

Amend Sec. 01.01.3.a., as follows:

01.01.3 Chair of the board

- a. Election of the chair. From its number, the board shall elect the chair of the board (the "chair") ~~[for a two-year term]~~ at the first regular or special called [November or December] meeting [of] in odd-numbered [even-numbered] years following the appointment, qualification and confirmation of the new members regularly appointed in odd-numbered years. However, if the new members regularly appointed in odd-numbered years have not been appointed, qualified and confirmed by May 1 in odd-numbered years, the board will proceed with election of board officers on or before May 31. The chair shall report to and be responsible to the board. In case of the chair's death, resignation, disability, removal, or disqualification, the board shall elect a successor as soon as practicable. No member shall serve more than one term as chair unless the members shall reelect such person for each additional term by unanimous vote at a meeting at which at least six members are present.

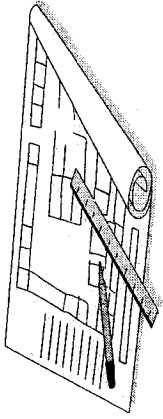
Amend Sec. 01.01.5, as follows:

- 01.01.5 Taking office. The chair and the vice chair shall take office ~~[on January 1 following the meeting at which they are elected]~~ immediately upon their election and hold office until a successor is duly elected.

Amend Sec. 01.01.7, as follows:

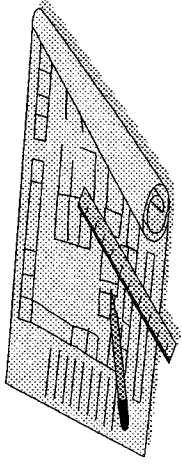
01.01.7 Board meetings

- a. Regular meetings. The board shall hold a minimum of four board meetings each year on dates and times to be chosen by the board ~~[, provided, however, that one such meeting shall be held in November or December of each even-numbered year at which time the board shall elect officers].~~ The board shall hold regular meetings in the boardroom of the Administration Building of TTU, or at such other place as the board may determine before the meeting.



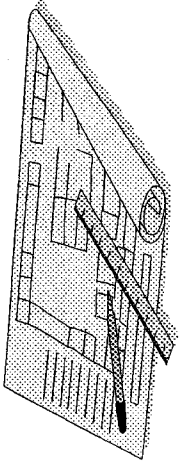
Project	Cost	Status	Completion Date
TTU			
Art 3-D Annex	\$ 9,000,000	Under Construction	September 2007
Jones AT&T Stadium Field Improvements	\$ 2,500,000	Under Construction	August 2006
Student Union Building Phase II B	\$ 6,096,000	Substantially Complete	July 2006
Student Union Building Phase III	\$ 1,530,078	Substantially Complete	July 2006
NRHC - Christine DeVitt Wing	\$ 3,776,085	Substantially Complete	June 2006
CDRC / CSAR	\$ 8,126,506	Under Construction	October 2006
Discovery Mall	\$ 1,210,000	Under Construction	December 2006
Outreach & Extended Studies Building	\$ 8,500,000	Under Construction	August 2006
Marsha Sharp Freeway [TxDOT Project]	TBD	Under Construction	2010+
Sneed/Gordon/Bledsoe Improvements	\$ 5,792,000	Under Construction	August 2006
Student Wellness Center	\$ 9,350,000	Under Construction	December 2006
Scholarship Donor Recognition Walk	\$ 225,000	Under Construction	October 2006
TOTAL	\$ 56,105,669		

Project	Cost	Status	Completion Date
HSC			
Texas Tech Physicians Medical Pavilion	\$ 36,239,452	Under Construction	June 2006/April 2007
Messer-Racz International Pain Center	\$ 5,045,000	Under Construction/in Re-design	March 2007
El Paso Medical Science Bldg. I Build Out	\$ 4,200,000	Under Construction	July 2006
El Paso Medical Education Bldg.	\$ 45,000,000	Under Construction	May 2008
Amarillo Campus Improvements	\$ 1,502,390	Under Construction	September 2006
Abilene School of Pharmacy Expansion	\$ 8,010,000	City of Abilene Project	TBD
TOTAL	\$ 99,996,842		
GRAND TOTAL	\$ 156,102,511		



Project	Cost	Status	Completion Date
TTU			
Student Leisure Pool	\$ 7,000,000	DP Selected	TBD
Rawls College of Business Administration	\$ 60,000,000	Awaiting Funds	TBD
CoBA Building Renovations	\$ 25,000,000	Study Complete	TBD
Lanier Law Prof. Development Center	\$ 13,500,000	Design In Progress	February 2008
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Design In Progress	TBD
Engineering Expansion/Renovation Phase II & III	\$ 60,000,000	Program Complete	TBD
Utility Infrastructure Upgrade	\$ 10,000,000	Study In Progress	TBD
Experimental Science Lab Build Out	\$ 6,000,000	On Hold	TBD
Jones AT&T Stadium Improvements	\$ 40,000,000	On Hold	TBD
NCAA Soccer Complex	\$ 2,000,000	On Hold	TBD
TOTAL	\$ 233,500,000		

Project	Cost	Status	Completion Date
HSC			
El Paso Medical Science Building II	\$ 95,000,000	Program Complete	TBD
Amarillo Clinic Conversion Phase I	\$ 6,700,000	Design In Progress	TBD
Amarillo Clinic Conversion Phase II	\$ 11,300,000	Program Complete	TBD
TOTAL	\$ 113,000,000		
GRAND TOTAL	\$ 346,500,000		



Project	Cost	Status	Completion Date
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Texas Tech System

System Office Relocation	\$ 5,500,000	Study On-Going	TBD
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Project	Cost	Status	Completion Date
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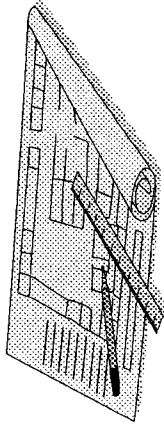
TTU

Honors College	\$ 10,000,000	Proposed	TBD
The Rawls Course Clubhouse	\$ 5,000,000	Proposed	TBD
Dairy Barn Renovation	TBD	Proposed	TBD
Vietnam Center	\$ 35,000,000	Proposed	TBD
TOTAL	\$ 50,000,000		

Project	Cost	Status	Completion Date
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HSC

HSC Research Facility	\$ 30,000,000	Proposed	TBD
Midland Medical Education Expansion	\$ 13,500,000	TDSHS Project	TBD
Amarillo School of Pharmacy	\$ 8,010,000	TRB Project	TBD
TOTAL	\$ 51,510,000		
GRAND TOTAL	\$ 107,010,000		



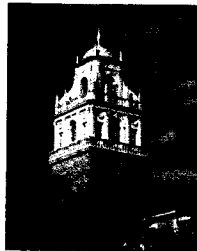
Project	Cost	Status	Completion Date
Experimental Sciences Building	\$ 37,330,087	Complete	March 2006
Texas Tech Parkway	\$ 9,237,000	Complete	February 2006
Animal and Food Sciences Building	\$ 17,000,000	Complete	February 2006
Wall/Gates Life Safety Upgrade	\$ 3,700,000	Complete	January 2006
Student Parking Expansion	\$ 660,000	Complete	October 2005
Student Union Bldg. Expansion/Renov.	\$ 37,745,556	Complete	October 2003/February 2005
Museum NSRL Addition	\$ 3,550,000	Complete	August 2005
Admin Building Stone Repair	\$ 2,332,099	Complete	January 2005
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
Fuller Track Field House	\$ 480,000	Complete	June 2002
Pfluger Fountain	\$ 826,000	Complete	April 2002

Project	Cost	Status	Completion Date
Recreation Center Expansion/Renovation	\$ 12,087,500	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
TOTAL	\$ 311,288,303		

Project	Cost	Status	Completion Date
<u>HSC</u>			
HSC Roof Replacement	\$ 1,950,000	Complete	April 2006
The Larry Combest Health & Wellness Center	\$ 1,605,210	Complete	January 2006
El Paso Medical Science Bldg. I	\$ 39,055,979	Complete	February 2006
HSC Campus Infrastructure Improvement	\$ 5,028,277	Complete	January 2006
HSC El Paso Clinic Expansion/Renov	\$ 9,780,000	Complete	February 2005
HSC El Paso Hydronic Pipe Replacement	\$ 1,700,000	Complete	February 2005
HSC Academic Classroom Bldg.	\$ 15,100,000	Complete	October 2003
HSC Synergistic Center	\$ 1,995,105	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
TOTAL	\$ 110,756,823		
GRAND TOTAL	\$ 422,045,126		



TEXAS TECH UNIVERSITY SYSTEM



Office of Audit Services

Annual Audit Plan
For the Year Ending August 31, 2007

Kimberly F. Turner, CPA
Chief Audit Executive

August 11, 2006

Table of Contents

Transmittal Letter	3
Mission Statement	4
Quality Assurance	5
Performance Measures	6
Risk Assessment Process	7
Allocation of Time	8
Planned Engagements	9-11
Nature of Work	12-13
Audit Process	14-15

Transmittal Letter

August 11, 2006

Dr. Bob L. Stafford
Audit Committee Chair, Texas Tech Board of Regents

Dr. Donald R. Haragan
Chancellor, Texas Tech University System

We are pleased to submit the annual plan of the Office of Audit Services of Texas Tech University System for the year ending August 31, 2007. The plan includes audits that are required by statute or administrative policy, assistance required by external auditors, audits that are currently in progress, and planned engagements based on our assessment of risk. We have scheduled approximately thirty percent of our time for assisting management with additional requests, special investigations, follow-up on implementation of prior audit recommendations, and other value-added work.

We appreciate the support you offer us in the performance of our responsibilities and formally request that you approve this plan.

Sincerely,

Approved by: _____ August 11, 2006
Dr. Bob L. Stafford

Kimberly F. Turner, CPA
Chief Audit Executive

Approved by: _____ August 11, 2006
Dr. Donald R. Haragan

3

Mission Statement

The staff members of the Office of Audit Services agreed that we should have a mission statement that reflects Texas Tech's commitment to educational excellence, as well as our commitment to our professional standards. The result of our contemplation is a mission statement that emphasizes proactive quality service provided by our staff for the benefit of the Board of Regents and management throughout the Texas Tech University System.

Mission Statement

The mission of the Office of Audit Services is to assist the Board of Regents and other units of Texas Tech University System and its components in identifying, avoiding, and mitigating risks.

4

Quality Assurance

We have instituted a continuous quality improvement control effort as required by internal auditing standards. We evaluate the quality of our services by:

- completing a self-assessment questionnaire at the end of each engagement;
- measuring our performance against predetermined benchmarks that we believe will encourage excellence;
- surveying our clients regarding their level of satisfaction with the services we have provided;
- completing a periodic self-evaluation of our office's operations to gauge compliance with internal auditing standards; and
- submitting to periodic assessment by peer review teams comprised of experienced higher education audit professionals.

5

Performance Measures

The staff members of the OAS developed goals to encourage excellence and promote accountability. To measure our achievement of those goals, we developed a series of performance measures. We analyze our progress quarterly related to the following overall goals by reviewing the achievement of the performance measures.

- Complete engagements outlined in the annual audit plan to cover risks identified in the annual risk assessment.
- Achieve superior client satisfaction.
- Achieve internally and externally imposed engagement deadlines.
- Achieve internally imposed engagement time budgets.
- Effectively utilize resources.
- Effectively and timely complete the audit process.

6

Risk Assessment Process

The Office of Audit Services allocates its resources in a manner that is consistent with the mission and goals of Texas Tech University System and its components. In accordance with the Texas Internal Auditing Act (V.T.C.A., Government Code, §2102.005), we have prepared this audit plan based on the results of a formal risk assessment process.

The risk assessment process undertaken to prepare this annual plan was multi-layered. First, management of Texas Tech University System (TTUS), Texas Tech University (TTU), and Texas Tech University Health Sciences Center (TTUHSC), respectively, assessed risk at the institutional level. Each risk assessment began with identification of the major processes significant to the fulfillment of institutional missions. The processes were then analyzed to determine risks related to the achievement of entity objectives, and these risks were classified as to likely impact and probability of occurrence.

Our office also assessed risk for the components of Texas Tech based on input from senior level officials, institutional knowledge, information from past audit and management advisory engagements, and knowledge of nationwide trends and occurrences in higher education and academic health care.

The result of these assessments was the identification of strategic, financial, operational, compliance, reputational, and environmental risks facing each institution. Any of the defined processes whose related risks were determined to present a high impact and at least a medium probability of occurrence were considered for inclusion in this annual plan.

7

Allocation of Time

Our staff consists of 13 audit professionals. After consideration of estimated time for staff meetings, continuing professional education, holidays, and annual leave, we determined our allocable chargeable time to be approximately 16,100 hours.

Of this 16,100 hours, we estimate 2,200 hours are needed to perform required audits, assist external auditors, and complete other mandatory projects. Additionally, 1,300 audit hours are needed to complete engagements from the fiscal year 2006 annual audit plan that are in progress at year-end. We have set aside approximately 30 percent of total chargeable time (4,500 hours) for unscheduled projects and other value-added work, including board and management requests, investigations, committee service, and special projects. The remaining 8,100 audit hours have been allocated to the projects listed on pages 9-11 determined through the risk assessment process.

8

Planned Engagements

Texas Tech University System and Components

Emergency Management Planning	Operational/Compliance
ConnecTech Project (Banner System Implementation)	Management Advisory
Chancellor's Office	Management Advisory
Fraud Risk Assessment	Risk Assessment
Intellectual Property	Operational/Compliance
Information Technology Audits	Controls
Endowment Spending	Compliance
Texas Tech University Foundation, Inc.	Financial
Regents, Chancellor, and Presidents Travel and Credit Cards	Compliance
Office of Audit Services Annual Report	Compliance
Office of Audit Services Annual Plan	Compliance
State Auditor's Office Miscellaneous Projects	Miscellaneous
Audit Report Follow-Up Procedures and Reporting	Follow-Up

9

Planned Engagements (cont.)

Texas Tech University

Credit Card Customer Information Security	IT Controls
Information Technology General Controls Review	IT Controls
College of Education	Financial/Controls
Academic Advising Processes	Controls/Management Advisory
Centers and Institutes	Governance/Compliance
Research Funds	Financial/Compliance
School of Law	Financial/Operational
College of Architecture	Financial/Operational
Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance
NCAA Compliance	Compliance
Athletics Financial Review	Financial
Joint Admissions Medical Program Grants	Compliance
KOHM-FM	Financial

10

Planned Engagements (cont.)

Texas Tech University Health Sciences Center

El Paso Finance and Administration	Financial/Operational
Laboratory Security	Operational
HIPAA Security Compliance	IT/Compliance
School of Medicine	Compliance/Controls
Lubbock Department of Anesthesiology	Financial/Controls
El Paso Department of Anesthesiology	Financial/Controls
Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance
Texas Higher Education Coordinating Board Residency Grants	Compliance
Correctional Managed Health Care Committee Contract	Compliance
Family Practice Center at El Paso Contract	Compliance
Joint Admission Medical Program Grants	Compliance

11

Nature of Work

The Office of Audit Services evaluates and contributes to the improvement of risk management, control, and governance processes. The nature of the activities is determined by a risk assessment process undertaken annually with the input of senior management and the Board of Regents. Additionally, management advisory engagements may be planned to improve the management of risks, to add value, and to improve Texas Tech's operations.

The Office of Audit Services' assessments and recommendations for improving Texas Tech's risk management, control, and governance processes are for the purpose of accomplishing the following objectives:

- promoting appropriate ethics and values within Texas Tech
- ensuring effective organizational performance management and accountability
- effectively communicating risk and control information to appropriate areas
- effectively coordinating the activities of and communicating information among our office, the Board of Regents, external auditors, and management

12

Nature of Work (cont.)

The Office of Audit Services evaluates risk exposures and the effectiveness of controls relating to Texas Tech's governance, operations, and information systems regarding the

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with laws, regulations, and contracts.

During the planning phase of each engagement, we determine the scope of work to be performed based on a unit-level assessment of risk. For most engagements, we will conduct an entrance conference and/or provide an engagement letter in order to communicate the scope and objectives of our audit to the management personnel involved.

The Institute of Internal Auditors, The Professional Practices Framework. (Altamonte Springs: The Institute of Internal Auditors, 2004). pp 14-17

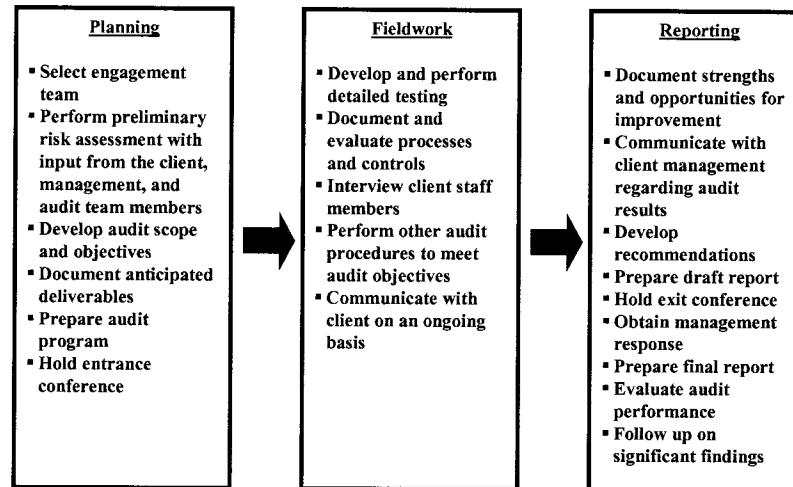
13

Audit Process

Audits are performed in three general phases: planning, fieldwork, and reporting. As indicated earlier, the success of our efforts is monitored through the completion of self-evaluation questionnaires and the compilation of information to monitor our achievement of performance measures. We believe it is important that our process is understood. The illustration on the following page documents the procedures normally employed in the performance of an audit.

14

Audit Process (cont.)



15



TEXAS TECH UNIVERSITY SYSTEM



TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2007

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF AUG 1	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	16,100					
		REQUIRED AUDITS						
Required	TTUS	Texas Tech University Foundation	Financial (assist)	120				120
Required	TTUS	Regents, Chancellor, & Presidents Travel and Credit Cards	Compliance (assist)	20				20
Required	TTUS	Office of Audit Services Annual Report	Compliance	40				40
Required	TTUS	Office of Audit Services Annual Plan	Compliance	40				40
Required	TTU & HSC	State Auditor's Office Miscellaneous Projects	Miscellaneous (assist)	120				120
Required	TTU	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	170				170
Required	TTU	NCAA Compliance - Spring	Compliance	325				325
Required	TTU	Athletics Financial Review - 1/15	Financial (assist)	240				240
Required	TTU	Joint Admissions Medical Program Grants - 10/31	Compliance	60				60
Required	TTU	KOHM-FM - 1/31	Financial (assist)	300				300
Required	HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	170				170
Required	HSC	Texas Higher Education Coordinating Board Residency Grants - 12/1	Compliance	220				220
Required	HSC	Correctional Managed Health Care Committee Contract	Compliance	200				200
Required	HSC	Family Practice Center at El Paso Contract - 12/1	Compliance	90				90
Required	HSC	Joint Admissions Medical Program Grants - 10/31	Compliance	60				60
		TOTALS FOR REQUIRED AUDITS	2,175	-		-	-	2,175
		AUDITS IN PROGRESS AT AUGUST 1, 2006						
Prior Year	TTU	President's Office Financial Review	Financial	50	In progress			50
Prior Year	TTU	Academic Advising Financial Review	Financial	50	In progress			50
Prior Year	HSC	Institutional Animal Care & Use Committee (IACUC)	Compliance/Controls	120	In progress			120
Prior Year	HSC	Medical Practice Income Plan (MPIP) Trust Fund	Controls/Consulting	200	In progress			200
Prior Year	HSC	IDX and Related Controls	Controls	120	In progress			120
Prior Year	HSC	Credit Card Customer Information Security	IT Controls	360	In progress			360
Prior Year	HSC	School of Medicine (Cardi/Cath Lab)	Operational	370	In progress			370
Prior Year	HSC	State Auditor's Office: Correctional Managed Healthcare	Financial (assist)	10	In progress			10
Prior Year	ALL	Wrap-up on Audits Included in August BOR Report		20	In progress			20
		TOTALS FOR AUDITS IN PROGRESS	1,300	-		-	-	1,300
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total hours budgeted for Special Projects & Investigations	4,000	(1,015)				2,985
		IN PROGRESS AT AUGUST 1, 2006						
Special	TTU	The Institute for Child and Family Studies	Special	10	In progress			10
Special	TTU	Department of Animal & Food Sciences	Special	300	In progress			300
Special	TTU	Tech Express Investigation	Special	500	In progress			500
Special	TTU	Tech Express Controls	Special	175	In progress			175
Special	TTU	Civil Engineering	Special	15	In progress			15
Special	TTU	Mechanical Engineering	Special	15	In progress			15
		BEGUN AFTER AUGUST 1, 2006						0
		None						0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	4,000	1,015		-	-	4,000
		HIGHEST PRIORITY						
1	ALL	Emergency Management Planning	Operational/Compliance	550				550
1	ALL	ConnecTech Project (Banner System Implementation)	Management Advisory	400				400
1	TTUS	Chancellor's Office	Management Advisory	500				500
1	TTU	Credit Card Customer Information Security	IT Controls	400				400
1	TTU	Information Technology General Controls Review	IT Controls	500				500
1	HSC	El Paso Finance and Administration	Financial/Operational	350				350
1	HSC	Laboratory Security	Operational	400				400
		HIGHEST PRIORITY TOTALS	3,100			-	-	3,100
		MODERATE PRIORITY						
2	ALL	Audit Report Follow-Up Procedures and Reporting	Follow-Up	175				175
2	TTUS	Fraud Risk Assessment	Risk Assessment	250				250
2	TTU & HSC	Intellectual Property	Operational/Compliance	425				425
2	TTU	College of Education	Financial/Controls	300				300
2	TTU	Academic Advising Processes	Controls/Mgt Advisory	350				350
2	HSC	HIPAA Security Compliance	IT/Compliance	500				500
2	HSC	School of Medicine	Compliance/Controls	400				400
		MODERATE PRIORITY TOTALS	2,400			-	-	2,400

[illegible]

TEXAS PUBLIC FINANCE AUTHORITY MASTER LEASE PURCHASE PROGRAM RESOLUTION

WHEREAS, pursuant to Chapter 1232, Texas Government Code, the Texas Public Finance Authority "Authority" is authorized to issue revenue bonds or other obligations to finance the acquisition of equipment for state agencies and institutions of higher education;

WHEREAS, Texas Tech University "Agency" intends to request the Authority from time to time to issue revenue bonds or other obligations to finance or refinance equipment in an aggregate amount not exceeding the amount authorized by the Legislature in the General Appropriations Act or other act of appropriation;

WHEREAS, the Agency now desires to approve and authorize requests for financing or refinancing of equipment and to authorize the President or designee to submit requests for financing or refinancing from time to time and to take such other actions as may be necessary with respect thereto; and

WHEREAS, the Agency desires and intends that this Resolution and the authorizations it embodies remain in effect until rescinded, withdrawn, or amended by action of the Board of Regents.

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS THAT:

1. The acquisition of equipment has been duly authorized by law and is required or suitable for public purposes mandated by law and the financing or refinancing of the equipment is appropriate.
2. The President is hereby authorized and directed to submit requests from time to time to the Authority to issue bonds or other obligations, in an aggregate amount not exceeding the Agency's appropriation authority for the equipment.
3. The President or designee is further authorized to approve, execute and deliver the Master Lease Agreement Requests for Financing, and such other instruments, including but not limited to the financing documents required by the Authority's rules, and to take such other actions as are necessary and appropriate in connection with the issuance, sale or delivery of the bonds or other obligations.
4. This Resolution and the authorizations embodied herein shall continue in effect until rescinded, withdrawn, or amended by action of the Board of Regents.
5. Due notice of this meeting and the subject matter of this Resolution was given as required by law and a quorum of the Board of Regents was present at the meeting at which this Resolution was considered.

<http://www.tpfa.state.tx.us/about.aspx>

Adopted and effective as of _____, 2006.

Chairman, _____

Secretary, _____

**TEXAS TECH UNIVERSITY
SOCCER COMPLEX**

PROJECT BUDGET

\$ 2,000,000

FINANCING PLAN:

MAJOR GIFTS


\$ 616,295

REVENUE STREAMS (TICKET SURCHARGE)

\$ 1,386,452

TOTAL CONSTRUCTION FUNDS

\$ 2,002,747





Jones AT&T Stadium

Improvements

Gerald Myers
Athletics Director

Tom Anderes
Senior Vice President for Administration and Finance





TEXAS TECH UNIVERSITY JONES AT&T STADIUM RENOVATION PROJECT HISTORY	
ORIGINAL PROJECT BUDGET	\$45,000,000
TARGET PROJECT BUDGET	\$40,000,000
COST ESTIMATES RECEIVED AT PLANNING MEETING:	
ESTIMATED CONSTRUCTION COSTS - LEE LEWIS STAFF	\$47,304,023
ESTIMATED SOFT COSTS PER FP&C @ 25% OF TOTAL PROJECT COSTS	\$15,768,008
ESTIMATED TOTAL PROJECT COSTS PER LEE LEWIS/FP&C	\$63,072,031
REVISED TOTAL PROJECT COSTS PER FP&C	\$57,000,000

TEXAS TECH UNIVERSITY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS JONES AT&T STADIUM EXPANSION FINANCING PLAN	
CURRENT SCOPE ESTIMATED COSTS	\$ 20,500,000
	CONSTRUCTION FUNDS
MAJOR GIFTS	\$13,564,667
REVENUE STREAMS (TICKETS AND TICKET SURCHARGE)	\$7,057,326
TOTAL CONSTRUCTION FUNDS	\$20,621,993

TEXAS TECH UNIVERSITY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS SCHEDULE OF RECENT STADIUM IMPROVEMENTS COMPLETED	
Stadium Sound System	\$405,000
South End Stadium Building Roof	\$140,000
South End Office Renovation	\$33,000
Football Practice Field Expansion	\$400,000
Field Wall	\$1,250,000
New Field Turf	\$1,250,000
Scoreboard Renovation	\$200,000
Refurbish South End Interior of Stadium	\$160,000
Total Recent Stadium Improvements	\$3,838,000

Jones AT&T Stadium Analysis of Revised Scope

1) Why Change the Scope?

A)	Cost of Parking Garage	\$17-19,000,000
	Construction Funds Generated by Parking Revenues	<u>\$ 8,000,000</u>
	Shortfall	<u>\$9-11,000,000</u>
B)	New Seats in Full Scope	13,314
	Recommended New Seats	<u>8,314</u>
	Excess Seats	<u>5,000</u>
C)	Additional Debt From Larger Scope	\$22,500,000
D)	Ability to Fund New Soccer Complex	\$2,000,000

2) Recommended Scope of Project

- A) 6,745 North End on Grade Seats
- B) 1,560 South End on Grade Seats
- C) Repair Southwest Seating Area
- D) East Side Facade

3) Reasons for Revised Scope

- A) Accomplish our current needs for ½ of original project cost
 - 1) 60,000+ Seat Stadium
 - 2) Improve Facade of East Side
 - 3) Complete Repairs on Existing Stadium Seating Bowl
- B) Avoids Increased Debt Load
- C) Allows Funding for Soccer Complex

Letter of Intent
June 27, 2006

COPY

Bernhard T. Mitemmeyer, M.D.
Interim Dean
Texas Tech University Health Sciences Center
3601 4th St., STOP 6207
Lubbock, TX 79430

RE: Proposed Gift to Establish the Crofoot Endowment in Epilepsy

Dear Dr. Mitemmeyer:

This letter sets forth our mutual understanding and agreement in principle concerning the proposed gift to establish the Crofoot Endowment in Epilepsy ("Gift") at Texas Tech University Health Sciences Center. The parties hereto agree in principle as follows:

1. **Proposed Gift.** The Crofoot Family would contribute the sum of \$2,000,000 to the Texas Tech University Health Sciences Center for the purpose of:
 - A. Establishing a chair in epilepsy ("Chair" or "Crofoot Chair") to thus establish a comprehensive epilepsy diagnosis, research and treatment program for the West Texas geographical region, including provision for state-of-the-art care, advancement of medical knowledge in epilepsy and education and training of health care professionals in epilepsy ("Epilepsy Program"); and
 - B. Providing certain operational needs of the Epilepsy Program.
2. **Chair.** A \$2,000,000 Crofoot Chair in Epilepsy will be established in the Department of Neuropsychiatry at Texas Tech University Health Sciences Center for the recruitment or support of an academic epileptologist, who shall be committed to high-quality clinical services to citizens of the West Texas region who suffer from epilepsy or have afflicted family members or friends, as well as the pursuit of advances in knowledge and improving health care education in the field of epilepsy. The Department of Neuropsychiatry will determine the holder of the Crofoot Chair, along with approval of the Dean of the School of Medicine. The Crofoot Family

Letter of Intent

Bernhard T. Mittermeyer, M.D.

June 27, 2006

Page 2 of 4

or its representative will be consulted in the selection process for the holder of the Crofoot Chair.

3. **Operations.** The Department of Neuropsychiatry shall have the discretion to use portions of the Gift to meet unfulfilled operational needs required to achieve the Program's stated purposes.
4. **Composition of Gift.** The \$2,000,000 Gift would be composed of:
 - A. **\$600,000 Cash Gift.** The annual sum of \$200,000 cash will be given in the years 2006, 2007 and 2008, for a total cash gift of \$600,000.
 - B. **\$1,400,000 Gift From Charitable Trust.** The annual sum of \$140,000 cash will be given annually for 10 years from a Charitable Trust established by the Crofoot Family, with the annual payments commencing in 2006 and continuing for the next 10 years, for a total cash gift from the Charitable Trust of \$1,400,000. The remainder from the Crofoot Family Trust reverts to the Crofoot Family.
5. **Conditions.** The obligation of the Crofoot Family to consummate the Gift contemplated in this Letter of Intent is subject to the fulfillment of all of the following conditions to the reasonable satisfaction of the Crofoot Family:
 - A. **Matching Gift From University.** Texas Tech University Health Sciences Center School of Medicine will contribute a matching gift toward the Chair in the amount of \$500,000, and the Department of Neuropsychiatry will contribute an additional matching gift toward the Chair in the amount of \$500,000.
 - B. **Utilization of Lubbock and Regional Hospital Systems.** The endowment and

Letter of Intent

Bernhard T. Mittermeyer, M.D.

June 27, 2006

Page 3 of 4

program contemplated by this Letter of Intent should be based broadly across the health care system of Lubbock and the region, as opposed to being narrowly identified with any single health care system.

- C. **Definitive Agreement.** Preparation (by Crofoot counsel) and execution of a definitive agreement and other related documents (collectively "Definitive Agreement") on or before July 1, 2006, containing agreements, representations and conditions customary for a restricted gift of this type, which shall be mutually agreed upon by the parties and satisfactory to their legal counsel, and also providing for the closing of the transactions contemplated herein ("Closing") on or before December 31, 2006.
- D. **Approvals.** Obtaining the approval of the Board of Regents of Texas Tech University System to the transactions contemplated in this Letter of Intent, plus such other departmental approvals as are required to bind Texas Tech University Health Sciences Center to the agreement contemplated herein.
- E. **Other.** Such other conditions as the parties hereto may mutually agree.

6. **Charitable Trust.** The Crofoot Family will form, fund and design the management and trusteeship of a Charitable Trust for the purpose of supporting research and clinical programs in the area of epilepsy.

- A. The Charitable Trust will distribute the sum of \$140,000 annually for ten years to Texas Tech University Health Sciences Center or other charitable/medical institutions.
- B. While Texas Tech University Health Sciences Center is considered the primary beneficiary of the Charitable Trust, the evaluation and selection of the beneficiaries will

Letter of Intent

Bernhard T. Mittermeyer, M.D.

June 27, 2006

Page 4 of 4

be made annually by the Trustees of the Trust.

7. **Termination Provisions.** The parties will, in the Definitive Agreement, make provision for termination of this endowment in the event the purposes of the program contemplated by this Letter of Intent are not being met.

If the foregoing correctly reflects our understanding, please execute the enclosed counterpart of this Letter of Intent, whereupon each of the undersigned will proceed in good faith to effect the gift contemplated by this agreement in principle. It is understood that this is not a binding agreement of any of the undersigned but merely an agreement in principle to be utilized by each of the undersigned in proceeding forward in this gift transaction and the undersigned will not be legally bound in connection herewith; any binding legal commitment will be contained in the Definitive Agreement.

Crofoot Family

By: Terry Crofoot

**Texas Tech University
Health Science Center**

By: Bernhard T. Mittermeyer

Its: Interim Dean

gr/copy:

Mr. & Mrs. Terry Crofoot

Mr. Earl Jay Crofoot

Ms. Sharon Bennett

Randolph Schiffer, M.D.

Report on Returned Funds from TTUSA

TTU	1,011,982 Total Returned
TTU Comm and Mkt	800,968
Reserved for Academic Use	211,014
TTUHSC	732,815 Total Returned
TTUHSC Comm and Mkt	235,934
Nursing	182,000 3 New Faculty + 100 New Students
Reserved for Academic Use	314,881
Total Returned for Academic Purposes	707,895



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System Business Impact Analysis

Alton Smith
Associate Chief Financial Officer

August 11, 2006
Page 1

TTUS Board of Regents



TEXAS TECH UNIVERSITY SYSTEM

Business Impact Analysis

Risk Assessment by Price Waterhouse Coopers

- Enterprise-wide analysis
- Recovery plans "owned" by departments
- Testing cycles to ensure adequate recovery

August 11, 2006
Page 2

TTUS Board of Regents



TEXAS TECH UNIVERSITY SYSTEM

Business Impact Analysis

Approach and Process

- Separate analysis for TTU and TTUHSC
- Based on key or critical process areas
- Report reviewed selected models
- Interview analysis covered 29 areas

August 11, 2006
Page 3

TTUS Board of Regents



TEXAS TECH UNIVERSITY SYSTEM

Business Impact Analysis

Findings

- Need Business Continuity Plan for each primary academic and operating unit
- Address potential influenza pandemic
- Conduct annual full-scale test of IT disaster recovery plan
- Coordinate emergency response plans with hospitals (UMC-Lubbock and Thomason-El Paso)

August 11, 2006
Page 4

TTUS Board of Regents



TEXAS TECH UNIVERSITY SYSTEM

Business Impact Analysis Next Steps

- Identify "primary" academic and operating units
- Provide template for developing a B C P
- Continue development of pandemic plan
- Schedule test of disaster recovery plan
- Update emergency response plans with hospitals

President's Report
Texas Tech University
Board of Regents Meeting
August 11, 2006

President Whitmore stated that he had met with each board member individually during the summer to discuss Tech's agenda for the coming year. For that reason, he didn't feel it necessary to repeat those discussions. He did want to remind the board, however, of two initiatives that Tech will be taking on this year. He will be reporting to the board later in the year about those initiatives—probably in the spring 2007 semester. One initiative was the completion of a thorough outside review of our Graduate School last year. That review found our Graduate School to be in good condition, but it did make a number of recommendations, particularly on how to improve communication between the Graduate School and the department chairs and the colleges that actually host the graduate programs. So, we have an initial plan in place to make changes to improve those communications. Once they are implemented we will report the details of that to you in the spring.

Our second initiative is that we want to improve the retention rate of our students. We believe that every student that comes to Texas Tech ought to be successful and ought to stay here and graduate. All the national data tell us that most people, if they are going to leave a school in their freshman year, discover within the first six weeks or so something that keeps them from wanting to continue at the institution. So, with the help of Ryan Worley (our student body president), our advisors, faculty and deans, we are putting together an intervention program. That program will require that all freshmen (first-year) students are contacted during their early stages of life at Texas Tech to discover any issues they may have and to provide support and positive intervention in regard to that. Often it is something like: I didn't feel connected to the university. So, we are going to be asking them if they have joined an organization yet or what their interests are and try to get them involved—things like that. So, we hope there will be some positive results from this. We feel our first year students will appreciate being contacted and having those questions asked of them.

Those are two new initiatives that are currently being implemented. President Whitmore stated that he would share with the board other initiatives as they are implemented.

Regent Black asked if the retention initiative will be implemented during the fall of 2006 and Dr. Whitmore concurred.

Regent Sitton asked about Dr. Whitmore's past desire to move the Graduate School offices and whether that was still a priority. Dr. Whitmore responded that is a very high priority. The outside reviewer of the Graduate School, recommended that if we are going to make the Graduate School more visibly important to the University that it must move from its current quarters which are in the basement of Holden Hall. Additionally, the handicapped access at the Graduate School's current location is very limited and we need to have that issue solved too. So that is part of the recommendation of the outside reviewer.

Regent Sitton continued to question Dr. Whitmore about his plans regarding the outside reviewer's findings of relocating the Graduate School offices. Dr. Whitmore responded that there is a domino effect in addressing that situation, but the ideal location for the Graduate School would be in the Administration Building but some space would have to be cleared in order to be able to do that

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
August 11, 2006

Interim President Mitemmeyer began by thanking the board for the opportunity to serve the Health Sciences Center and them. Dr. Mitemmeyer stated that the board heard Dr. Steven Berk's presentation at the retreat the previous day on the School of Medicine and plans for building the school's legacy for the future. At that time, Dr. Mitemmeyer briefly reviewed and highlighted the current status of HSC's Graduate School of Biomedical Sciences as well as the Schools of Allied Health, Nursing and Pharmacy.

Dr. Mitemmeyer's focus for the day's remarks was on the Health Sciences Center vision and its goals and objectives during his service as interim president. Clearly it is not a time for pause or treading water. We must strive for excellence in whatever we do at every level—student, resident, staff, faculty and certainly everyone as leaders. My excitement as to what is possible and what can be done is based on the excellent executive team that I am privileged to serve with including our dedicated chairs, the faculty at the institution and the staff of each of our schools. They are the framework of our institution and their common commitment—our common commitment—to our students and our patients is a must to be first and foremost and certainly will be our driving force during this period of time. Together we must ready our institution for the arrival of our new president. Our attitude, our morale and the readiness of every level at each school is of the utmost importance if we are to be an institution where any candidate would be honored to be selected to be our president. To create that attitude in our team and the state of our institution, there are many goals and objectives we need to accomplish or at least initiate in light of the time. Some of the more important among these include the following: first and foremost, we must obtain the necessary funding to complete the establishment of the El Paso School of Medicine as a separate and self-standing institution in the coming biennium. Dr. Robert Suskind, a tenured professor of pediatrics at the Chicago Medical School and former dean of that school, has been recruited and will serve as the founding dean. It is a position he has accepted pending upon your approval of his tenure which you have done today. Dr. Suskind is scheduled to assume his duties on November 6, 2006. As you also heard yesterday, in El Paso, the Research Building 1 is, for all practical purposes, completed and ready for occupancy. Construction of the Academic Building is on schedule and should be completed in the spring of 2008. This facility houses a state-of-the-art Clinical Simulation Center which I think is a very important component of that building. It is absolutely essential for state-of-the-art education in medicine.

In Amarillo, construction of a research tower and an expansion of the Pharmacy School are designed and ready for construction. Tuition Revenue Bonds have been authorized and their debt service has not been funded as yet and this is part of our legislative appropriations requests which will hopefully be approved.

In Lubbock, a research tower must be more than just a dream. It is vital in order for us to move forward in our concert with our strategies to improve research and collaborate

with the university, as you heard yesterday. Such a facility will once and for all point to the importance of not only basic but clinical and translational research as well and that is the opportunity that Dr. Whitmore and I see for our two institutions. Such research must of course first focus on our mission and the needs of our region and then general health care as well. It will certainly help improve collaboration with the University and I think in a sense, it will "walk the talk." We've been talking about it and now we need to get it done. While we have pretty good clinical facilities in El Paso, Amarillo and Odessa for patient care, we lack that here in Lubbock. It is a huge building and there is no personality to it. Completion of the Medical Pavilion, the School of Medicine Clinical Tower should occur next spring. This attractive facility will be the center of excellence in both primary and specialty care for the entire region by what is actually the largest practice group in West Texas and should position the School of Medicine in a much more competitive and profit-oriented position. Our current Clinical Simulation Center in Lubbock is definitely below par. A new state-of-the-art Clinical Simulation Center, here in Lubbock, for the education of not just medical but all students—nursing, pharmacy and allied health as well—must be on the drawing board before the end of this year and must be included in our HEAF funding priorities and that is what we plan to do. Such a facility will allow us to better train all of our students in not only clinical diagnosis but in physical examination as well. Furthermore, such a center of excellence will definitely help us in recruiting the most competitive students in each of our schools. It is also noteworthy that some 20 years ago, the Health Sciences Center was one of the first leaders and innovators in telemedicine and telehealth. In fact, we were one of the first institutions to receive a federal grant to do so. The region we serve is actually greater—as mentioned yesterday—than all of New England and New York and Pennsylvania combined. The region continues to be a very dependent on telemedicine as a health resource and telemedicine is still used to great extent in our educational programs with the span between Amarillo and Lubbock and the Permian Basin and El Paso. We must reassess today's available technologies in order to catch up. In the Permian Basin, we need to further develop the structure for strengthening and expanding our regional academic health center in both Odessa and Midland. The construction of new facilities and renovation of existing facilities for expansion for our Physician Assistants Program as well as the departments of Obstetrics and Gynecology and Internal Medicine have been funded. Furthermore, in the Permian Basin, expansion and recruitment of critical educators and clinicians to flesh out the six basic departments that are necessary in order for us to receive LCME approval to move students there is of the essence. When this is accomplished we can then initiate having third and fourth year medical students become part of our medical school there and that is what those regions and that community want. This will then compliment the excellent programs that we currently have in both nursing and allied health in that region. The regional deans for both the Permian Basin and the Amarillo Regional Academic Health Center School of Medicine must be recruited within the next several months and I will drive that force. Search committees have been established and as mentioned yesterday, the search for the regional dean in the Permian Basin has been narrowed down to four finalists with the final candidate to be announced, hopefully, before the next board meeting.

At each campus and at each school, we must recruit critical faculty to include educators, specialty clinicians and researchers. This is necessary in order for us to meet our stated Health Sciences Center mission. In the School of Medicine, the rebate of self-insurance dollars that have been provided to the school by your action at the May board

meeting will be a principle source of funding to accomplish this. If these dollars that we will have available to use on September 1 are matched by the community hospitals, with whom we partner or by research-focused tobacco dollars available to us at each campus, we can leverage these medical school dollars into excellence from an academic, clinical and again research standpoint. This must be done and the dean of medicine is fully aware of this and our plans to do so. In order to achieve academic excellence, we must also place fundraising for endowment among our highest priorities. In recalling my start at Tech some 20-some years ago, when Mr. Bill Tinney was over there three days a week for half a day in the back hall, memories come back on what our fundraising capabilities were then compared to what they are today; it is really amazing. In fact, in that regard, Mrs. Sharon Bennett must be complimented. Sharon has, since joining the Health Sciences Center team in 2004 as the Executive Director of Institutional Advancement, actually more than doubled the necessary chairs, professorships and scholarships that we need so desperately. As was noted yesterday by Chancellor Haragan, the brightest applicants to our institution are bought. This is not only true for students but frankly for faculty as well. In regard to scholarships, our current Health Sciences Center scholarship opportunities are dismal. They are certainly less than desirable. In fact, if we were trying to match Baylor School of Medicine, we would have to raise \$60 million so that we could provide our student-applicants the same type of scholarship that they can provide—not that they do, but they could. That has to be one of our goals.

In regard to the establishment of chairs, the University Medical Center has, for example, established quasi-endowments as you heard earlier today in which the institution funded 10 chairs in the School of Medicine and now one also for a Ph.D. This opportunity can and should be done in all of our affiliated hospitals. Basically, it doesn't cost them that much. They put the money aside. They have it in the back anyway and we draw the proceeds so that we can put that into the chair. Of course, this is in addition to the chairs that we are trying to recruit through scholarship and endowments and, I believe, in this area Dr. Lim in Amarillo and Dr. Randy Schiffer in the Department of Neurosciences have done a tremendous job. Again, through their support and help we have benefited. Again, we must strengthen our overall relationship with the community and county hospitals with whom we partner and can partner. These institutions have been extremely supportive of our education and service mission and to some extent even our research mission. I sincerely believe that in this coming year and in the decade before us, the ever-strengthening bond between each of our schools and the hospitals with whom we partner is an essential part of accomplishing that mission. The key to this relationship is partnership not subservience.

In closing, let me state that I am proud to be the leader of an organization that I know is a winner. The Health Sciences Center is still young but it is a vibrant institution. Over the past 20 years that I have been at Tech, I have seen tremendous growth and certainly a move towards excellence, but we have much to accomplish and we will do so. Our stated HSC mission is to improve the health of people by providing educational opportunities for students and healthcare professionals, advancing knowledge through scholarship and research and providing patient care and service. This is our mission and it is my pledge to you and the pledge of our leaders in the institution to you, the board, to all of our Health Sciences Center constituents, to the president we hope to recruit and to the people of this region. Thank you.

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
August 11, 2006

Dr. Haragan reported on efficiency issues within the System. He has found that within the ten-year life of the System it has grown substantially and in some cases has expanded into areas of responsibility that could better be served in the components of one or the other institutions. In other cases, our review has led to the closing of some System offices. To date, these efforts have resulted in the figures reported to you earlier today. Additionally, you saw how the institutions in receiving that money has budgeted those funds and their operations. Currently an assessment of the Office of Institutional Advancement is underway. We have asked an individual and officer of the Texas A&M Foundation to help us review our structure and our operations and simply offer suggestions to Dr. Mark Lindemood. As mentioned yesterday, Mark has developed an operational plan and has put together an excellent staff of professionals who are equipped to implement the plan that they have underway. The funding landscape has certainly changed as the percentage of appropriated dollars has decreased so that our reliance on private fundraising has become even more critical than before. Dr. Marcy reported to you yesterday that we have an immediate need for endowment for scholarships so that we can continue, as we have been doing, to attract the brightest and best students in this state. You heard that statement as well from Dr. Mitemeyer. In addition to the procurement of scholarships, it is also important that we establish priorities that present leveraging opportunities and that we reallocate resources to allow investment in these priorities. Hopefully, the legislature will recognize the efforts that we have made to maximize efficiency and will consider our request for a major investment to fund the plans established yesterday by the two presidents. Certainly it is in our best interest to reach an agreement with the public leadership that in exchange for this investment in our activities we will increase our efforts to address issues of importance to our local community and to the state. The work session yesterday was a very good one and we certainly appreciate your important role as board members by asking the hard fundamental questions regarding priorities and regarding quality and resource allocation and reallocation. Like any business, the University and the Health Sciences Center must continue to introduce new ideas and new products and new ways of delivering them if we are going to remain competitive at the state and national levels. We have empowered the presidents to take charge of their institutions and we await the arrival of a new chancellor who will lead our efforts with the legislature and congress and direct our activities in fundraising and overall support from the private sector and lead us into the next capital campaign, which I hope we will enter into sooner rather than later. Thank you very much for the support you have given me and continue to give me. Thank you also to the people of the System offices that have been such a big help to me during this interim period. Thank you very much.