating to the person's responsibilities. The training should include education in investment controls, security risks, strategy risks, market risks, and compliance with certain state statutes and this policy statement.
- 09.01.10 Internal management reports. Not less than quarterly, the chief financial officer shall prepare and submit to the chair of the board Finance and Administration Committee, the chancellor, and to the presidents of the component institutions a written report of investments.
- a. The report shall:
    - (1) describe the investment position of the SITIF; and
    - (2) contain a summary of:
      - (a) the beginning market value of the reporting period;
      - (b) additions and changes to the market value during the period;



- (c) ending market value for the period;
  - (d) state the book value and market value of investments at the beginning and the end of the reporting period by type of asset invested;
  - (e) the weighted average maturity of each asset type; and
  - (f) the compliance of the SITIF as it relates to this policy statement.
- b. The chief financial officer shall, at the beginning of each fiscal year, present to the board a report of the investments of the TTU system during the preceding fiscal year. The report will summarize all investment activity for the year along with total investment income and annual investment rate of return.





TEXAS TECH UNIVERSITY SYSTEM

## Fundraising Fees

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### Introduce New Concept



TEXAS TECH UNIVERSITY SYSTEM

## Background

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- ☐ Current Fees
  - 5% of current gifts
  - 1-year parking of endowments
- ☐ Implemented in 1997
  - Supplement cost of Horizon Campaign
  - Sustain a fundraising organization
- ☐ Similar to Big 12 and other universities



TEXAS TECH UNIVERSITY SYSTEM	
Gift Fees in the Big XII	
University	Gift Fee
Baylor	No Fee
Colorado	None (was 5% until July 2003)
Iowa State	4% (except scholarship gifts)
Kansas	No Fee
Kansas State	5%
Missouri	Not reported
Nebraska	No Fee
Oklahoma	12% of Presidential Assoc
Okla State	5% and 12-month parking
Texas	No Fee
Texas A & M	5%
Texas Tech	5% and 12-month parking (Proposed none)

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TEXAS TECH UNIVERSITY SYSTEM	
Challenges and Problems	
<input type="checkbox"/> The gift fee system is simple, but <ul style="list-style-type: none"> <li>■ Exclusions, exceptions and exemptions</li> <li>■ Current transactions vs endowment funds</li> <li>■ Differences in methods of collecting, depositing and recording transactions</li> <li>■ Increasing volume of fee waiver requests</li> <li>■ Disliked and not trusted as a "tax" on gifts</li> <li>■ Tax avoidance               <ul style="list-style-type: none"> <li><input type="checkbox"/> Direct deposits</li> <li><input type="checkbox"/> Telling donors to ask for exceptions</li> </ul> </li> </ul>	

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## TEXAS TECH UNIVERSITY SYSTEM

### Donor Relations

- ☐ Most donors understand there are costs
  - Raising funds
  - Managing investments
  - Administering endowments
- ☐ Negative feedback from fund raisers
- ☐ Fee reduces benefit for intended purpose
- ☐ Parking delays benefit for purpose



## TEXAS TECH UNIVERSITY SYSTEM

### Fees in the Big XII

University	Gift Fee	Investment Management Fee
Baylor	No Fee	0.65% of MV (was 0.6%)
Colorado	None (was 5% until July 2003)	1.9% of MV (recently lowered from 2.2%)
Iowa State	4% (except scholarship gifts)	1.4% of MV (recently lowered from 1.5%)
Kansas	No Fee	1.0% of MV
Kansas State	5%	1.6% of MV (recently lowered from 1.75%)
Missouri	Not reported	Not reported
Nebraska	No Fee	1.4% of MV
Oklahoma	12% of Presidential Assoc	1.0% of MV (was 0 in prior year)
Okla State	5% and 12-month parking	1.5% of MV (was 1.0% in prior year)
Texas	No Fee	0.12% (adjusted annually to meet budget needs)
Texas A & M	5%	1.0% of MV
Texas Tech	5% and 12-month parking (Proposed none)	No Fee (Proposed 0.5%)





## TEXAS TECH UNIVERSITY SYSTEM

### Management Fees – Other Universities

Self-Reported – University Foundation Financial Officers annual conference

University	Fee	University	Fee
Baylor	.65%	Arizona	1.5%
Colorado	1.9%	Arizona St	2.0%
Iowa State	1.5%	Illinois	1.1%
Kansas	1.0%	Indiana	1.0%
Kansas State	1.6%	Iowa	1.0%
Nebraska	1.4%	Minnesota	.80%
Oklahoma	1.0%	Purdue	None
Oklahoma St	1.5%	Wisconsin	1.0%
Texas	.12%		
Texas A&M	1.0%	Texas Tech	None (Proposed 0.5%)



## TEXAS TECH UNIVERSITY SYSTEM

### New Concept

- ☐ Eliminate most of the current system
  - Retain 5% fee on selected gifts
    - ☐ Life insurance policies
    - ☐ Estates
    - ☐ Gifts-In-Kind (except marketable securities)
- ☐ Implement 0.5% investment management fee





TEXAS TECH UNIVERSITY SYSTEM

RACIAL PROFILING ACT

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TTUS Police



TEXAS TECH UNIVERSITY SYSTEM

CHAPTER TWO—GENERAL DUTIES OF  
OFFICERS

Added by Acts 2001, 77th Leg., ch. 947, § 2,  
eff. Sept. 1, 2001.

Art. 2.131. Racial Profiling Prohibited

**A peace officer may not engage in racial  
profiling.**

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TTUS Police





## TEXAS TECH UNIVERSITY SYSTEM

### CHAPTER TWO—GENERAL DUTIES OF OFFICERS

#### Art. 2.132. Law Enforcement Policy on Racial Profiling

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers' official duties.

(2) "Race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, or Native American descent.

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## TEXAS TECH UNIVERSITY SYSTEM

#### Art. 2.133. Reports Required for Traffic and Pedestrian Stops

(2) "Pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic or who stops a pedestrian for any suspected offense shall report to the law enforcement agency that employs the officer information relating to the stop

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TTUS Police





## TEXAS TECH UNIVERSITY SYSTEM

### Art. 2.134. Compilation and Analysis of Information Collected

**(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each local law enforcement agency shall submit a report containing the information compiled during the previous calendar year to the governing body of each county or municipality served by the agency in a manner approved by the agency.**

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TTUS Police



## TEXAS TECH UNIVERSITY SYSTEM

### Art. 2.134. Compilation and Analysis of Information Collected

**(c) A report required under Subsection (b) must include:**

**(1) a comparative analysis of the information compiled under Article 2. 133 to:**

**(A) determine the prevalence of racial profiling by peace officers employed by the agency; and**

**(B) examine the disposition of traffic and pedestrian stops made by officers employed by the agency, including searches resulting from the stops; and**

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TTUS Police





## TEXAS TECH UNIVERSITY SYSTEM

### Art. 2.134. Compilation and Analysis of Information Collected

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

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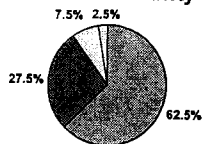
TTUS Police



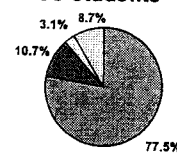
## TEXAS TECH UNIVERSITY SYSTEM

### 2004 (Calendar Year)

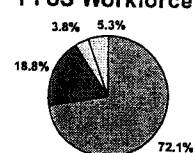
Lubbock County



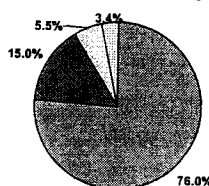
TTUS Students



TTUS Workforce



TTUS Police Contacts 6,225



White

Hispanic

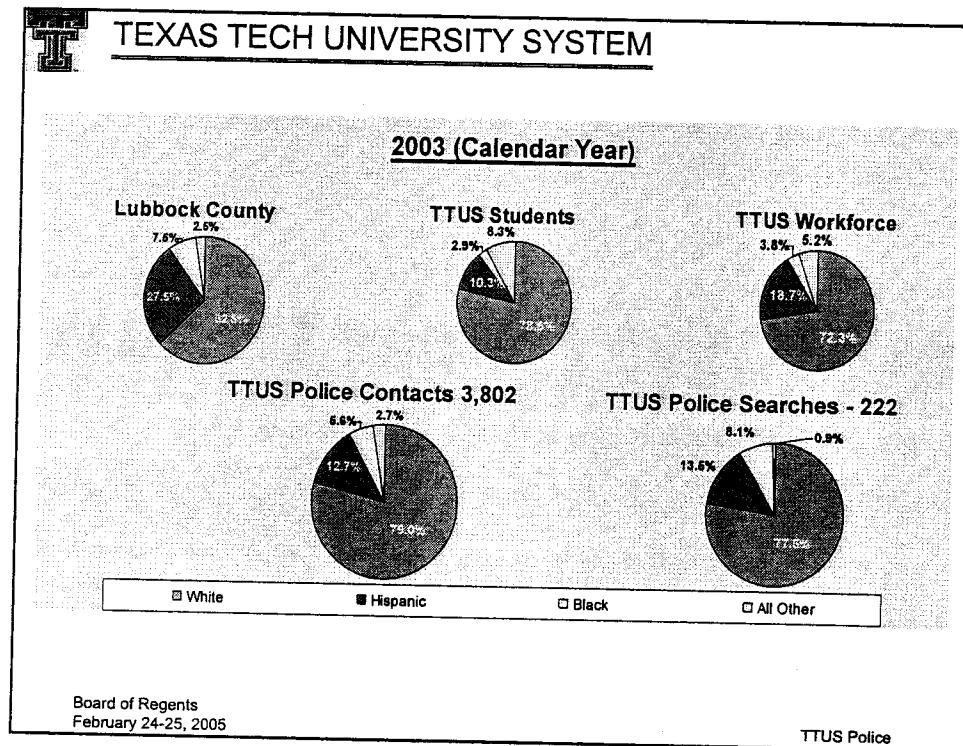
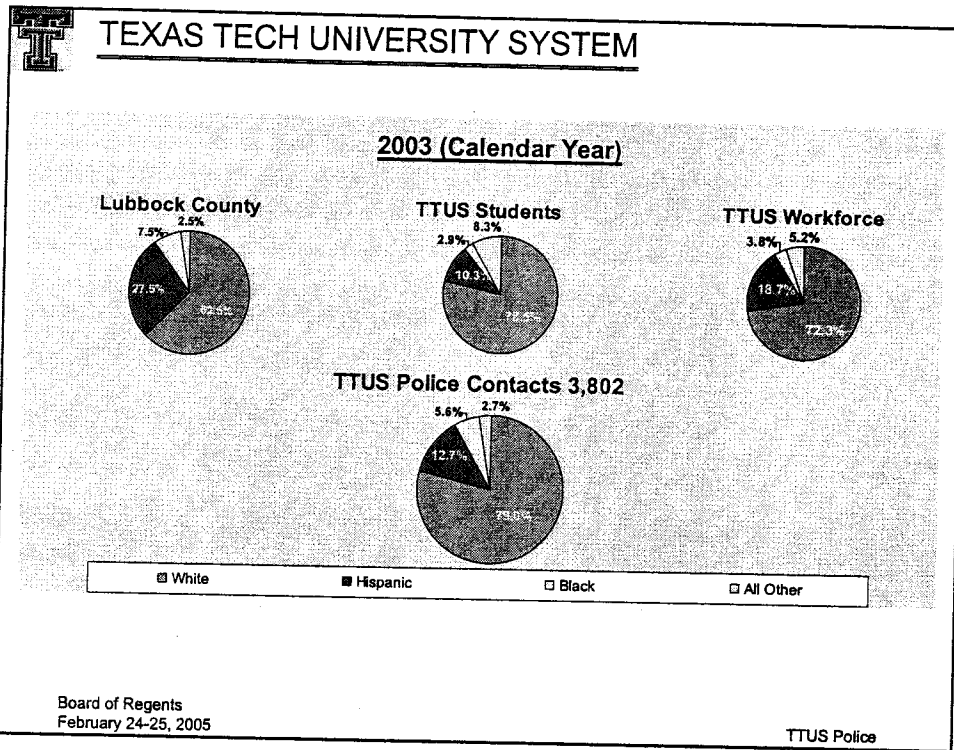
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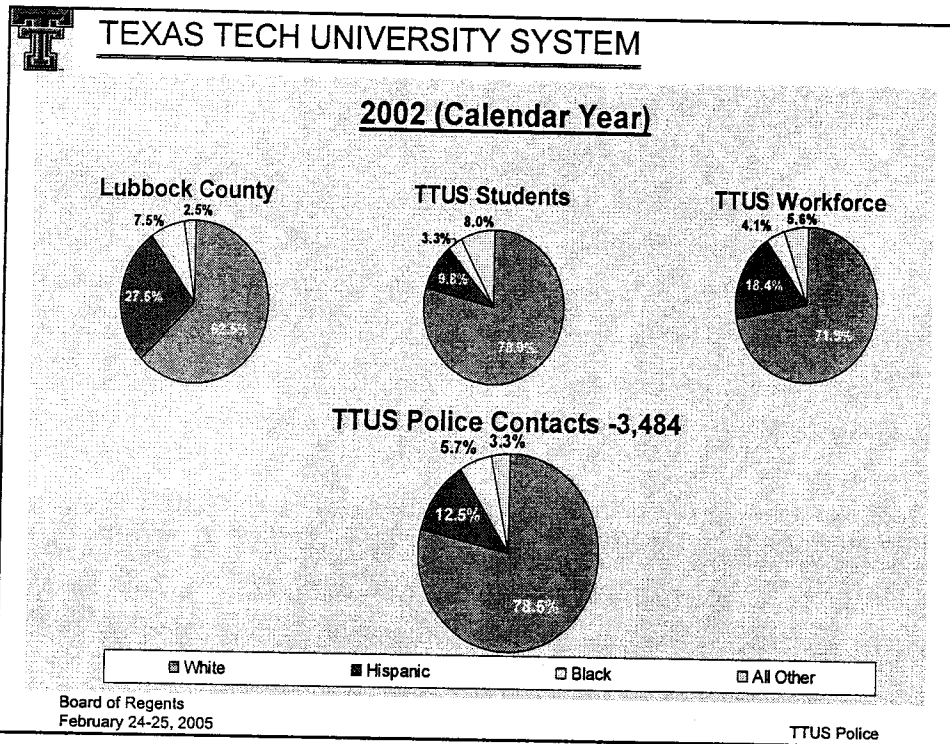
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TTUS Police











TEXAS TECH UNIVERSITY SYSTEM  
OFFICE OF AUDIT SERVICES  
PRIORITIZED AUDIT PLAN  
Fiscal Year 2005

Board Minutes  
February 25, 2005  
Attachment 8, Page 1

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF FEB 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	18,092					
		REQUIRED AUDITS						
Required	TTUS	Texas Tech University Foundation (assist)	Financial	120	In progress	107		13
Required	TTUS	Chancellor and Regent Travel (assist)	Compliance	20	In progress	21		(1)
Required	TTU & HSC	SAO Statewide CAFR audit (assist)	Financial	40	Cancelled			0
Required	TTU & HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	250	Complete	336		(86)
Required	TTU	SACS Financial Review (assist)	Financial	400	Complete	304		96
Required	TTU	NCAA Compliance	Compliance	280			280	0
Required	TTU	NCAA Compliance-Camps & Clinics	Compliance		38 In progress	31	20	(13)
Required	TTU	NCAA Financial Statements (assist)	Financial	240	In progress	214	50	(24)
Required	TTU	KOHM-FM (assist)	Financial	250	Complete	278		(28)
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	Compliance	240	Complete	172		68
Required	HSC	El Paso Family Medicine Contract	Compliance	90	Complete	85		5
		TOTALS FOR REQUIRED AUDITS	1,930	(2)		1,548	350	30
		AUDITS IN PROGRESS AT AUGUST 1, 2004						
Prior Year	TTU & HSC	SAO Procurement Card (assist)	Compliance	10	Draft issued	5	5	0
Prior Year	TTU	College of Agriculture	Operational	570	Complete	617		(47)
Prior Year	TTU	Travel Services	Operational	170	(39) Complete	110		21
Prior Year	TTU	Travel-Approved Driver Compliance Review (open item)	Special		39 Complete	39		0
Prior Year	TTU	Financial Accounting & Reporting	Consulting	150	Complete	52		98
Prior Year	TTU	NCAA Compliance	Compliance	50	(38) Complete	12		0
Prior Year	TTU	Student Union Building Risk Assessment	Risk Assessment	10	Complete	12		(2)
Prior Year	TTU	Research Compliance	Compliance	5	Complete	2		3
Prior Year	TTU	Post-Award Grant Administration	Controls/Compliance	2	Complete	3		(1)
Prior Year	HSC	MPIP Patient Financial Screening	Compliance/Financial	150	In progress	174	20	(44)
Prior Year	HSC	School of Pharmacy Cash & Inventory Controls	Controls	20	Complete	17		3
		TOTALS FOR AUDITS IN PROGRESS	1,137	(38)		1,043	25	31
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total hours budgeted for Special Projects & Investigations	5,000	(1,615)			3,185	
		IN PROGRESS AT AUGUST 1, 2004						
Special	TTU	Athletic Department Fiscal Integrity	Special	59	Complete	59		0
Special	TTU	Student Financial Aid Investigation and Audit	Investigation/Controls	20	Complete	20		0
Special	TTU	Athletic Sports Nutrition Office Investigation and Audit	Investigation/Controls	74	Complete	74		0
Special	HSC	Graduate Medical Education Loan Fund Reconciliation	Financial	26	Complete	26		0
Special	HSC	Amarillo Cell Phone Special	Investigation	11	Complete	11		0
		BEGUN AFTER AUGUST 1, 2004						
Special	HSC	SAO Special-Amarillo Physical Plant	Investigation/Controls	852	Complete	852		0
Special	TTU	Chemistry Special	Controls	30	Complete	30		0
Required	TTU	Joint Admission Medical Program Grant	Required	51	Complete	51		0
Required	HSC	Joint Admission Medical Program Grant	Required	52	Complete	52		0
Special	TTU	Hospitality Services-Sam's III Convenience Store	Investigation/Controls	249	Complete	249		0
Special	ALL	Governor's Fraud Initiative	Special	166	Complete	166		0
Required	TTU	Football Attendance Certification	Required	29	Complete	29		0
Special	TTU	Early Head Start Center Theft	Special	12	Complete	12		0
Special	HSC	Center for Tobacco Prevention and Control Theft	Special	25	Complete	25		0
Special	TTU	Student Affairs Risk Assessments	Risk Assessment	45	Complete	46		0
Special	HSC	El Paso Ob/Gyn Cash Controls	Special	86	Complete	86		0
Special	HSC	Lubbock Ob/Gyn Cash Shortage	Special	27	Complete	27		0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	5,000	1,815		1,815	-	0



TEXAS TECH UNIVERSITY SYSTEM  
OFFICE OF AUDIT SERVICES  
PRIORITIZED AUDIT PLAN  
Fiscal Year 2005

Board Minutes  
February 25, 2005  
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PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF FEB 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
<b>HIGHEST PRIORITY</b>								
1	TTUS	Endowment Administration	Operational	500			500	0
1	TTUS	Fraud Risk Assessment	Risk Assessment	300	Stage 1 Complete		300	0
1	TTUS	Investments Risk Assessment (External Consulting Engagement)	Risk Assessment	120			120	0
1	ALL	Institutional Risk Assessments (PricewaterhouseCoopers)	Risk Assessment	160	Planning	23	137	0
1	TTU & HSC	The Institute for Environmental & Human Health	Operational/Controls	400	In progress	330	80	(10)
1	TTU	Academic Advising	Consulting	240			240	0
1	TTU	Athletics	Operational/Controls	350			350	0
1	TTU	Athletic Ticket Office Follow-Up	Financial/Controls	85	Complete	68		17
1	TTU	Rawls Golf Course Follow-Up	Financial/Controls	200			200	0
1	HSC	Institutional Review Boards	Compliance	400	Planning	2	398	0
1	HSC	Research Compliance	Compliance	400			400	0
1	HSC	Amarillo Control Environment	Management Review	300			300	0
1	HSC	Billing Compliance Follow-Up	Compliance	200	In progress	196	20	(16)
<b>HIGHEST PRIORITY TOTALS</b>			<b>3,655</b>			<b>619</b>	<b>3,045</b>	<b>(9)</b>
<b>MODERATE PRIORITY</b>								
2	ALL	Information Technology	Controls	550	(400)		150	
		Eraider System	Controls		400	In progress	59	341
2	TTU	Satellite Campus Operations	Operational/Controls	500			500	0
2	TTU	Student Mediation Center	Operational	350	In progress	273	77	0
2	TTU	College of Mass Communications	Operational/Controls	180	Complete	263		(83)
2	TTU	College of Visual & Performing Arts	Operational/Controls	250	Complete	383		(133)
2	TTU	Office of Senior Vice President for Administration and Finance	Operational/Controls	300			300	0
2	HSC	Medical Practice Income Plan (MPIP)	Financial/Operational	1,000	(350)		650	
		Anesthesiology	Controls/Operational		250	On hold	7	243
		MPIP Business Office Cash Handling Follow-Up	Controls		100	Planning	3	97
2	HSC	School of Nursing Billing Compliance	Compliance	200			200	0
2	HSC	El Paso Control Environment	Management Review	400			400	0
2	HSC	Texas Higher Education Coordinating Board Reporting Process	Compliance	300			300	0
<b>MODERATE PRIORITY TOTALS</b>			<b>4,030</b>			<b>988</b>	<b>3,258</b>	<b>(216)</b>
<b>LOWER PRIORITY</b>								
3	ALL	Continuous Monitoring of Procurement Card Usage	Compliance	250			250	0
3	ALL	Continuous Monitoring of Cellular Telephone Usage	Compliance	200			200	0
3	TTU	Human Resources	Operational	500			500	0
3	TTU	Cash Controls Follow-Up	Controls	120	In progress	237	5	(122)
3	TTU	Student Recruiting & Admissions Process	Operational	400			400	0
3	TTU	Small Business Development Center Follow-Up	Controls/Compliance	120	(120)	Cancelled		0
3	TTU	Physical Plant Follow-Up	Controls/Compliance	120			120	0
3	HSC	Safety Services	Compliance	300			300	0
3	HSC	KPMG Reportable Condition Follow-Up	Controls	80	Draft issued	82	5	(7)
3	HSC	Compliance Review of HIPAA / GLBA / FERPA	Compliance	250			250	0
<b>LOWEST PRIORITY TOTALS</b>			<b>2,340</b>	<b>(120)</b>		<b>319</b>	<b>2,030</b>	<b>(129)</b>
<b>OTHER RELATED WORK</b>								
Other	ALL	Cash Handling and Control Environment Classes				32		
Other	ALL	Other Miscellaneous Projects				72		
Other	ALL	Status Report Preparation-Variou Engagements				39		
Other	ALL	SSN Elimination Committee				5		
Other	TTU	Strategic Planning Council-Risk Assessment/Risk Management				29		
Other	TTU	Quality Service Award Committee				13		
Other	HSC	HIPAA Security Committee				48		
Other	N/A	ACUA Board and Track Coordinator				84		
Other	N/A	ACUA Conference Risk Assessment Presentation				18		
Other	N/A	Texas Assn of College/University Auditors Board				27		
Other	N/A	Texas Society of CPAs				26		
Other	N/A	Departmental Computer Support				225		
<b>OTHER RELATED WORK TOTALS</b>			<b>0</b>	<b>160</b>		<b>618</b>	<b>-</b>	<b>(458)</b>
<b>TOTAL ENGAGEMENT HOURS</b>			<b>18,092</b>	<b>0</b>		<b>6,950</b>	<b>11,893</b>	<b>(751)</b>
							<b>0</b>	<b>18,092</b>



TEXAS TECH UNIVERSITY SYSTEM  
OFFICE OF AUDIT SERVICES  
PRIORITIZED AUDIT PLAN  
Fiscal Year 2005

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF FEB 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
<b>ADDITIONAL PROJECTS NOT ON PLAN</b>								
4	ALL	Information Systems--Technical Audits	1,000	Co-sourcing possibility				
4	ALL	Fraud Risk Management	1,000	Walkthroughs & control work in areas identified through risk assessment				
4	TTUS	Construction audits (specific projects)	1,000	Co-sourcing possibility				
4	TTUS	Review of Financial Statement Controls	200					
4	TTU	Hill Country Campuses: Operational Assessments	500					
4	TTU	Review of Financial Statement Controls	1,000					
4	TTU	Student Financial Aid	500	Timing issues with ongoing investigation				
4	HSC-El Paso	Organizational Efficiencies (in structuring second medical school campus)	500					
4	HSC-El Paso	Research-related Infrastructure	500					
4	HSC	Review of Financial Statement Controls	1,000					
4	HSC-Odessa	Control Environment	300					
		EXTRA AUDIT HOURS NEEDED	7,500					
<b>KEY</b>								
	TTUS	Texas Tech University System						
	TTU	General Academic Campus						
	HSC	Health Sciences Center						
	TTU & HSC	Areas with parallel functions or shared responsibility						
	ALL	Areas that will affect all institutions or that will be performed concurrently						
	N/A	Work that is not attributable to a particular institution or campus						
Required	Audits that are mandated by law, OPs, standards, contracts, etc. Will be performed based on timing of external deadlines.							
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.							
1	Engagements that were deemed most critical per the risk assessment at August 1.							
2	Engagements that were deemed to be moderately critical per the risk assessment at August 1.							
3	Engagements that were deemed least critical per the risk assessment at August 1.							
4	Areas of exposure that need attention, but have not been included on the official plan because of lack of resources.							
Special	Investigations and Special Projects							
Follow-up	Unplanned Follow-up Work							
Other	Other projects, including committee service, class development and instruction, etc.							

Note: The order of the engagements may change priority classification from one report period to the next; however, they will always keep their original classification tag.



President's Report  
Texas Tech University  
Board of Regents Meeting  
February 25, 2005

President Whitmore presented three items to the board. The first item is the solution of the "Tech Shuffle Problem," which is not to be confused with the Texas two step. The "Tech Shuffle" is a famous phrase for students having to scurry all over campus to various locations to try to get registered, pay their bills, get their financial aid, etc. When he first arrived, during one of his first meetings with students they said it is inconvenient to have to go here and then you learn that actually before you can take care of this business you have to have some signature on a scholarship form or something. So, you have to walk half way across campus and come back, etc. Last year, we tried to solve the problem on a temporary basis. Michael Shonrock and his staff opened a multi-stationed affair in the Bookstore so students could go and try to take care of this business in one place. We have been seeking a permanent solution to this issue. So, we now have it. West Hall, which is the Visitors' Center where the students first come to get introduced to the university, has had some shell space in it. We are going to build out that shell space and move the Registrar, the Bursar, the Financial Aid and Scholarships all into that space so that all of that business can take place not in three separate locations around the campus, but in one place. While we had the temporary set up in the Student Union last year, we now think we have found and will be renovating with our own resources and our own staff this space so that the "Tech Shuffle" can stop. All the business of getting registered, paying your bills and getting your scholarships all lined up can happen now in a single location. This came from the kinds of discussions we have with students. Dr. Whitmore stated that he tries to go out and meet with students and this was one of the first things he heard about. By next fall, we will have a permanent solution to the issue and it is just one more step forward in making sure our students have the best possible, most efficient kind of student service operation for them. It cuts across Enrollment Management people, Student Business Services in the Business Office and Student Affairs. These three separate units of the campus came together and planned this and when we have a ribbon cutting ceremony on this, the board will be invited.

We are searching for a new Vice President for Research. The committee has been working hard and they are in the process now of narrowing down quite a few candidates to a smaller group of people that they will first interview by phone. Five or six finalists will be invited to visit the campus later this spring. The goal will be to have a new Vice President for Research in place by next fall. We have a good cadre of potential candidates who come from research universities with experience—many of them at the level that we want to move up to which is \$100 million or more level. We should have a successful search.

Finally, at 3:00 this afternoon we open a new building. Some of the regents have been involved in various stages of approving that building. This is the Animal and Food Science Building, not too far from the United Spirit Arena. It is a fabulous example of a



building that houses teaching, research and public service and it is probably one of the most ideal single buildings that serves all those purposes such as faculty offices, classrooms for teaching, but also animal and scientific laboratories and space. There is even an operating room in the building. The building also includes wonderful public service space. Several of the scholarship donors are being recognized in the facility. Also, they will be selling first quality meat. Our students can pick out the best kind of meat in the world and they will be selling that to the public. There is an ice cream or custard store included, as well. The entire facility is well-planned and is the kind of example of how facilities can help advance the mission of teaching, research and service for this university.

This concludes my report.



President's Report  
Texas Tech University Health Sciences Center  
Board of Regents Meeting  
February 25, 2005

President Wilson proudly announced that the Garrison contribution of \$5 million is the largest contribution for the Health Sciences Center by an individual or private donation in the history of the Health Sciences Center.

President Wilson yielded his time to permit the Student Government Association President, Ms. Lameace Salman, an opportunity to address the board.

This concludes my report.



Chancellor's Report  
Texas Tech University System  
Board of Regents Meeting  
February 25, 2005

Dr. Smith thanked President Wilson for allowing him to follow the wonderful report by Lamease Salman.

First of all, on behalf of the staff and individuals who were not at the dinner last night, we want to again thank the regents who have served us so diligently for the last six years. You have made a difference in the lives of our students, our faculty and staff. You have left your fingerprints throughout this campus and that of the Health Sciences Center and our other campuses. We owe you that huge debt of gratitude for those accomplishments.

We want to be able, from time to time, as we say in graduation, to think about you and be able to touch base and ask you advice and counsel. Indeed, it is much like a relationship that we have established where we are going to need, from time to time, to glean additional information and advice. It is only fitting and we would like to ask for that opportunity because it is appropriate and we will only benefit from that kind of advice. Again, thanks to each of you as we give you another round of applause.

Quickly, Mr. Chairman, I would like to give a quick update on the session. First of all, I want to thank Chairman Francis. He was able to sit in and see some of the inner workings of the committee work that was occurring in both the House Appropriations and Senate Finance. As you are aware, our priorities this session are formula, formula, formula. First of all, to restore some of the cuts that we have seen—somewhere in the range of 17% or so since 2002 when we have seen a steady erosion of formula funding both in the weighted semester credit amount and on the side of growth. We have not seen a substantial increase in formula—in fact, it has eroded further. So, formula funding is pivotal for both the University and the Health Sciences Center. You are aware of the differences in what tuition deregulation can accomplish for both universities. We have made that point effectively. The other health science centers have, but the health science centers are clearly at a disadvantage because they cannot possibly raise the kind of funds that you can at a general academic institution when it comes to tuition deregulation. As you know, when you are looking at something like 700,000 to 800,000 weighted semester credit hours versus 2,000 students, you just can't get there. That has worked well.

We have also talked about HEAF equity funding. Over the course of the last ten years, the Higher Education Assistance Fund or HEAF is basically revisited and renewed every ten years by the Legislature. This is that ten-year cycle. Over the course of the last ten years, the equivalent accomplishments of the PUF fund have seen an increase in expenditures through the PUF fund distribution of about 54% whereas HEAF has been a steady state-appropriation over the period of time. There is about 2 million more square footage of academic space and research space over that ten year period that



needs to be funded. In addition, there are now 72,000 more students in the HEAF institutions than in the PUF institutions. So, you can see the equity debate that we are now bringing forth to the Legislature. Chairman Francis was involved in that dialogue.

Other points, as you know, we will be arguing hard for both the preservation of our special items and the restoration of the 5% cuts which occurred on those items. There are some technical corrections that we are making on the bills that is looking good at this point that has to do with a mistake in calculation of revenue based on non-resident tuition that was overestimated as a method of finance for the bill pattern. This particularly affects Texas Tech University. We are trying to get a technical correction in that area. As you know, we do have some aspirations related to a number of projects both with tuition revenue bonds as well as programmatic from our diversity work, some of the work we want to do in fertility, the water policy issues, the Hill County and the College of Business Administration, the Law and the new Medical School in El Paso.

The Senate, over the course of yesterday and today, is doing some markup. They have done some work on the technical corrections. It looks like we have a good shot in the Senate side to restore the 5% cuts that we have seen to the special line items. There is some work being done on the formula distributions both related to the general academics as well as the Health Sciences Center. There is some revisiting on the Section 56 funds which may result in a slight decrease to the Health Sciences Center in that regard. However, we are up on the formula side, but the calculation had both some accounting for some of our facility costs this last time. To be honest with you, Houston is complaining even though they haven't grown that they need some equity. The good news is that we are on the same side of the debate as M.D. Anderson so that is the way things like this tend to work out.

Dr. Smith commended our team. Both presidents did a superb job of testifying before all of the committees. We were actually down for almost a solid week. They got their points across very effectively as well as in cross examination. In addition, Dr. Smith commended our intergovernmental group. Relationships are good. Dr. Smith also wanted to thank the regents because their contact over the specific items, particularly the issues related to quality growth and some of the needs we have related to faculty and formula support, have been pivotal for us. We have just started down this road, but we are in a great place, right now.

Regent Black asked if the momentum that was there for the full funding of the med school in El Paso is still there? Chancellor Smith responded yes. He responded that the momentum is still there. The leadership office is still looking for the methodology to fund the full funding. That is not there is all offices, but there is a commitment on the vision. We are not back peddling on that.

Board Chairman Francis added that his sense when he walked the halls on Wednesday, was that Tech is thought of very highly. We sat with the Governor, the Speaker of the House and they are saying very positive things about Texas Tech and the vision that is taking place out here and throughout West Texas. Everyone understands that the El Paso Medical School also doubles the number of medical students in Amarillo and it doubles the number of students at the Odessa campus and it



adds another 50 in Lubbock. This is a win for all of West Texas. They are very focused. The Governor mentioned it in his address. Lt. Governor Dewhurst mentioned it yesterday. It looks good. They need to work out the formula but they are spiritually committed to making that happen.

This concludes my report.