

TEXAS TECH UNIVERSITY – BOARD APPROVAL ITEM  
(July 1, 2004 – August 31, 2004)

Activity	Source of Funds		Expense
	Other	Income	
<b>Board Action</b>			
1. Institutional Tuition	380,000		380,000
Budget \$380,000 of fund balance for transfer to various departmental operating accounts. These will fund graduate assistantship fee waivers that were charged to these accounts.			
2. CHACP 1 – Repair Boiler #2	480,000		480,000
Budget \$480,000 fund balance of Utility Central Heating & Cooling Plant # 1. These funds will be used to complete the repairs to Boiler # 2 at CHACP 1.			
3. Retiree Insurance Pool		300,000	300,000
Budget the over realized FY 2004 revenue by \$300,000 in order to cover the retirees total fringe benefit expenses.			
4. Suites - USA Tax Exempt	440,000		440,000
Budget \$440,000 of fund balance to establish a new account called Suites-USA Tax Exempt. This will be used to cover debt service transfers.			
5. Extended Studies Lease Account	750,000		750,000
Budget \$750,000 fund balance of Correspondence & Distance Learning. This will set aside funds for 2 years lease on the building.			
6. Extended Studies Building	250,000		250,000
Budget \$250,000 fund balance of Continuing Education Lease account to initially fund the planning stage of the Extended Studies Building.			
Total	2,300,000		2,600,000
	0	300,000	0

TEXAS TECH UNIVERSITY – BOARD APPROVAL ITEMS

Activity	Revenue	Expense	Remarks
E&G Revenue	\$3,141,526		Partial revenue allocation associated with the Excellence Funds
E&G Expenses		\$3,141,526	Partial expense allocation associated with the Excellence Funds

TEXAS TECH UNIVERSITY  
SCHOOL OF LAW

ADMISSIONS POLICY (Proposed)

**APPLICANT INFORMATION**

**Application Procedure for Visiting Students**

Students who are in good standing at another law school may be considered for admission on a visiting basis. Students must submit an application for admission, an official copy of their law school transcript, and a letter from the dean of the law school currently being attended stating that the student is in good standing and that credit for courses taken at Texas Tech will be accepted for transfer.

**Admissions Process**

Texas Tech Law School uses a rolling admissions process. The Admissions Committee considers application files when they are complete and makes decisions shortly thereafter. When the Admissions Committee reaches a decision on your file, you will be notified promptly. Apply early. Worthy applicants who apply after February 1 may not receive an offer of admission because of the number of applicants admitted earlier. The Admissions Committee seeks to enhance the educational experience of all students in the School of Law by admitting applicants from a wide range of backgrounds and experiences. While an applicant's LSAT score and grade point average figure prominently, the Admissions Committee also considers many other factors, including extracurricular activities and interests, public interest service programs, previous employment, and evidence of leadership qualities. The Law School may deny admission to any applicant who, in the judgment of the faculty, may appear to be unfit in character to engage in the study or practice of law. Each accepted applicant is required to pay a deposit soon after being accepted to hold a place in the entering class. Applicants who fail to submit their deposit by the date specified in their acceptance letter will forfeit their place in the entering class. Applicants accepted in the Early Decision Program will be required to pay a nonrefundable deposit of \$750. Those accepted in the regular admission process will be required to pay a deposit of \$300. In accordance with the LSAC Statement of Good Admission and Financial Aid Practices, this deposit for regular decision applicants is refundable through April 1 to allow them to choose among multiple offers of admission without penalty. After April 1 the regular decision deposit is not refundable. The School of Law requires an additional deposit of \$1,000 in June to continue holding a place in the entering class. Applicants who fail to submit the second deposit by the deadline will forfeit their

place in the entering class. Both the initial deposit and the June deposit are refunded upon matriculation at the School of Law.

## **Application Evaluation**

The Law School Admission Test score and the cumulative undergraduate grade point average are both very important in determining admission. However, the Admissions Committee also considers the following factors when evaluating the LSAT score, the GPA, and the qualitative elements bearing on admissions decisions:

### **Undergraduate Studies**

The Admissions Committee considers the cumulative GPA, but it also takes into account a progression (or regression) of grades in an applicant's undergraduate record. Thus, the student whose junior and senior level performance evidences high quality may compete favorably with other applicants. The committee includes in its consideration the nature and difficulty of an applicant's undergraduate academic program.

### **Graduate Work**

The Admissions Committee reviews any graduate transcripts submitted with an application, and these transcripts may serve to enhance the application, depending on the quality of the work. The committee recognizes that applicants may have several reasons for deciding to attend graduate school prior to applying for law school. An applicant attempting to show that his or her undergraduate record does not represent academic ability must show outstanding performance in graduate school. Because the committee considers many factors beyond graduate work, attending graduate school for the sole purpose of securing entrance to law school is not recommended. Further, if an applicant chooses to attend graduate school before law school, he or she should pursue a graduate course of study that will enhance other career opportunities.

### **Repeat LSAT Scores**

An applicant may take the LSAT several times, though the Admissions Committee will consider the average of the scores received in making a decision on an application. Thus, while many applicants improve their scores slightly by taking the LSAT more than once, the increase is typically not high enough to make a difference to the Admissions Committee. Further, it is not uncommon for an applicant to receive a lower score on a subsequent test, thus requiring that the reported average be lowered. In deciding whether to take the LSAT more than once, applicants should consider how accurate the test score is. If some external reason exists to explain a score that is lower than expected, such as an illness or family emergency, you might consider taking the LSAT again. Without

such a reason, however, most applicants will not score significantly better on a subsequent test.

### **Work and Military Experience**

Employment or military assignments, particularly those experiences evidencing maturity or providing a background that could be helpful to a lawyer, are considered in the application review.

### **Writing Sample**

The Admissions Committee reads the LSAT writing sample and considers it when making a decision on admission. Because an attorney's work often relies on the clarity of written expression, a poorly written section will weigh against the applicant, despite the fact that this section may not be included in the LSAT score.

### **Letters of Recommendation**

Letters of recommendation can provide valuable information about an applicant, including his or her academic ability, motivation to study law, maturity, integrity, and other factors that the Admissions Committee may find valuable in making its decision. Two letters of recommendation are required, and the Admissions Committee will consider up to three letters in an applicant's file. The applicant may choose to use the LSDAS service to distribute letters of recommendation to law schools by using the forms contained in the LSAT/LSDAS Registration and Information Book. The applicant may, however, request each letter writer to submit the letter directly to the Admissions Office of the Texas Tech School of Law. The Admissions Committee will examine the basis for the writer's comments when deciding the importance to assign to the letter. The committee assigns little significance to letters written by politicians, attorneys, and judges whose primary basis of judgment is that the applicant is a family friend. The committee values much more the comments made by teachers, employers, and others who have had a close working relationship and know firsthand the strengths of the applicant. Applicants should consult the law school web site for more information about letters of recommendation.

### **Other Factors**

The Admissions Committee also will consider the following factors:

1. The socioeconomic background of the applicant, including the percentage by which the applicant's family is above or below any recognized measure of poverty; the applicant's household income; and the level of education of the applicant's parents.

2. Whether the applicant would be the first generation of the applicant's family to attend or graduate from an institution.
3. Whether the applicant has bilingual proficiency.
4. The applicant's responsibilities while previously attending school, including whether the applicant has been employed, whether the applicant has helped to raise children, or similar factors.
5. The applicant's region of residence.
6. Whether the applicant is a resident of a rural or urban area or a resident of a central city or suburban area in the state.
7. The applicant's performance on the LSAT in comparison with that of other students from similar socioeconomic backgrounds.
8. The applicant's race or ethnicity.
9. The applicant's involvement in community activities.
10. The applicant's extracurricular activities.
11. The applicant's admission to a comparable accredited institution.
12. Any other consideration the School of Law deems necessary to accomplish its stated mission.

### **New Information Concerning Offenses**

By submitting an application, the applicant agrees to inform the School of Law when an academic or legal offense occurs (covered by questions 9-13 on the application) subsequent to the submission of the application. When a new offense is reported, the applicant's file is reviewed again, as if it had been submitted for the first time.

### **Interviews**

Many applicants request interviews because they wish to discuss or explain academic records or background experiences. Because of the large number of applicants and time limitations, interviews must be limited. Interviews are more appropriate for that group of applicants who depend upon the "other factors" (previously listed) for admission. All requests for an interview must be in writing and be received by the Admissions Office by March 12. Applicants are encouraged to supplement their applications with new or revised material as needed at any time before the admissions decision is made. The Admissions

Office staff is pleased to answer questions regarding the application process and to address any special problems encountered by individual applicants. Information can also be secured from prelaw advisors on undergraduate campuses or members of the law faculty of Texas Tech during their recruiting visits to the campuses of Texas colleges and universities.

## Reapplication

An applicant whose file was completed and who wishes to reapply for admission the following year need only secure a new application form and Oath of Residency. The applicant must submit them to the Admissions Office with the \$50 application fee after September 15 prior to the year for which admission is sought. Materials from the previous file will be transferred to the new file. Unless more than five years have elapsed since the last application, there is no need to reconstruct the materials in the file.

Student Profile				
Applicant Pool	YR 2003	2002	2001	2000
Total Number of Applications	1,595	1,394	1,147	1,045
Class Size	224	246	234	269
Minority Enrollment	17%	14%	13%	18%
Male/Female Enrollment	112/112	131/115	121/113	145/124
Institutions Represented	60+	70+	70+	80+
LSAT Scores	YR 2003	2002	2001	2000
75 <sup>th</sup> Percentile	158	157	157	157
Median	155	153	153	153
25 <sup>th</sup> Percentile	151	150	150	149
GPA	FY 2003	2002	2001	2000
75 <sup>th</sup> Percentile	3.75	3.67	3.64	3.61
Median	3.53	3.45	3.43	3.31
25 <sup>th</sup> Percentile	3.27	3.17	3.12	3.04

## Declaration of Intention to Study Law

The State Board of Law Examiners of Texas requires that every person who intends to take the Bar examination in Texas must file a Declaration of Intention to Study Law. This must be filed with the Board during the student's first year of law school and must be accompanied by a copy of the student's law school application. Please make a copy of your application and keep it to submit with your declaration. The filing deadline for such declarations are as follows: fall entrants, October 1; regular spring entrants, May 1; spring entrants at quarter-hour law schools, June 1; summer entrants, September 15. The declaration must be filed on a form promulgated by the Board. All students filing a declaration must furnish a complete set of fingerprints. Fingerprint cards are available at the Law School. Students should take these cards to University Police Department for processing. In addition, the declaration requires disclosure

of all legal and academic offenses. The admissions application requires the same disclosures. Any discrepancies between the two forms are reported to the School of Law and possible disciplinary action, including revocation of admission or suspension, may result. The forms may be accessed online at [www.ble.state.tx.us/Forms/main\\_formsindex.html](http://www.ble.state.tx.us/Forms/main_formsindex.html) and should be filed after classes start by the deadlines shown above. The filing fee for the Declaration of Intention to Study Law is \$190. Students who expect to practice in other states should investigate possible similar requirements in such states.



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 OCT 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	18,092					
		REQUIRED AUDITS						
Required	TTUS	Texas Tech University Foundation (assist)	120				120	0
Required	TTUS	Chancellor and Regent Travel (assist)	20		In progress	2	18	0
Required	TTU & HSC	SAO Statewide CAFR audit (assist)	40				40	0
Required	TTU & HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	250		In progress	61	189	0
Required	TTU	SACS Financial Review (assist)	400		In progress	10	390	0
Required	TTU	NCAA Compliance	280				280	0
Required	TTU	NCAA Compliance--Camps & Clinics		38			38	0
Required	TTU	NCAA Financial Statements (assist)	240				240	0
Required	TTU	KOHM-FM (assist)	250				250	0
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	240		In progress	61	179	0
Required	HSC	El Paso Family Medicine Contract	90		In progress	22	68	0
		TOTALS FOR REQUIRED AUDITS	1,930	38		156	1,812	0
		AUDITS IN PROGRESS AT AUGUST 1, 2004						
Prior Year	TTU & HSC	SAO Procurement Card (assist)	10		In progress	4	6	0
Prior Year	TTU	College of Agriculture	570		In progress	494	76	0
Prior Year	TTU	Travel Services	170		Draft issued	103	5	62
Prior Year	TTU	Financial Accounting & Reporting	150		Complete	52		98
Prior Year	TTU	NCAA Compliance	50	(38)	Complete	12		0
Prior Year	TTU	Student Union Building Risk Assessment	10		In progress	1	9	0
Prior Year	TTU	Research Compliance	5		Complete	2		3
Prior Year	TTU	Post-Award Grant Administration	2		Complete	3		(1)
Prior Year	HSC	MPIP Patient Financial Screening	150		In progress	150	40	(40)
Prior Year	HSC	School of Pharmacy Cash & Inventory Controls	20		Complete	17		3
		TOTALS FOR AUDITS IN PROGRESS	1,137	(38)		838	136	125
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total hours budgeted for Special Projects & Investigations	5,000	(1,465)			3,535	
		IN PROGRESS AT AUGUST 1, 2004						
Special	TTU	Athletic Department Fiscal Integrity		60	In progress	28	32	0
Special	TTU	Student Financial Aid Investigation and Audit		40	In progress	1	39	0
Special	TTU	Athletic Sports Nutrition Office Investigation and Audit		50	In progress	4	46	0
Special	HSC	Graduate Medical Education Loan Fund Reconciliation		26	Complete	26		0
Special	HSC	Amarillo Cell Phone Special		11	Complete	11		0
		BEGUN AFTER AUGUST 1, 2004						
Special	HSC	SAO Special--Amarillo Physical Plant		649	In progress	589	60	0
Special	TTU	Chemistry Special		40	Planning	3	37	0
Required	TTU	Joint Admission Medical Program Grant		50	Complete	50		0
Special	TTU	Hospitality Services--Sam's III Convenience Store		258	In progress	213	45	0
Special	ALL	Governor's Fraud Initiative		165	Complete	165		0
Required	TTU	Football Attendance Certification		40	In progress	17	23	0
Special	TTU	Early Head Start Center Theft		12	Complete	12		0
Special	HSC	Center for Tobacco Prevention and Control Theft		24	Complete	24		0
Special	TTU	Student Affairs Risk Assessments		40	In progress	6	34	0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	5,000	1,465		1,149	316	0

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

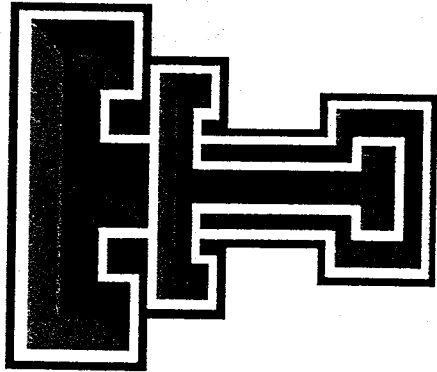
PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF OCT 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
<b>HIGHEST PRIORITY</b>								
1	TTUS	Endowment Administration	Operational	500			500	0
1	TTUS	Fraud Risk Assessment	Risk Assessment	300	In progress		300	0
1	TTUS	Investments Risk Assessment (External Consulting Engagement)	Risk Assessment	120			120	0
1	ALL	Institutional Risk Assessments (External Consulting Engagement)	Risk Assessment	160	Planning	1	159	0
1	TTU & HSC	The Institute for Environmental & Human Health	Operational/Controls	400			400	0
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			85	0
1	TTU	Rawls Golf Course Follow-Up	Financial/Controls	200			200	0
1	HSC	Institutional Review Boards	Compliance	400			400	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			200	0
<b>HIGHEST PRIORITY TOTALS</b>			<b>3,655</b>			<b>1</b>	<b>3,654</b>	<b>0</b>
<b>MODERATE PRIORITY</b>								
2	ALL	Information Technology	Controls	550			550	0
2	TTU	Satellite Campus Operations	Operational/Controls	500			500	0
2	TTU	Student Mediation Center	Operational	350			350	0
2	TTU	College of Mass Communications	Operational/Controls	180	In progress	71	109	0
2	TTU	College of Visual & Performing Arts	Operational/Controls	250	In progress	310	20	(80)
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			1,000	0
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>381</b>	<b>3,729</b>	<b>(80)</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			120	0
3	TTU	Student Recruiting & Admissions Process	Operational	400			400	0
3	TTU	Small Business Development Center Follow-Up	Controls/Compliance	120	(120) Cancelled		0	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			80	0
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>-</b>	<b>2,220</b>	<b>0</b>
<b>OTHER RELATED WORK</b>								
Other	ALL	Cash and Control Environment Classes				5		
Other	ALL	Other Miscellaneous Projects				20		
Other	ALL	Status Report Preparation--Various Engagements				10		
Other	TTU	Strategic Planning Council--Risk Assessment/Risk Management				14		
Other	HSC	HIPAA Security Committee				5		
Other	N/A	ACUA Conference Risk Assessment Presentation				18		
Other	N/A	Departmental Computer Support				152		
<b>OTHER RELATED WORK TOTALS</b>				<b>120</b>		<b>224</b>		<b>(104)</b>
<b>TOTAL ENGAGEMENT HOURS</b>			<b>18,092</b>	<b>0</b>		<b>2,749</b>	<b>15,402</b>	<b>(59)</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 OCT 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
*****								
ADDITIONAL PROJECTS NOT ON PLAN								
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-EI Paso	Organizational Efficiencies (in structuring second medical school campus)	500					
4	HSC-EI 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					
KEY								
	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.				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.			
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.							

Texas Tech University System  
Risk Assessment for Major Functions  
Proposals

	Experience (References)	Fees
Grant Thornton LLP	<p>San Jose State University*</p> <p>State of Hawaii Department of Education*</p> <p>San Francisco State University Foundation*</p> <p>University of Dallas*</p> <p>Other higher education clients:</p> <p>Alabama State University</p> <p>Ohio State University</p> <p>University of Southern California</p> <p>Oklahoma State University</p> <p>*Type of engagement not included</p>	<p>Risk assessment for the functions listed in the RFP</p> <p>Strategic Review of IT \$37,000 to \$55,500</p> <p>Business Continuity \$18,500 to \$37,000</p> <p>Physical Plant \$37,000 to \$74,000</p> <p>Athletics \$18,500 to \$37,000</p> <p>HSC Compliance \$37,000 to \$74,000</p> <p>Research Compliance \$55,500 to \$92,500</p> <p>Regional Campus \$18,500 to \$55,500</p> <p>Student Processes \$37,000 to \$74,000</p> <p>Total fees \$259,000 to \$499,500</p> <p>plus out-of-pocket expenses and 3-5% administrative charges</p> <p>Estimated hours 1400-2700</p> <p>Preliminary estimates; however, would be willing to work with Texas Tech to narrow or broaden the scope.</p>
PricewaterhouseCoopers LLP	<p><i>Resources required from Texas Tech</i>—Will work closely together to establish the resource allocation plan that will outline the optimal mix of resources from Grant Thornton and Texas Tech.</p> <p>Columbia University Health Sciences Center—Controls assessment</p> <p>Boise State University—Enterprise-wide business risk assessment</p> <p>Drexel University—Risk assessment</p> <p>Indiana University—Risk and financial controls assessment</p> <p>Texas Christian University—Outsource of internal audit</p> <p>University of Chicago—Outsource of internal audit</p> <p>Other higher education risk assessment clients:</p> <p>California Institute of Technology</p> <p>Northeastern University</p> <p>University of Missouri System</p> <p>University of Connecticut</p>	<p>Risk assessment for 7-10 functional areas</p> <p>Fee for 7 functional areas \$336,900</p> <p>Out-of-pocket expenses 50,400</p> <p>Subtotal for 7 areas \$387,300</p> <p>Fee for additional 3 functional areas \$144,300</p> <p>Out-of-pocket expenses 21,600</p> <p>Subtotal for 3 areas \$165,900</p> <p>Total fees and expenses for 10 areas \$553,200</p> <p>Estimated hours for 10 areas 1510</p>
	<p><i>Resources required from Texas Tech</i>—A significant level of Texas Tech involvement will be required. The Texas Tech project team will have primary responsibility for the integrity of source data and making decisions regarding the cost allocation methodology. A Texas Tech project manager will have primary responsibility for completing the engagement and will serve as the primary contact for PwC in the administration of the engagement.</p>	



# Development Issues Update

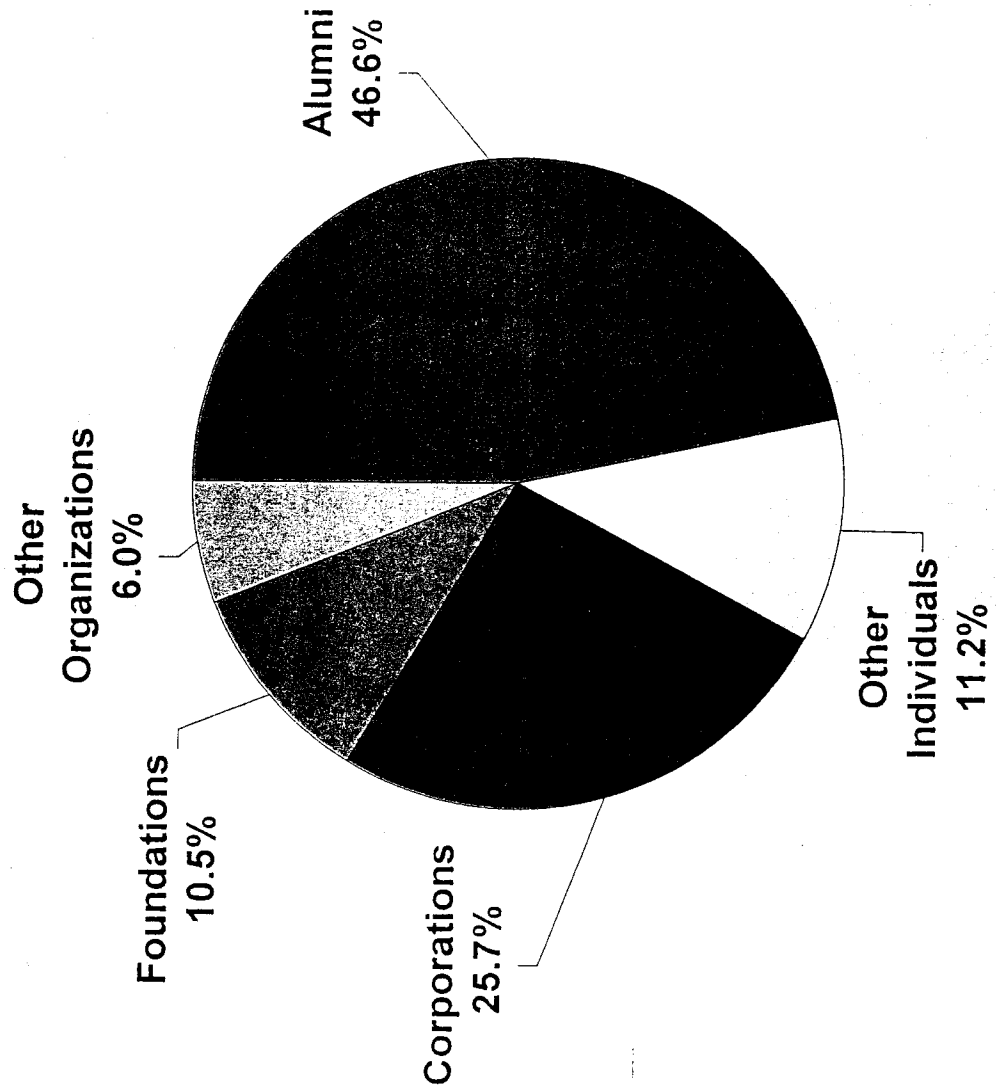
October 22, 2004

Presented by:  
Bruce W. Flessner



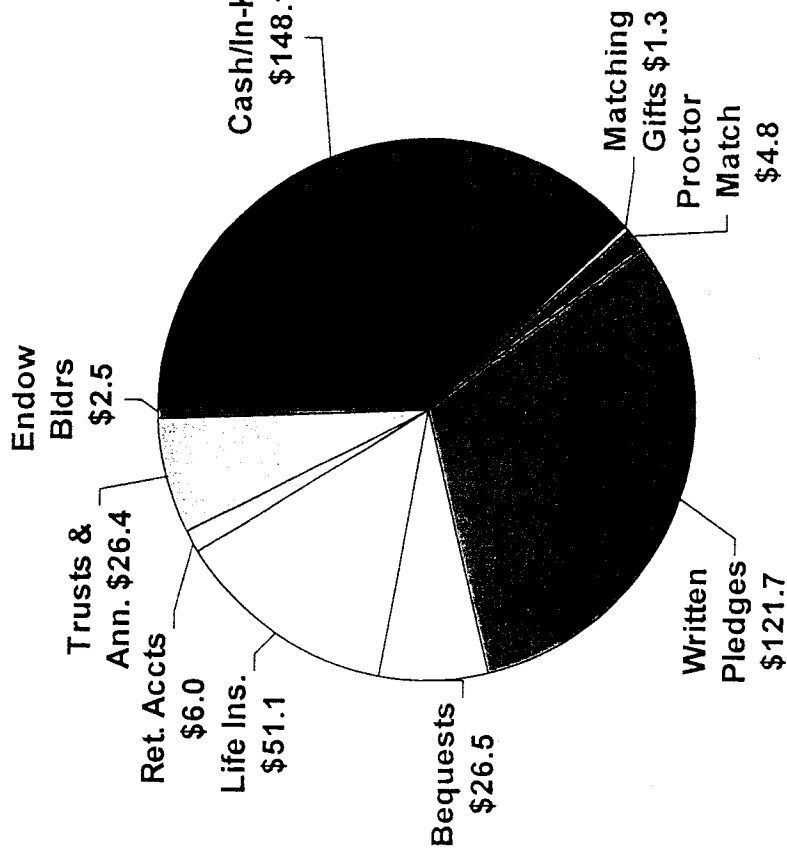
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# The Horizon Campaign secured over \$500 million in gifts, pledges and future commitments

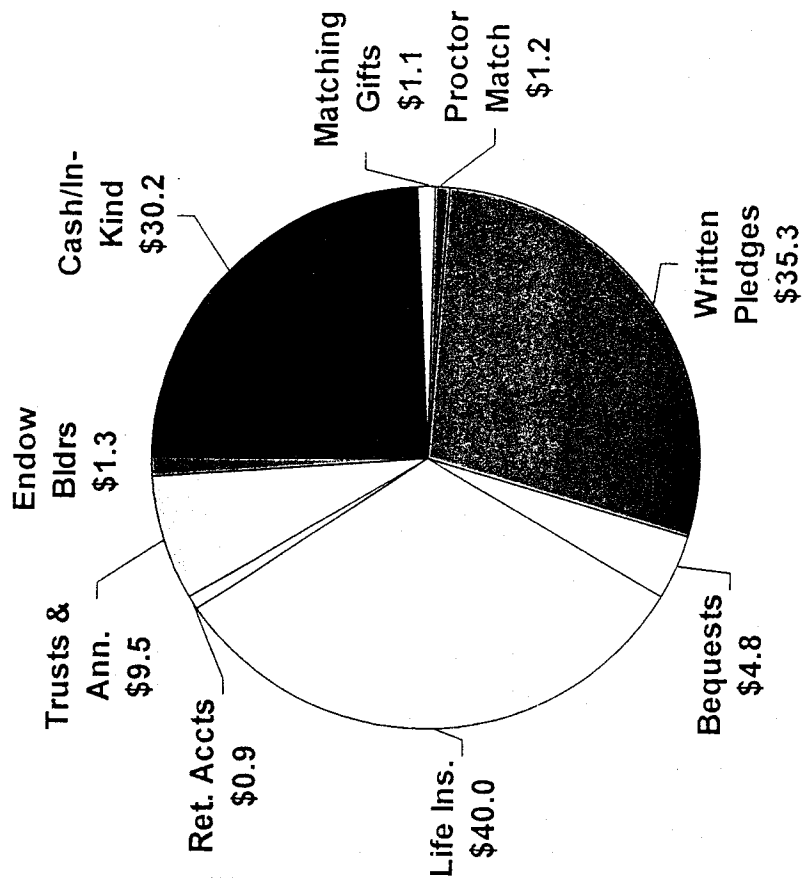


# Horizon Campaign Total: \$510,805,295

## Schools/Units



## Other Significant Support



# The Horizon Campaign: An Evaluation

## Campaign Goal

1. Secure \$300 million in gifts and written pledges from 1998 to 2001.

2. Encourage donors to make gifts in support of:

- ☐ Academic Programs (\$177M)
- ☐ Health Science Center (\$100M)
- ☐ Athletics (\$23M)
- ☐ Annual Giving (\$20M)

## Campaign Attainment

1. Secured almost \$511 million in gift commitments.

2. Donors made gifts in support of:

- ☐ Academic Programs (\$226.5M)
- ☐ Student Success (\$71.5M)
- ☐ Athletics (\$70.2M)
- ☐ Annual Giving (\$16.4M)



## The Horizon Campaign: An Evaluation

### Campaign Goal

### Campaign Attainment

- |   |   |
|---|---|
| 3. Increase the level of private support, especially at the major gift level (\$10,000,000+). | 3. Gifts of \$10,000,000+ (9 gifts totaling \$172.9 million; \$359 million came from 139 donors.)   |
| 4. Increase the percentage of alumni making gifts for on-going operations.                    | 4. Percentage of living alumni annual making gifts rose briefly from 18.2% (1996) to 28.1% (1998) and decreased to 16.1% (2002).  |
| 5. Raise the level of awareness among alumni and others on ways to make deferred gifts.       | 5. Deferred gifts during the campaign totaled \$169 million. <ul style="list-style-type: none"><li><input type="checkbox"/> Life Insurance: \$94.9 million</li><li><input type="checkbox"/> Bequest: \$31.3 million</li><li><input type="checkbox"/> Trusts &amp; Annuities: \$35.9 million</li><li><input type="checkbox"/> Other: \$6.9</li></ul> |

## The Horizon Campaign: An Evaluation

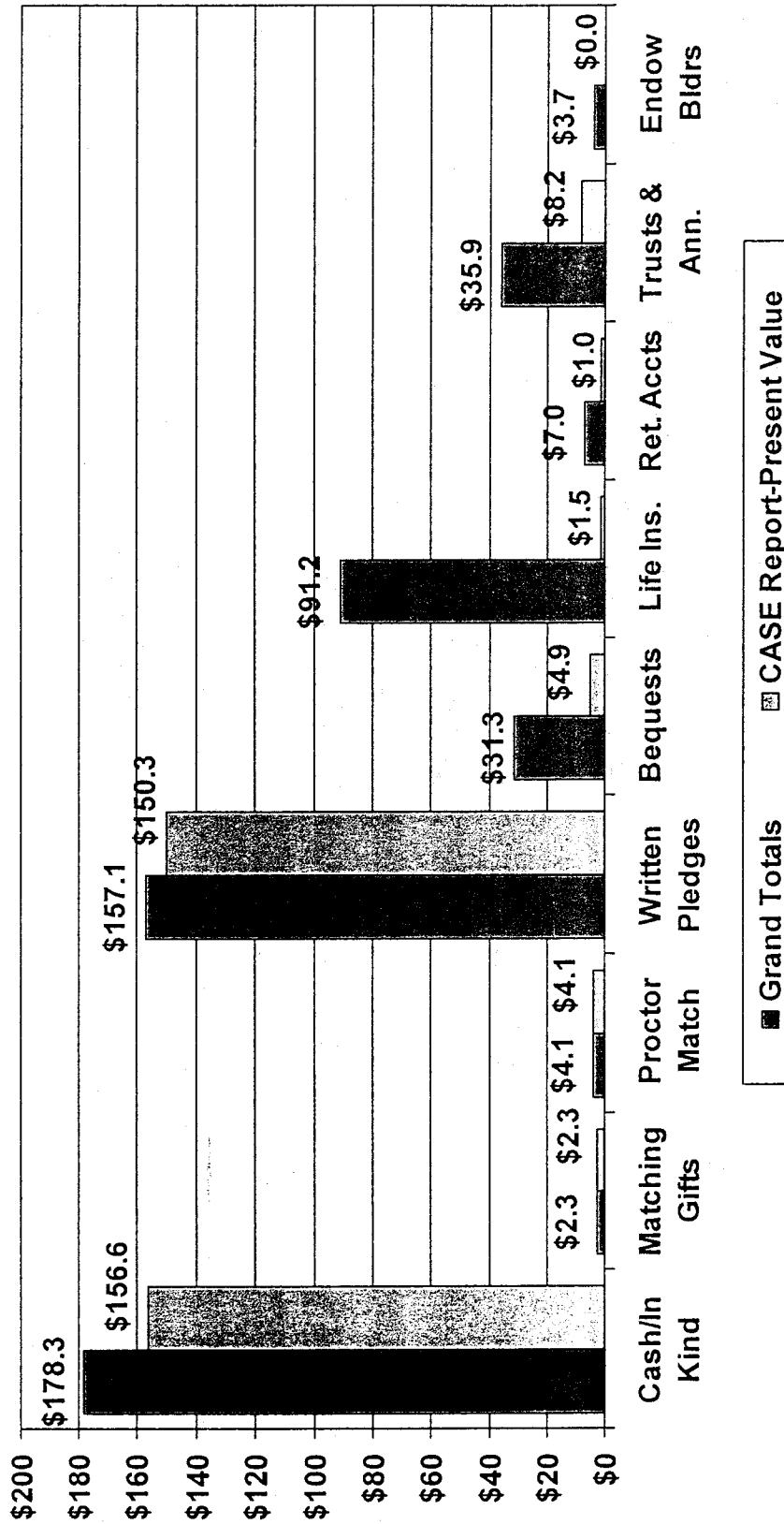
### Campaign Goal

6. Set the standard for fundraising at Texas Tech in the 21<sup>st</sup> century through increased volunteer involvement, more campus and community partnerships.

### Campaign Attainment

6. Total private gifts received increased \$17.1 million in 1995 to \$115.8 million in 2001; volunteers played important campaign roles but less than expected in soliciting major gifts.

# Horizon Campaign Compared to CASE Gift Reporting Standards



Horizon Campaign Total: \$510,805,295.  
 Present value according to CASE reporting Standards: \$328,920,664

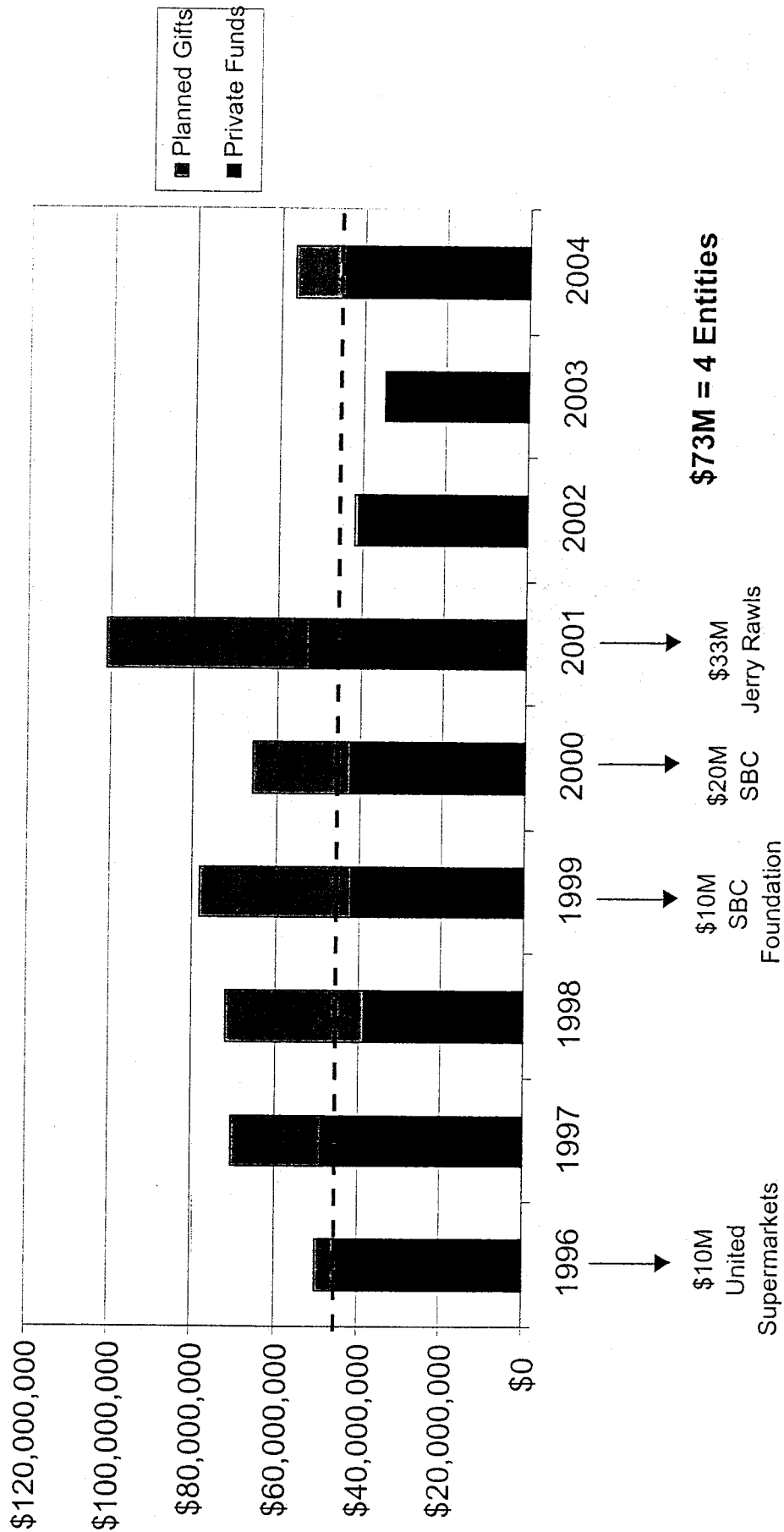
# **Total Giving:** **Texas Tech vs. Big 12 Universities** **FY 1995 and FY 2002**

FY 1995		FY 2002		
University	Total Gifts \$M	University	Total Gifts \$M	% Increase
Texas A&M	\$87.7	University of Texas at Austin	\$155.3	+153%
University of Texas at Austin	\$61.5	Texas A&M University	\$141.4	+61%
University of Colorado	\$49.7	University of Nebraska	\$109.2	+123%
University of Nebraska	\$48.9	University of Colorado	\$105.2	+112%
Iowa State University	\$40.2	University of Oklahoma	\$91.3	+110%
University of Kansas	\$37.9	University of Missouri-Columbia	\$90.3	+253%
Baylor University	\$23.6	University of Kansas	\$71.8	+89%
University of Missouri-Columbia	\$25.6	Iowa State University	\$60.7	+51%
Kansas State University	\$20.4	Texas Tech	\$43.8	+156%
Texas Tech	\$17.1	Baylor University	\$41.3	+75%
Oklahoma State	\$16.8	Kansas State University	\$37.2	+82%
University of Oklahoma*	NA	Oklahoma State University	\$31.3	+87%

\*Oklahoma reported \$29.5M in 1993 and \$43.5M in 1997.

Source: CASE Big 12 Development Survey

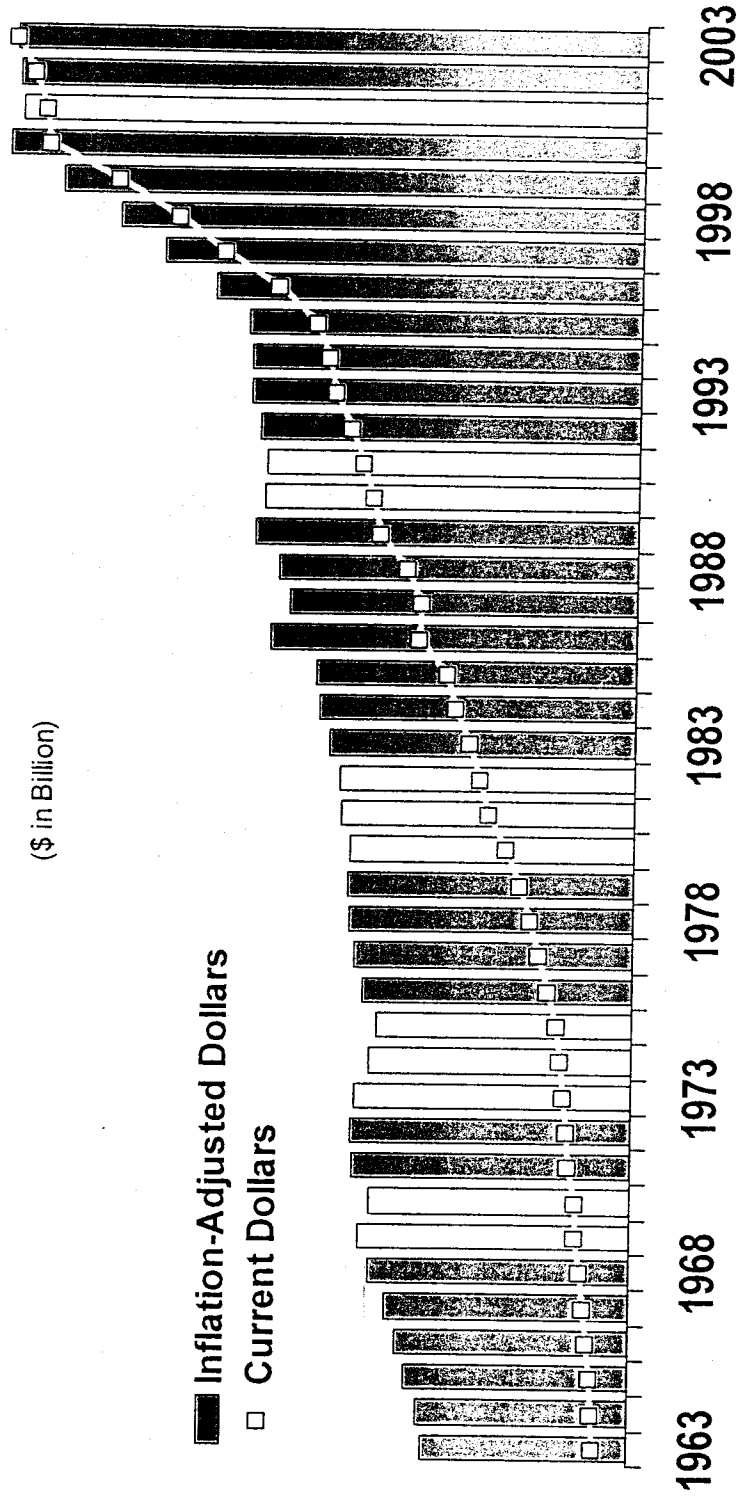
# Private Gifts by Year [ less major multiple (\$10M+) million dollar gifts ]



## TOTAL GIVING, 1963-2003

(\$ in Billion)

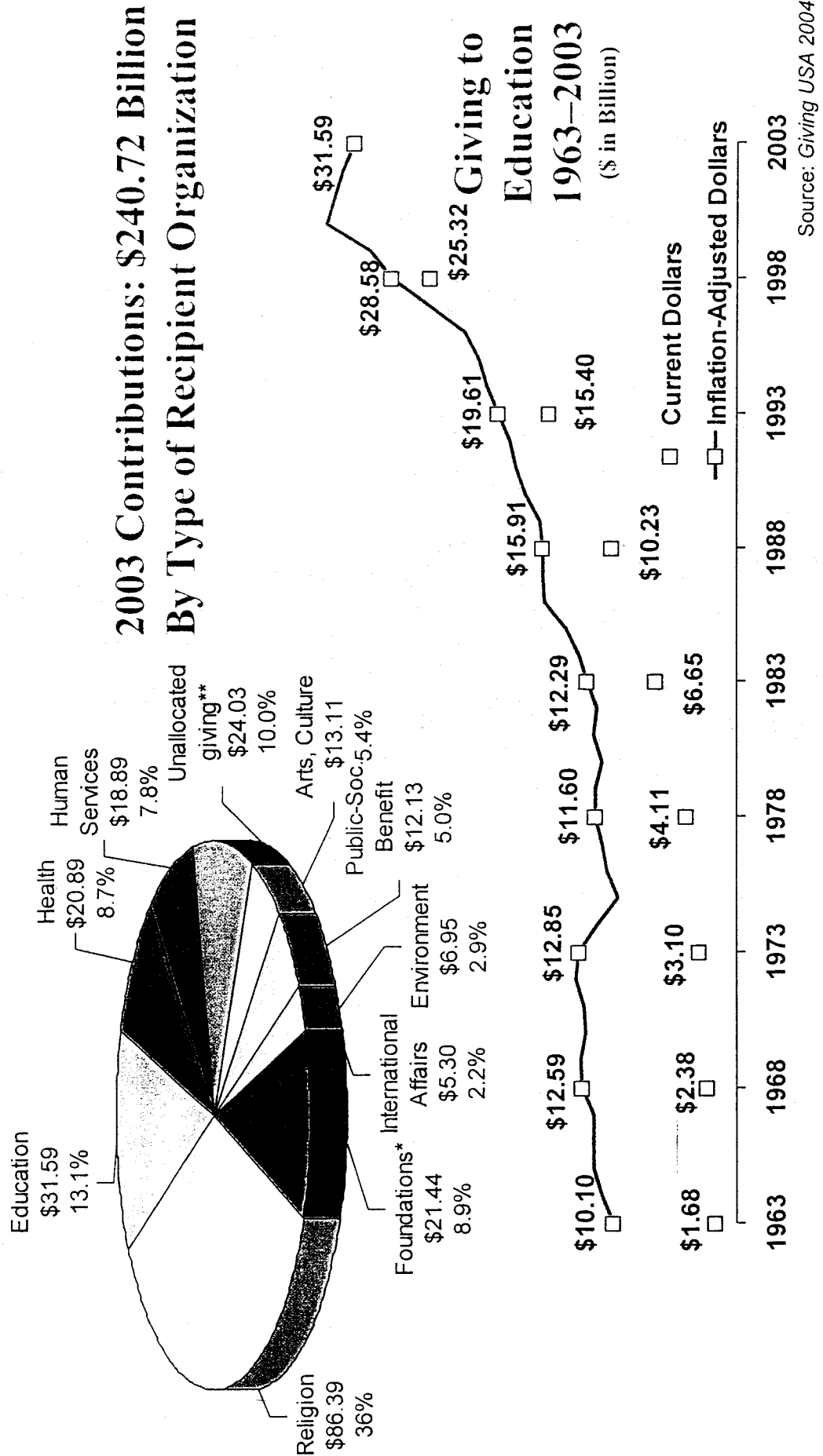
■ Inflation-Adjusted Dollars  
□ Current Dollars

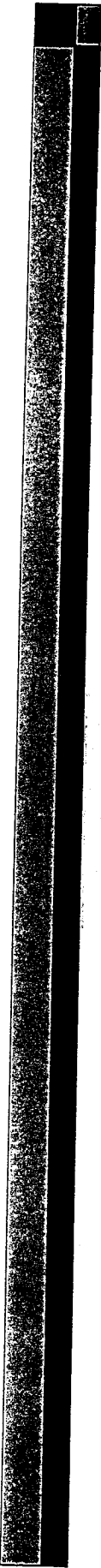


Recessions in yellow: 1969-70; 1973-75; 1980; 1981-82; 1990-91; 2001

Source: Giving USA 2004

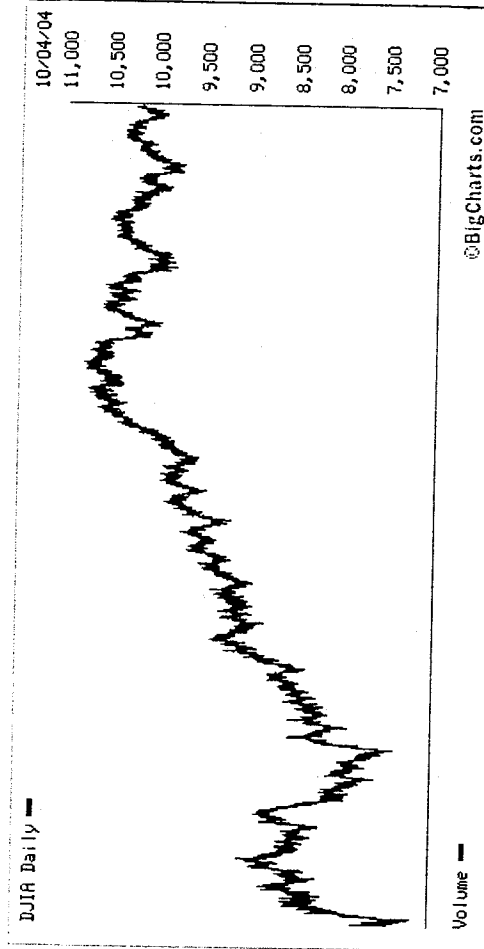
Education is the second largest recipient of gift support, but giving to colleges and universities has declined slightly.



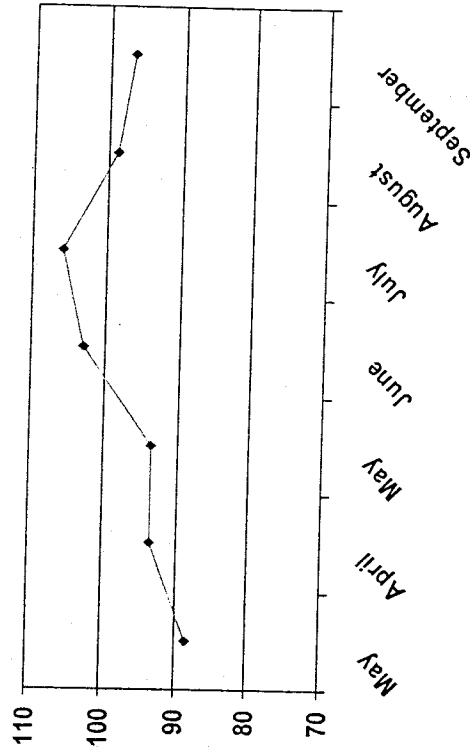


The stock market is sluggish.

Overall consumer confidence continues to vacillate.



National Consumer Confidence  
Monthly Survey

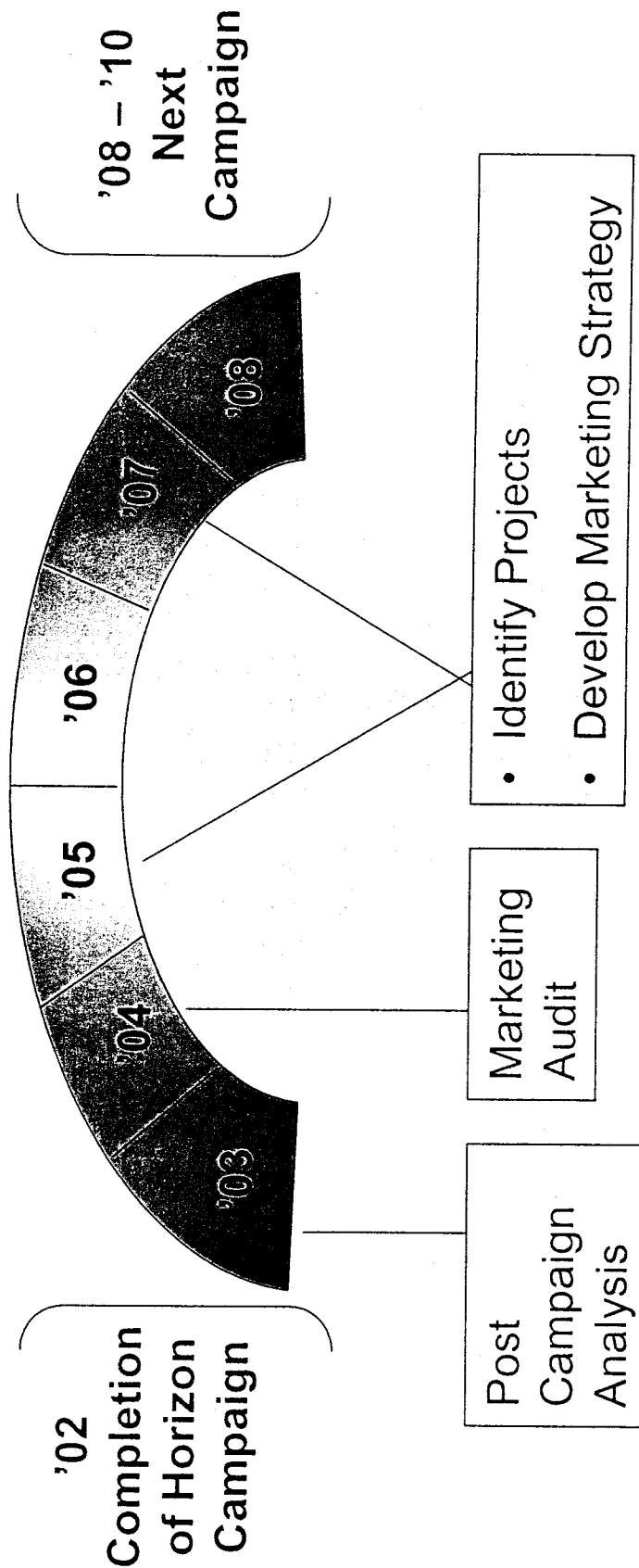


The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households.

Source: The Conference Board

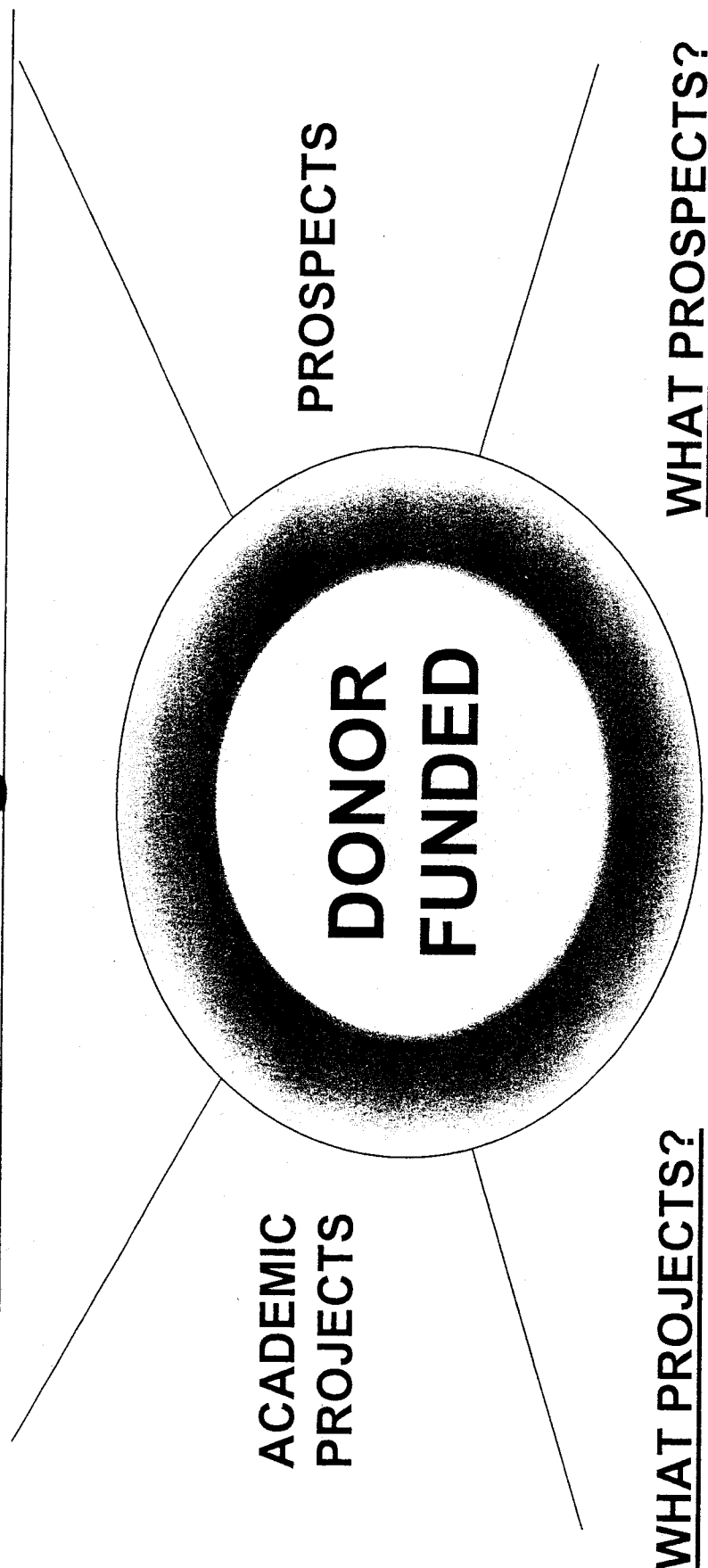


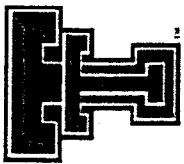
# PATH TO PREMINENCE



# PATH TO PREEMINENCE

## Funding Model





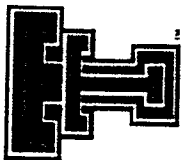
# **TEXAS TECH UNIVERSITY SYSTEM**

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## **Texas Tech University System**

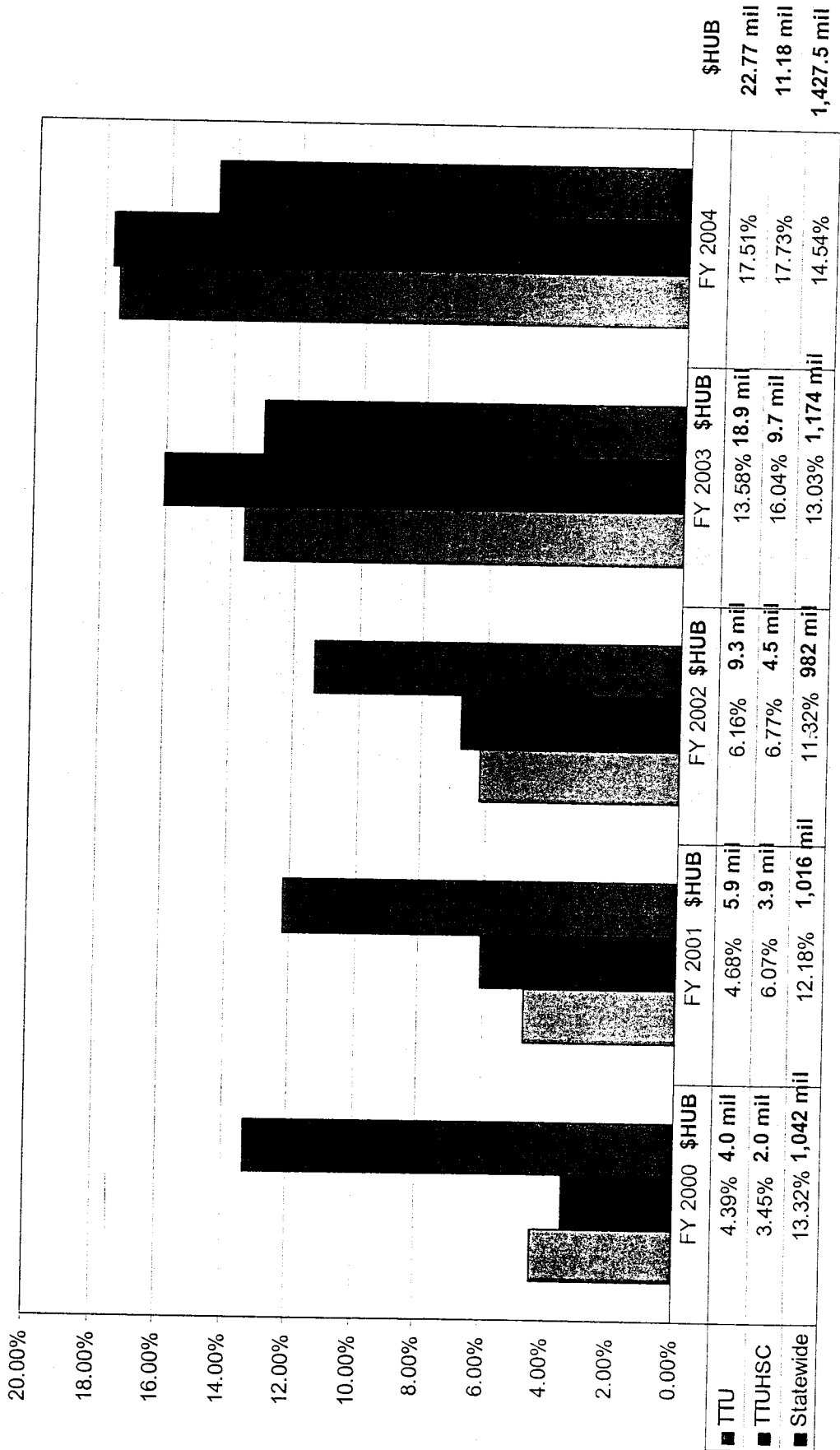
### **HUB Report FY 2004**

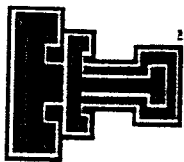
*Office of the Senior Vice Chancellor  
and Chief Financial Officer*



# TEXAS TECH UNIVERSITY SYSTEM

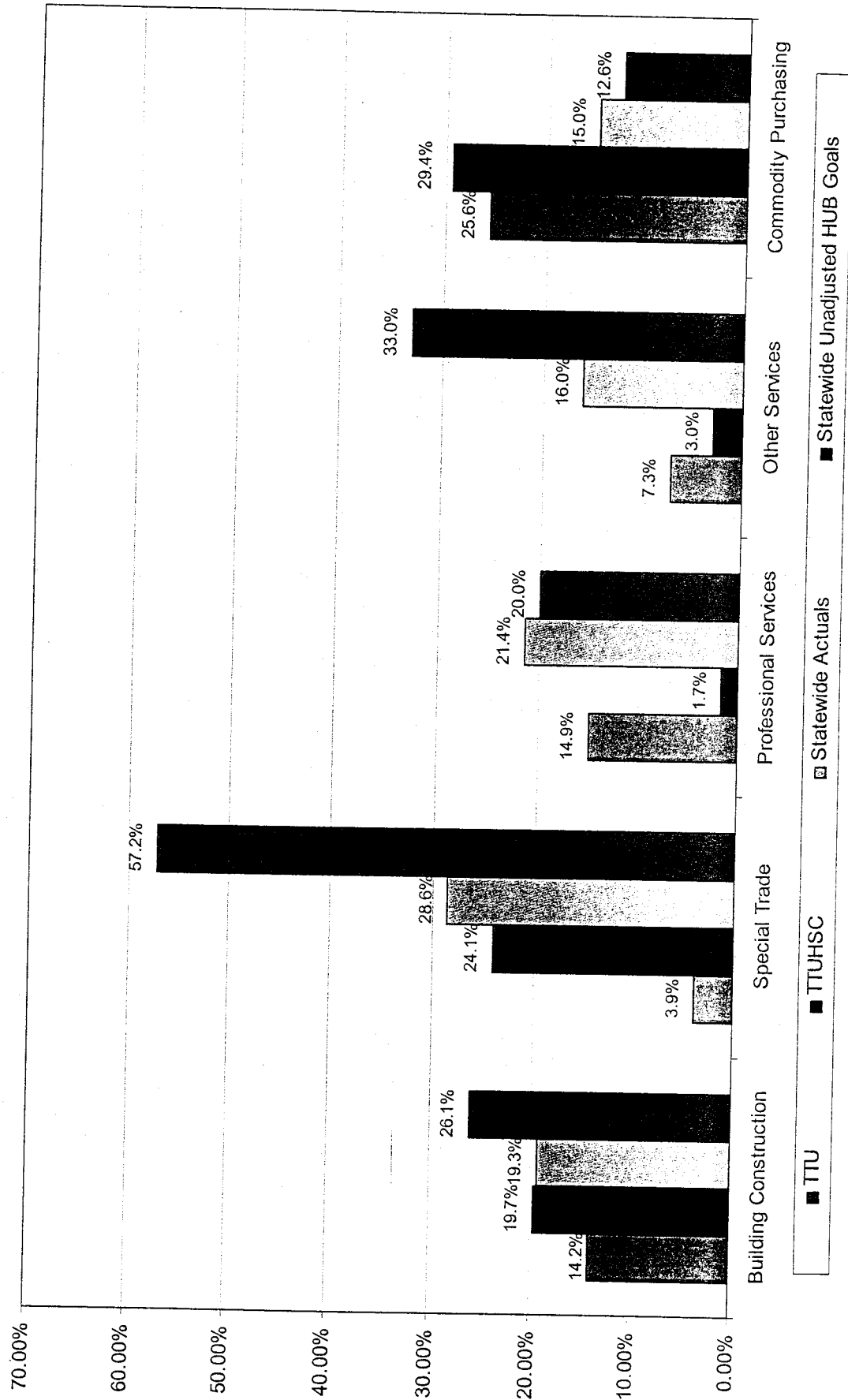
Texas Tech University System  
HUB Expenditures as a  
% of Total Expenditures

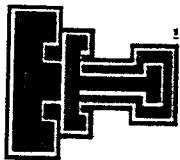




# TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System  
HUB % of Expenditures  
FY 2004 vs. Statewide Goals



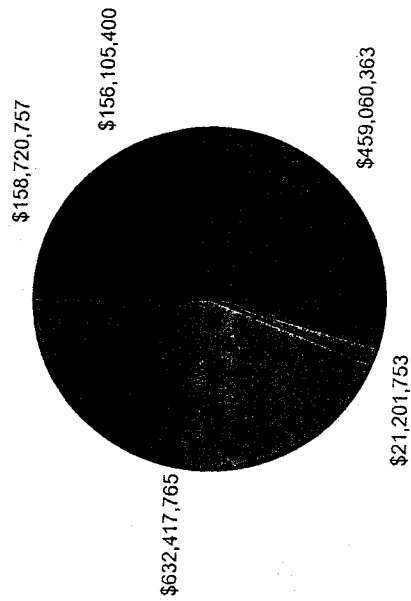
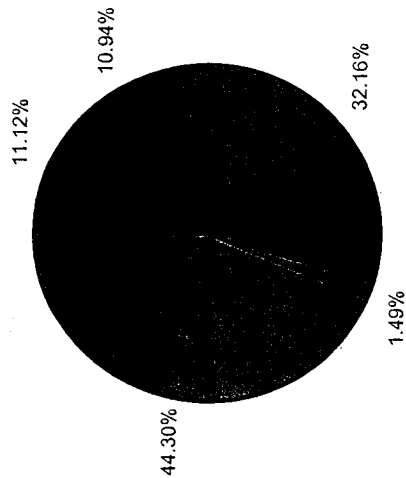


# TEXAS TECH UNIVERSITY SYSTEM

## HUB Expenditures By Group FY 2004

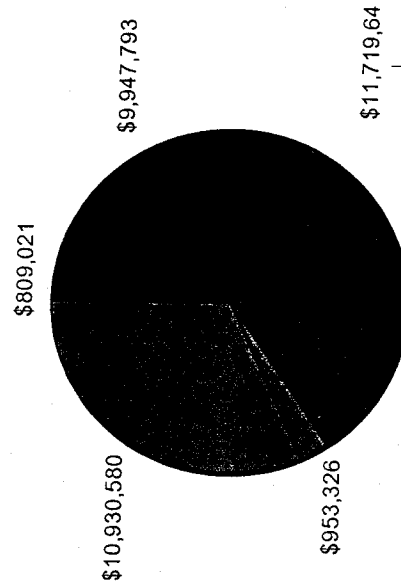
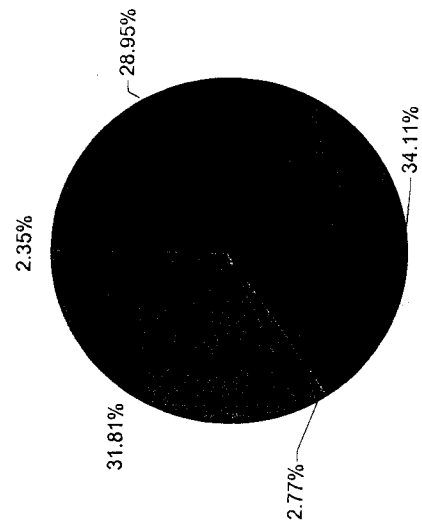
% of HUB \$

HUB \$



Statewide Totals  
\$1.427 billion

■ Asian Pacific ■ Black ■ Hispanic ■ Native American ■ Women



Texas Tech University  
System  
\$34.36 million

President's Report  
Texas Tech University  
Board of Regents Meeting  
October 22, 2004

President Whitmore reported that the State of Texas is launching an accountability check through the Governor's Office and the Coordinating Board. Chairman Black attended a meeting with the Governor and other Systems leaders to discuss the matter. Texas Tech has been involved in working with the Coordinating Board to set some new guidelines for state accountability measures.

Dr. Whitmore presented a PowerPoint presentation regarding Texas Tech's efforts in the area of accountability. Some of the new state accountability measures are still under discussion in terms of setting. Our goal is to take these measures and develop this easy to look at methodology for seeing how Texas Tech is doing. The slides will be posted on the Texas Tech web page.

The State of Texas has organized their accountability measures into five issues: participation, success, excellence, research and institutional efficiencies and effectiveness.

The area of participation and student enrollment was discussed. The university enrollment is slightly down. The state has set targets for seven institutions that are in the same category of emerging research universities as Texas Tech. A 2% increase in enrollment is projected for all seven of the institutions. Dr. Whitmore noted that the FTE enrollment is up, which is the source of Tech's funding. The headcount enrollment may be neutral, but the FTE enrollment is up. The five year graduation rate is also up.

Dr. Whitmore reported that the student FTE faculty ratio has been going up. The state wants it to go down. The only way for this to go down is for our student body to decrease or the number of faculty increases. This is part of the legislative requests for Texas Tech.

Chairman Black asked how many new faculty members will need to be hired in order for Texas Tech to attain the state's desired projected FTE. Dr. Whitmore responded that the 100 new faculty that we are working to hire now will probably not be enough. The state is setting itself up for a real issue. We have heard from the students and they do not want tuition increases and yet the only way we are able to hire 43 new faculty is based on the tuition increases that were charged to the students last year. We are in a state legislative appropriation year and the state could help us out by giving us the resources to hire the additional faculty. It is impossible to do both of those things without more resources. The only two sources – besides private giving – are increase in formula funding from the state or increase in tuition. By far, Dr. Whitmore would

prefer to have the formula funding from the state increase and that would become the methodology of hiring new faculty and retaining the faculty and staff that we have now.

Dr. Whitmore discussed that our method of tracking and keeping track of our classroom use is less than perfect. We are going through a process now of looking at each classroom and discovering that we have some rooms that are labeled as classrooms that are no longer used as classrooms. They will be removed from the list. We have some classes that never got assigned a specific classroom although they are meeting in a specific classroom. This will be rectified. The classrooms in Junction are not utilized in the fall, and they were still reported as fall classrooms. This will also be corrected. Once these issues have been addressed, it will be evident that we are using our classrooms a lot more than the current data is showing.

Dr. Whitmore reported that the state also wants the institutions to track secondary projects, but numerical targets will not be set for these. The state is going to track full-time undergraduates from the top ten percent, full-time entering applicants accepted, percentage of those accepted later enrolled, percentage of students from two-year colleges, etc. We are tracking this information as well.

The database will be interactive for the regents to use as well as the Higher Education Coordinating Board, legislators, etc. This tells a very good story of Texas Tech relative to the peer group of seven institutions. The peer group of seven institutions as defined by the board are the University of Houston, North Texas State, UT Dallas, UT San Antonio, UT El Paso, and UT Arlington.

Chairman Black noted that the peer group institutions are those that have research in excess of \$10 million and less than \$100 million.

Dr. Whitmore stated that these institutions are called emerging research universities. The comparative data indicates that Texas Tech is at the top of the group in these categories.

Chairman Black reported that this information will be on the internet and will be available to any prospective student who wanted to consider Texas Tech University.

Dr. Whitmore introduced Dr. Gil Reeve, a professor and department chair of Health, Exercise and Sport Science. Dr. Reeve heads the strategic planning program. Dr. Reeves and his staff have put this easy to view and clear indicator of how Tech is doing together. This will be done two more times. It will be done with the indicators in the TEXSTAR program that relate to Texas Tech University and another will consider Texas Tech's strategic plan. Some of the things on the university strategic plan are not on the System's strategic plan or the state's strategic indicators.

Regent Sitton asked what those indicators are. Dr. Whitmore responded that the list is extensive, but one example is the HUB expenditures. Another would be the acquisition



of 100 new faculty members. This is on the plan for the university, but it is not on TEXSTAR or on the state plan. There may be as many as 50 different exceptions.

Dr. Whitmore reported that he will be presenting a paper on the subject of accountability at a national conference on accountability sponsored by the UT-Austin System on the 26<sup>th</sup> of this month. He will talk about who we are accountable to – the state, the Higher Education Coordinating Board, the regents, and to ourselves. We each have strategic things that we are trying to accomplish. There is not a single accountability measure that can meet all those requirements.

Regent Newby asked when the “snapshot” of the information presented was taken. Dr. Whitmore responded that the items vary. Some are tracked periodically and others only once a year. The research data is by fiscal year.

Chairman Black stated that ideally it would be best to have the information submitted by the middle of December and that data would be the most current relating to current enrollment. It would be the end-of-year data for financial and other matters.

Regent Newby noted that he likes this type of presentation. Similar reports are done monthly by some organizations. Regent Newby requested that the snapshot be updated prior to board meetings since the data changes periodically. Dr. Whitmore agreed that the suggestion is a good one.

Dr. Whitmore noted that the report also contains information relating to spring enrollment. This is not part of the state account, but those numbers will be made available.

Chairman Black stated that one of the ideas of the Governor’s Office is that this data would be used by each and every legislator as they are considering legislative items. If the data we had on classroom utilization was correct, Texas Tech is at the very lower levels of our peer group. If you are asking for TRBs, this would have an impact as to whether or not you were viewed favorably. It is intended to become an important piece of the legislative process and of the funding process, particularly in the future.

Dr. Whitmore indicated that the original concept of the Governor is that there could be some special monies set aside and people that were doing well on these score cards would have more access to that special money than people who were not doing well on the score cards. Only the completed legislative session will tell us whether money is set aside for that or not. It is performance-based funding or budgeting.

Chancellor Smith commented that this is part of the on-going discussions in the management meetings we have every week. The board appreciates this. An example is to work through the issue, when you see the numbers on classroom utilization, to bring that back to the management meeting and you find out there may be an issue and there may be an issue that we are not counting space the way other universities are and

we are leaving it on our books. So, it becomes a management opportunity to define this and do something about it. It is not just to create a "dash board."

Chairman Black responded that it is something that can be used in the management of the university.

Dr. Whitmore reported that some of these targets are still in the flux. By the next meeting of the board, the program will be fully operational and we can answer any additional questions you may have at that meeting.

Regent Sitton noted that there are three different groups to whom we feel accountable. Much of the criteria may differ, but it should not differ that dramatically. The regents concur with the Governor and his accountability program and with the Coordinating Board. The regents have set some priorities, as well. The program should encompass all of these areas. Dr. Whitmore responded that in an ideal world, we have the state umbrella and the regents umbrella and the university and what we are asking of ourselves. They all fit together.

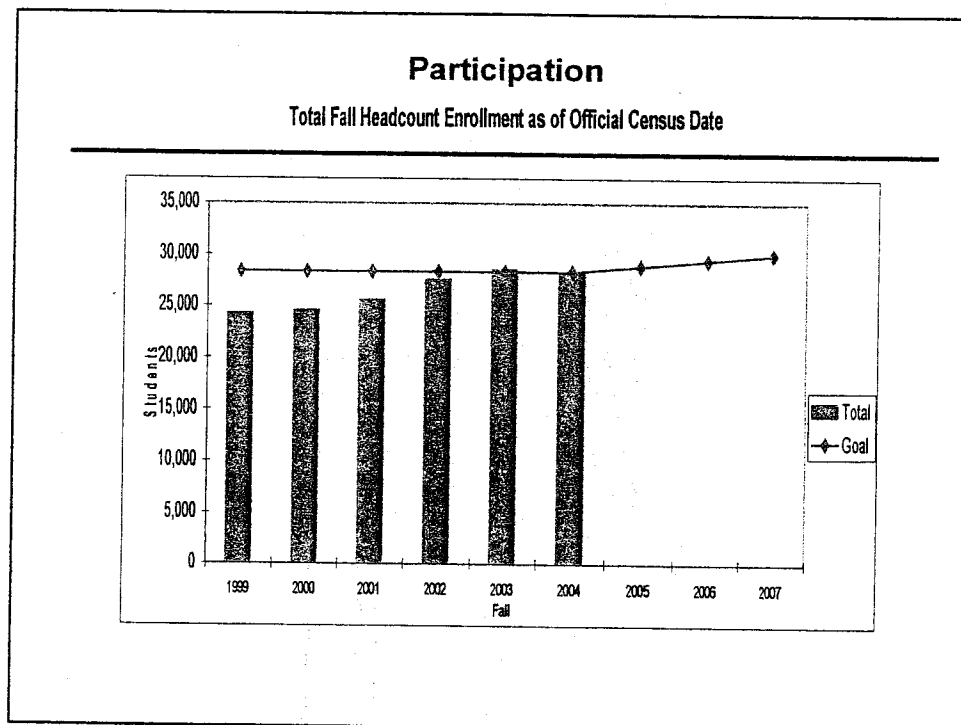
Dr. Whitmore added that the regents have expressed an interest in following the diversity of the staff. This information is not reflected on the state report, but it is a legitimate item for us to be concerned with. It is not asked here, but we want to be monitoring it. Another example would be in the area of HUBs. They want us to be improving our HUB, but it is not part of this particular accountability set of measures.

Chancellor Smith noted that the real issue is as you drill down more data, the level of information increases. This came up when TEXSTAR was developed. There are clearly more specific things at a departmental level that you will want to measure within a university strategic plan. We also wanted more specificity when you get down to the operating units. There is more consistency, but you will see greater detail as you get down into the operating units. When you consider facilities maintenance at Texas Tech, there is a host of things to consider.

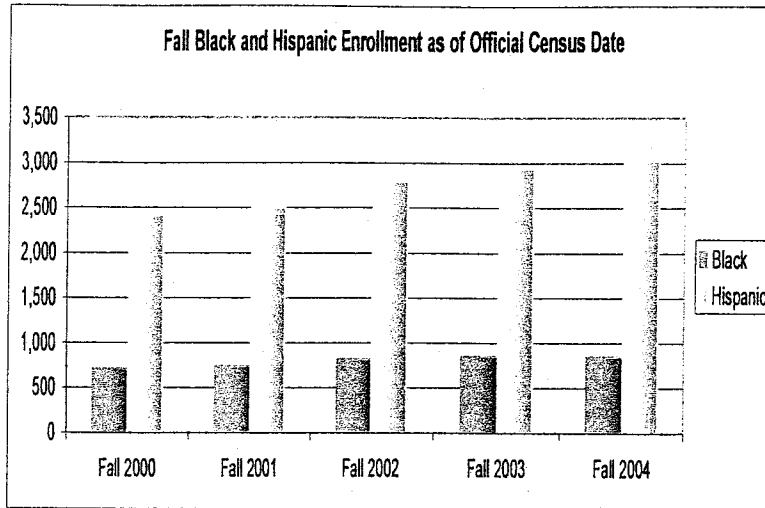
Dr. Whitmore stated that in the university accountability state-wide, nothing about private fundraising, but that is a priority for the board and the university. Provost Marcy will work with the deans and they will have their own "dashboards" or "score cards" because the only way that they institution is going to increase its fundraising is if individual colleges do so. The same with research. The only way that we are going to double our research effort is if the departments and colleges are doubling their research efforts. We are tracking this at different levels at the institution.

This concludes my report.

Texas Tech University											
State Accountability Measures											
<p>Our vision is to be a national leader in higher education—manifesting excellence, embracing diversity, inspiring confidence, and engaging society. On this page are the State's Key Accountability Measures.</p>											
<table> <tr> <th colspan="2">Numeric Change From Prior</th></tr> <tr> <th>Year</th><th>Progress</th></tr> <tr> <td>▲ Increase</td><td>▲ Toward Target</td></tr> <tr> <td>● Minimal Change</td><td>● Minimal Change</td></tr> <tr> <td>▼ Decrease</td><td>▼ Away From Target</td></tr> </table>	Numeric Change From Prior		Year	Progress	▲ Increase	▲ Toward Target	● Minimal Change	● Minimal Change	▼ Decrease	▼ Away From Target	<p><b>Excellence</b></p> <p>% Lower Division SCH Taught by Tenure/Tenure Track Faculty 29.30 ○</p> <p>FTE Student/FTE Faculty Ratio 25.37 ▲</p> <p><u>Additional Key Measures</u></p>
Numeric Change From Prior											
Year	Progress										
▲ Increase	▲ Toward Target										
● Minimal Change	● Minimal Change										
▼ Decrease	▼ Away From Target										
<p>Data are as reported to the Texas Higher Education Coordinating Board as of Fall 2004.</p>											
<p><b>Participation</b></p> <p>Total Enrollment 28,325 ○</p> <p>Black Enrollment 864 ○</p> <p>Hispanic Enrollment 3,030 ▲</p> <p>FTE Enrollment 25,094 ▲</p> <p>Black FTE 741 ○</p> <p>Hispanic FTE 2,509 ▲</p>	<p><b>Research</b></p> <p>Federal Research Expenditures per FTE Tenure/Tenure Track Faculty 27,527 ▲</p> <p>Research Expenditures 56,214,946 ▲</p> <p><u>Additional Key Measures</u></p>										
<p><b>Success</b></p> <p>5-Year Graduation Rate 47.93 ▲</p> <p>Degrees Awarded 5,347 ▲</p> <p><u>Additional Key Measures</u></p>	<p><b>Institutional Efficiencies &amp; Effectiveness</b></p> <p>% Administrative Costs of Operating Budget 6.09 ▼</p> <p>Classroom Utilization 25.40 ▼</p> <p><u>Additional Key Measures</u></p>										



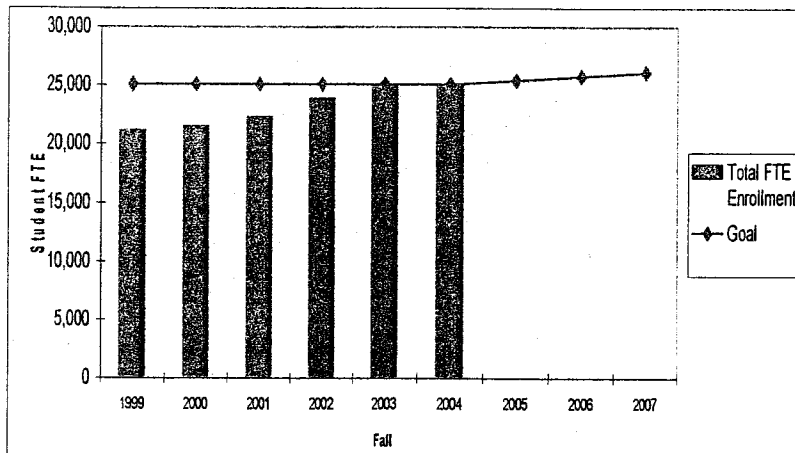
## Participation



## Participation

### Total Student FTE Enrollment\*

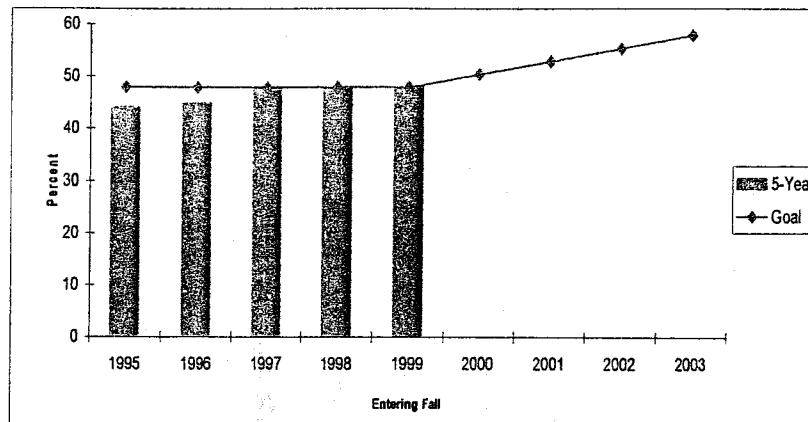
\*Using Current Accountability Measure Definition of Student FTE



## Success

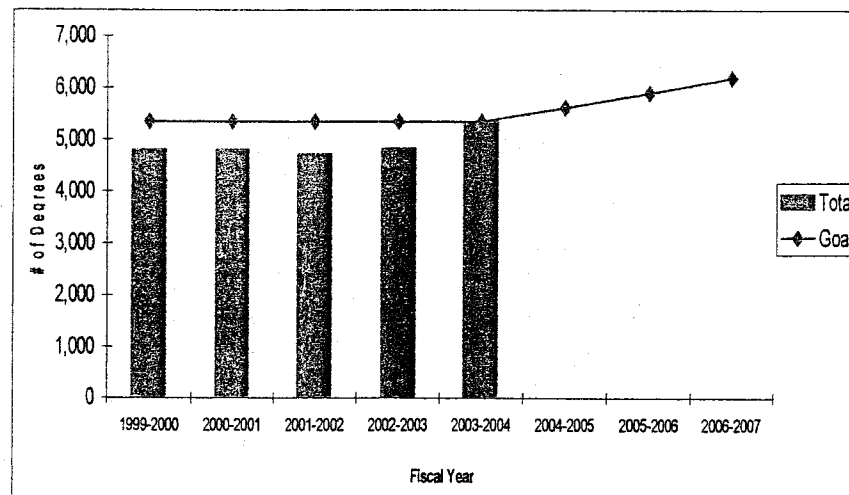
### 5-Year Graduation Rate of New First-Time, Full-Time Students\*

\*TTU Students Only



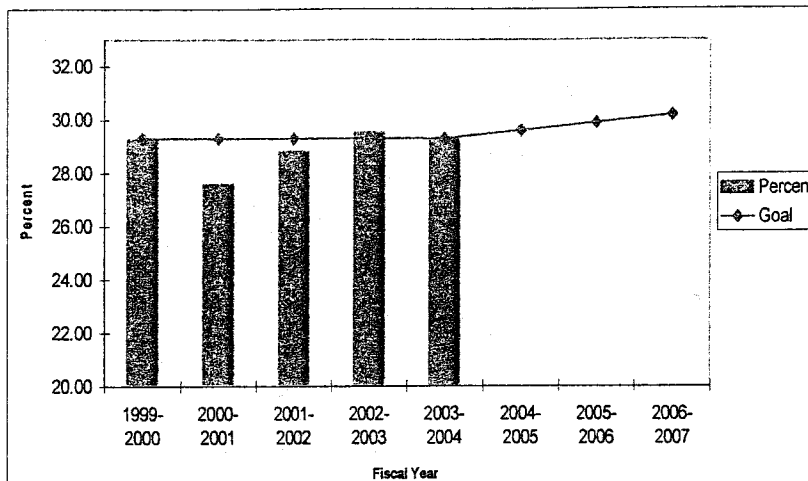
## Success

### Total Degrees Awarded by Fiscal Year



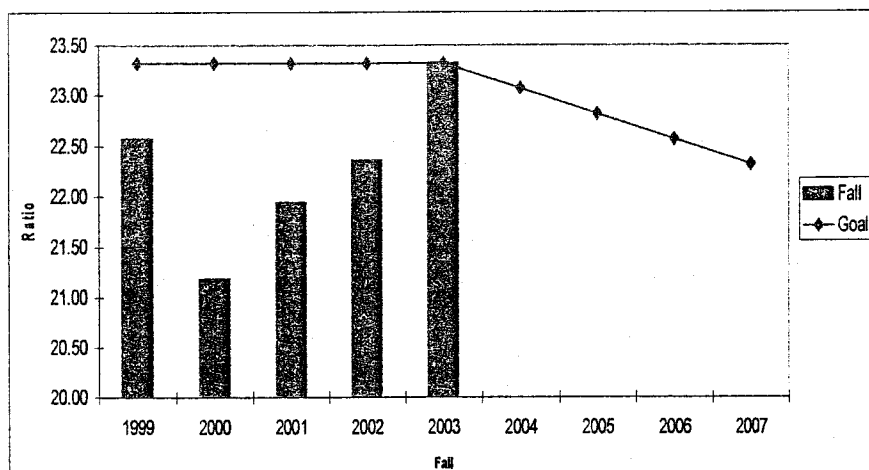
## Excellence

### Percent Lower Division Courses Taught by Tenure/Tenure-track Faculty



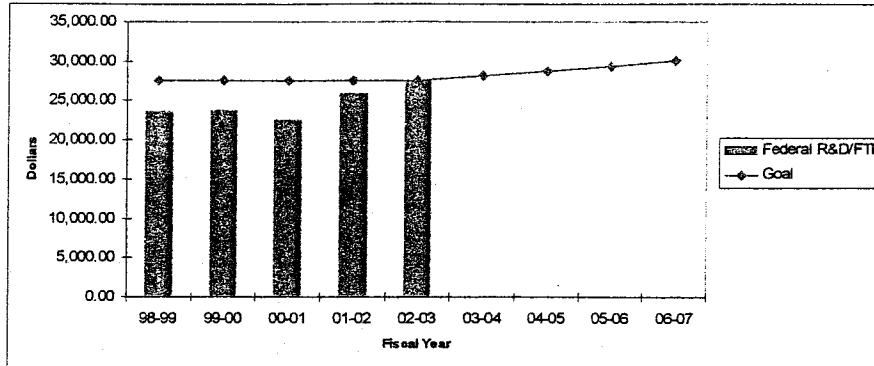
## Excellence

### FTE Student/FTE Faculty Ratio



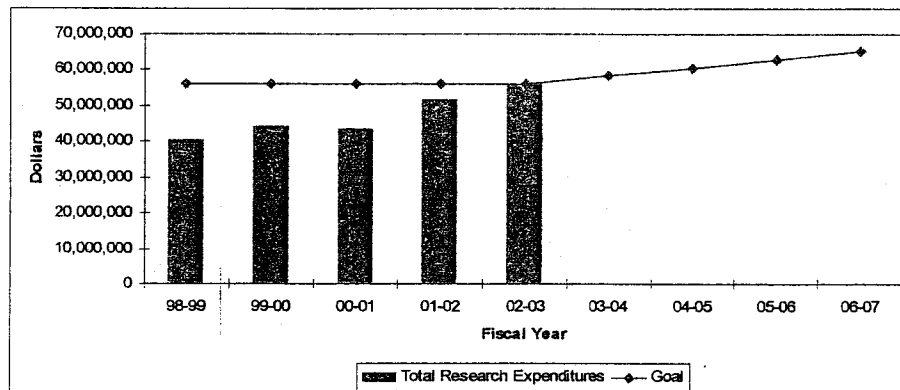
## Research

Ratio of Federal Research Expenditures to All FTE Tenure/Tenure-track Faculty



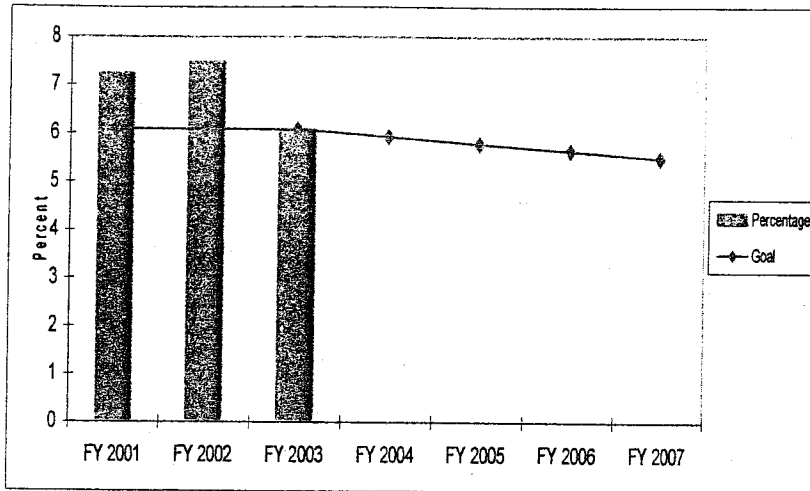
## Research

Total Expenditures for Research & Other Research Related Sponsored Programs



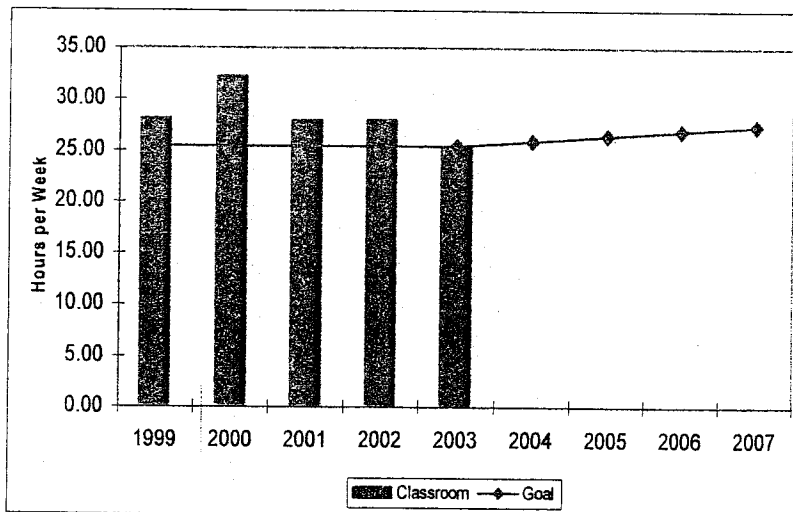
## Institutional Efficiencies & Effectiveness

Percent of Operating Budget Expended for Administrative Costs



## Institutional Efficiencies & Effectiveness

Fall Classroom Utilization





President's Report  
Texas Tech University Health Sciences Center  
Board of Regents Meeting  
October 22, 2004

Dr. Wilson stated that the Health Sciences Center recruited two vice presidents over the past several months and both have been introduced to the board at previous meetings. He wanted to public acknowledge what Lynn Denton mentioned with regards to Angila Faison and the good work that she is doing. He feels the same way about Herman Nunez. Since a lot of people are thinking about sports this weekend, he noted that both of the new vice presidents have been immediate impact players.

Dr. Wilson reported that one of the priorities that he has set out and was presented to the board earlier, is addressing health disparities in minority and rural populations as a major focus area for the Health Sciences Center. He wanted to let the board know that we have gone a long ways toward achieving that goal by receiving a grant called the R-24. This is a capacity building grant for health disparities research. The grant is given by the NIH specifically from the National Center for Minority Health and Health Disparities. It is a little over \$1.2 million over three years to bring some infrastructure to be able to do health disparities research. One of the ways of addressing this whole problem with health disparities and rural and minority population is to focus our research efforts to find solutions to deal with the health disparities. Dr. Wilson wanted to acknowledge Patti Patterson, who is the principal investigator for the effort.

As an informational item, the School of Nursing will have a groundbreaking on December 10 for the Combest Community Health Wellness Center that is being built in east Lubbock.

Dr. Wilson stated that last night he was having a casual conversation with Chairman Black and El Paso was discussed. The Chairman had questions and it occurred to Dr. Wilson that there may be some information related to El Paso that all of the board may want to know. A presentation on a time-line was made to the board about the El Paso facility and what some of the activities are in order to make the four-year school a reality.

Prior to this, however, Dr. Wilson acknowledged the work that Rick Francis has been doing on this. All of the regents do a tremendous amount of work behind the scenes that many of us never even know about. Rick has been tremendous in his efforts in helping us out in El Paso on everything from opening doors for us to making asks. He has really been a tremendous asset and the board should be made aware of his efforts.

Dr. Wilson distributed a handout regarding the El Paso facility. The time line was developed about a month ago. Dr. Rod Nairn is the main person responsible for the development of the time line. It is a very labor-intensive task.

Dr. Wilson stated that he wanted to highlight the areas that are specific things that we have to keep an eye on. Everything is being driven by when we are going to admit our first class. That should be in August of 2008. We have to work backwards from that. If we are going to admit students in August of 2008, we need to apply for provisional accreditation from LC&E in April of 2006. We need a certain amount of infrastructure in place to apply for accreditation. We need buildings in place as well as faculty members in place to be able to provide the first year of instruction. How many faculty members do you need? LC&E does not tell you. The LC&E is a liaison committee for medical education. Based on the number of students that we are going to have – 80 students per year – we think that the correct number of basic science faculty members to teach the first two years of instruction is somewhere between 55 and 60. So, we can say that probably half of that amount is going to be necessary by April of 2006. We will have had to hire about 25 to 30 faculty members in basic sciences in order to apply for provisional accreditation.

Another thing that is very important to understand is that the building that is being currently constructed – what used to be called the Research Building and we are renaming it the Medical Science Building – houses about 29 faculty members and 5 department chairs. As stated, we need about 60 basic science members. That means that we actually have to commence design of another building – not the one that is already being constructed and not the Medical Education Building which we have already designed – but actually another Medical Science Building will have to be designed within the next biennium because we need to commence construction on that in September of 2007. The reason construction needs to begin in September of 2007 is that if we are going to admit the first year class in 2008 and the second in 2009, we are going to need to have 50 to 60 faculty members on board.

Lastly, in September of 2013, the formula funding for the 320 students will be received. We do not receive the formula funding until after the fact. We will not have the formula funding to fund the operations of this medical school until well after the first class has started. It is important to do a substantial amount of fundraising during the interim period to keep this project going.

Dr. Wilson noted that he feels relatively comfortable in the budget projections for this coming biennium, 2005 and 2006. The \$66 million is reflective of what we have asked for in the LAR, with a few minor changes because of the way the TRBs were accounted for, etc. It is very important that the legislators understand that this is not a sprint – it is a marathon. We have quite a bit of activity still is necessary and a lot of funding that is still necessary in order to make this a reality. We think that the total amount that is necessary between now and when we get formula funding is somewhere in the vicinity of \$330 million. This number has not been emphasized before. The legislators have not heard this number before, but it is important that they hear it now so that they don't think that each legislative cycle we are asking for more and more and more and surprising them. These numbers may change in the next biennium and the one after

that, but we have some numbers to back this up. At this point, to the best of our abilities in terms of projecting out, this is the best guess that we can make.

Chairman Black asked what formula funding would bring in a biennium basis. Dr. Wilson estimated that it would be about \$18 million per year.

Regent Miller asked how much of the \$327 million will formula funding cover. Dr. Wilson responded that formula funding would only cover a small amount of the funding needed. However, on an on-going basis, formula funding will probably fund about 60% to 70% of what the operational expenses are projected to be.

Regent Brooks commented that in August 2010, 25 faculty will be relocated. Regent Brooks asked if the faculty will be from Lubbock. Dr. Wilson said that the faculty will be brought in from all over the country to work in El Paso. We need to have the additional 25 faculty members by that date.

Regent Brooks asked if it is anticipated that faculty will be moved from Lubbock to El Paso. Dr. Wilson responded that this is not something that we will actively seek, unless there are a few faculty that may want to relocate.

Finally, when the process was underway, we discovered many things that have not been considered previously. Dr. Nairn visited with the Coordinating Board earlier this week and he mentioned that the chart needs to be amended. There are certain dates that we need to keep the Coordinating Board apprised of what is going on and get their seal of approval to continue. We need to put the dates relating to the Coordinating Board on the calendar. This has been a work in progress, but it is fairly complete at this point. There may be some minor changes later.

Regent Newby noted that it might be helpful to the board if an additional column was added to the chart to reflect completion of each step. Regent Newby commented that it will be important for the board to continue to keep the focus as we go step by step. Knowing where we are and what needs to be done and knowing what steps the board can take to help in the process, will be beneficial.

Regent Francis commented that Tech is a great university and the members of the board are present to promote Texas Tech and project it into the future. Regent Francis noted that what is taking place in El Paso has an enormous impact on the city of El Paso, but on Texas Tech's future in terms of establishing another university – another college – in El Paso of an enormous magnitude. El Paso is the sixth largest city in Texas and over the last 24 months, the community has fallen in love with Texas Tech. There are Texas Tech flags flying in yards and on the sides of buildings. There is an excitement and a commitment on the part of El Paso and the economic impact that this is going to have on the community is large. Regent Francis stated that Dr. Wilson has established a team that is down in El Paso meeting with civic groups on an on-going basis. It is an amazing team in El Paso and an amazing venture that we have embarked on that will change West Texas dramatically.

Regent Sitton expressed an interest in having a board meeting in El Paso. Regent Francis commented that all of El Paso realizes that what we are creating there will have an economic impact on El Paso similar or greater to UTEP. We are creating another university right there in El Paso and it is huge.

Chairman Black noted that the new mayor of El Paso told him that their best estimate a year ago was that the economic impact on El Paso, once the four-year medical school is up and running, was in excess of \$250 million a year.

Dr. Wilson responded that we have commissioned a study to find out exactly what the economic impact will be. The mayor's estimate is probably pretty accurate. We think this will be very important as we approach some of the businesses in El Paso. We believe that we will have the results of that study in about two weeks.

Also, Dr. Wilson noted that we started formulating a campaign group. Steve Helving, the head of Wells Fargo in El Paso, is going to be chairing that group. We are in the silent phase at this time. We are not doing anything in an official way at this point. We hope to be able to do that sometime in January.

Dr. Wilson stated that many people are surprised by the projected cost of the medical school in El Paso. The reason why medical schools cost so much is because of the accreditation issues and the fact that you have to have so much in place. It is a lot of front end loading. That is the point that some people have overlooked in the past in terms of what the resources needs are. Ken Shine, the Vice Chancellor for Health Affairs in the UT-System, did a huge favor for us when he went up in front of some of the Austin business leaders that wanted a medical school in Austin and gave them a number of \$1 billion to \$2 billion that he felt it was going to take to order to get a medical school in Austin because of all of this up-front expense. The \$330 million looks like a real deal in comparison.

Regent Miller asked if there are capital funding plans that would track this in the future, not just for the medical school, but also for the university. As we have the issue of trying to figure out what our tuitions will have to be, what funding we will get from the state, how much we have to raise, etc., do we have capital funding plans that track these multi-year plans? Chancellor Smith responded that we have the plans in place and refer to them in the TRB sessions.

Regent Miller stated that he has seen what Southwestern Medical has done in Dallas and it is the gem of the economy in Dallas. It makes us truly a system to create other universities in other cities.

Mr. Brunjes reported that one of the major sources of the capital side of TRBs, which are authorized by the Legislature, is our Higher Education Assistance Fund, our HEAF fund, and at the board budget presentations we always include a ten-year plan. We are

coming up on a renewal cycle, so it is very appropriate because we are working actively to reallocate the ten years worth of funds for capital.

Chancellor Smith noted that we will compile this information, along with the MP-1, which is the larger wish list that goes out. We have never accumulated all of that information in one presentation, but it is a good suggestion.

Dr. Wilson commented that until the time line was done, he did not have the sense of urgency that he presently has. We need to recruit a certain number of faculty by April 2006. It takes about a year to recruit faculty. That means that even before we get assurance of funding from the legislators for this biennium, we have to at least start looking so we can be in a position to make offers as soon as we know what the monies are that are going to be available to us. Once we make an offer, it still takes quite a bit of time for faculty to get onboard. There is a new sense of urgency.

Chairman Black indicated that one of the benefits of critical path planning, is to focus your attention on those items that are so important and need to be done in a particular time frame.

Thank you for your report.

## Texas Tech University Health Sciences Center

### Timeline for 4-Year Medical School-El Paso

	Appropriations	Construction	Faculty	Accreditation	Students	Budget Projections
Aug-04	Submit LAR- FY 2006-2007 (TRBs, Faculty, Staff, Operations)	Basic Science Faculty Bldg. I Under Construction				
Oct-04			Advertise for Faculty & Admin.			
Jan-05	Legislature Convenes		Begin Faculty/Admin. Interviews			
May-05			Make "Contingent" Offers to Faculty/Admin.			
Jun-05	Legislature Adjourns		Select Recruiting Firm	Visit LCME Secretariat		
Jun-05			Make Offers to Faculty/Admin.			
Sep-05	Issue TRBs- Medical Education Bldg. & 4th Floor Fit-Out Basic Science Faculty Bldg. I - Funds Available for Faculty, Staff, & Operations	Commence Construction of Medical Education Bldg. Commence Planning: Design of Basic Science Faculty Bldg. II	Relocate 1st Phase Faculty/Admin. to El Paso			
Oct-05		Basic Science Faculty Bldg. I - Three Floors Complete (Move-In)	Advertise for 2nd Phase Faculty			
Jan-06		Basic Science Faculty Bldg. I - Core Labs Fully Equipped	Interview Faculty			
Apr-06			Make Offers to Faculty			
			Hired Sufficient Faculty to Meet LCME Requirements for 1st Year Accreditation	LCME Application for Provisional Accreditation (Year I)		
Jun-06				LCME Committee Issues Conditional Year I Decision		
Aug-06	Submit LAR- FY 2006-2009 (TRBs Faculty, Staff, Operations)			LCME Reviews Site Visit to El Paso		\$66,475,750
Sep-06		Complete Basic Science Faculty Bldg. I (4th Floor Ready for Occupancy)	Relocate Faculty to El Paso			
Oct-06				LCME Committee Votes on Accreditation Status		
Jan-07	Legislature Convenes					
Feb-07						
Mar-07						
Apr-07				Submit for Year II Accreditation to LCME		
Jun-07	Legislature Adjourns					
Jul-07		Design Complete For Basic Science Faculty Bldg. II	Completion of hiring 25 Basic Scientists, 12 Educ. Admin., 35 Clinical Faculty			
Sep-07	Issue TRBs- Basic Science Faculty Bldg. & Funds Available for Faculty, Staff, & Operations	Commence Construction Basic Science Faculty Bldg. II	Advertise for Additional Clinical Subspecialist Faculty			
Oct-07				Register w/ Texas Medical & Dental Application Service	Interview Applicants For 1st Class	
Dec-07						
Jan-08			Interview Clinical Faculty		Med. School Match (1st Class)	
Mar-08		Complete Construction of Medical Education Bldg.	Make Offers to Clinical Faculty			
Apr-08				Submit for Year III Accreditation to LCME		
Jul-08			Relocate Clinical Faculty to El Paso			
Aug-08	Submit LAR- FY 2010-2011	Occupy Medical Education Bldg.			Admit 1st Medical School Class	
Sep-08	Formulate Funding Base Year (Max. of 80 Students)		Advertise for Additional Clinical Subspecialist Faculty			\$75,666,500
Oct-08					Interview Applicants For 2nd Class	
Jan-09	Legislature Convenes		Interview Clinical Subspecialist Faculty		Med. School Match (2nd Class)	
Mar-09			Make Offers to Clinical Subspecialist Faculty			
Apr-09				Submit for Year IV Final Accreditation		
Jun-09	Legislature Adjourns					
Jul-09			Relocate Clinical Subspecialist Faculty to El Paso			
Aug-09					Admit 2nd Class	

# **Texas Tech University Health Sciences Center** *Timeline for 4-Year Medical School-El Paso*

	Appropriations	Construction	Faculty	Accreditation	Students	Budget
Sep-09	Additional Funding for Faculty, Staff, & Operations/ Formula Funding (Max. of 80 Students)		Advertise for Basic Science Faculty			<b>\$95,336,500</b>
Oct-09				Anticipated COC Decision	Interview Applicants for 3rd Class	
Jan-10			Interview Basic Science Faculty		Med. School Match (3rd Class)	
Mar-10		Complete Construction of Basic Science Faculty Bldg. II	Make Offers to Basic Science Faculty			
Jul-10					Have Reassigned 50 Third Year Students	
Aug-10	Submit LAR- FY 2012-2013	Occupy Basic Science Faculty Bldg. II	Relocate at Least 25 Additional Basic Science Faculty to El Paso		Admit 3rd Class	
Oct-10					Interview Applicants For 4th Class	
Jan-11	Legislature Convenes				Med. School Match (4th Class)	
Jun-11	Legislature Adjourns				Have Reassigned 50 Additional 3rd Year Students	
Aug-11					Admit 4th Class	
Sep-11	Additional Funding for Faculty, Staff, & Operations/ Formula Funding (Max. of 240 Students)					<b>\$89,586,500</b>
May-12					First Graduating Class of El Paso Medical School	
Aug-12	Submit LAR- FY 2014-2015					
Sep-13	Formula Funding (Max. of 320 Students)					
<b>Total \$327,065,250</b>						

Chancellor's Report  
Texas Tech University System  
Board of Regents Meeting  
October 22, 2004

Board Minutes  
October 22, 2004  
Attachment 10, Page 1

Chancellor Smith reported that he has one item for presentation. Copies of the Red Book were distributed to the board.

With a sense of purpose of why we do this, we need to consider what is the vision and the legacy you want to leave as regents and what do we want to leave as administrators. The medical school is a life-long achievement for most institutions and yet, at the same time, you are challenging us and we are challenging ourselves in Law, Engineering, College of Business Administration, etc. – many of those being legacy kind of issues. Yet, here is an institution that is taking on all of those challenges at once. As part of that solution, and the greatest endowment we have actually still remains despite the erosion at the state level is our state funding. That being both our E&G appropriations, some of the designated funds, and things such as HEAF and TRBs. What we are beginning to work on right now, with the great help of our legislative team under John Opperman's leadership, like we have done on the federal level, we have been working on a Red Book. It will be a little different than the copy handed out today, but it will have each item – one page in most cases – to talk about the University and the Health Sciences Center and our priorities.

Beginning with formula funding for growth, being able to sustain our special line items for areas such as Health Sciences, our individual campuses, Engineering, Human Sciences, Agriculture and graduate programs and leading into our aspirations, funding for the El Paso campus, aspirations for TRBs related to COBA, the Hill Country, water policy, etc.

We would like for the board to take a look at this over the next couple of weeks and make suggestions. We would like to get these in a "slick" format using a different kind of paper, a different kind of presentation – not austentatious – but we believe that we need to spruce it up a little bit and have it in a folder format probably in a tiered fashion so that they are "leave behinds." We would like to work with Martha Brown and Chaz Semple, under John Opperman's leadership, to set up some key lunches and meetings with each of the board members with some key legislators. We are anticipating three such meetings with each regent. We will be talking with people in your own districts, as well as both the House and Senate Finance and Appropriations Committees and some key leadership. We have already visited the Legislative Budget Board and the Governor's Budget Office. We would like to get these meetings accomplished before the legislative session. We will be constrained by busy schedules and the holiday season.

We will provide the board members with multiple copies of the report and have each board member in a position to talk about two or three issues, not the entire book. That would be ineffective. We will be working with staff members because they are pivotal in all of the process. A new tactic was brought as a challenge from the board last August



to do things a little differently and this is one of our first efforts. Another will be the human touch piece where we need to work on the board's schedules. Martha and Chaz will begin scheduling some opportunities when they are in district to prevent traveling.

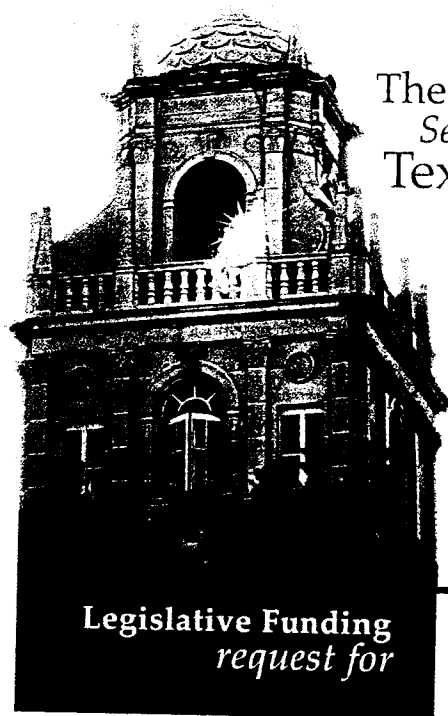
Chancellor Smith invited Dr. John Opperman to comment on the process.

Dr. Opperman stated that we do consider the Red Book to be in draft form. Discussions are being held in Austin concerning one or two of the issues and we are waiting to determine the outcome of those discussions before the document is finalized. All of these issues concern matters that are close to us and we have taken documents consisting of several pages and condensed them to one page. It would be very helpful for someone outside the office to review the information and see if it makes sense to you as you read through it. Please let us know if the document requires additional editing. Hopefully, we have done this in a one-page format that explains what it is we are doing in a very concise way. Obviously, there will be follow up discussion with those we meet with. Please consider a prioritization of these issues in order for our presentation to be more effective. We need to think about what our priorities are and those may change determined by the members with whom we talk. We need to have some idea of what we want to emphasize with any particular legislator.

Chairman Black confirmed that Dr. Opperman wants to obtain the opinions of the board members within the next two weeks. Chairman Black stated that he is in favor of keeping the cover of the report red in color. Dr. Opperman explained that the previous red book was compiled for the university's federal requests and that is how the name applies in this case.

Chancellor thanked Beto Cardenas for his help and noted that Lynn Denton will continue to work on updating the Red Book. It is going to be a difficult session, but we are excited about the challenges. As we all know, the revenue picture doesn't become clear until at least March, so that creates a constraint of time as one tries to finish up the session. We have some big ticket items in the Red Book. You just heard about the Health Sciences Center. At the same time, this is part of our dream. This is what we want to leave behind as a legacy for our kids and for the state. We need to get busy.

Thank you.



The 79th  
*Session of the*  
Texas Legislature  
2004

**Legislative Funding**  
*request for*

# RED BOOK

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Texas Tech University  
Texas Tech University Health Sciences Center  
Texas Tech University Administration



TEXAS TECH UNIVERSITY  
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

# Higher Education Fund

**Request: Increase the annual appropriation to the Higher Education Fund.**

## Purpose

The annual appropriation to the Higher Education Fund (HEF) must increase if the HEF institutions are to meet the goals of the *Closing the Gaps by 2015* plan. HEF institutions have experienced significant growth in enrollments and physical plants since the current annual HEF appropriation of \$175 million was established in 1995. In addition, the demands for instructional capital equipment and evolving technology have sharply escalated. HEF funds should be increased to address these growing demands and to achieve parity with institutions that benefit from the Permanent University Fund (PUF).

## Background

The following factors point to a need for enactment of a growth- and inflation-indexed formula to achieve consistent and constant equity among all Texas public institutions of higher education.

1) The Texas Higher Education Coordinating Board reports that the current space deficit for the HEF institutions is 2.37 million square feet, which is more than five times larger than it was five years ago; 2) The McGraw-Hill Construction Cost Index reports a 28.5 percent inflation factor for construction for the last 10 years. The annual \$175 million appropriation to HEF has been in effect since 1995. For the HEF to maintain in constant dollars the amount it had in 1995 for construction would require an additional \$50 million per year; 3) In Fall 2003, the student enrollment at HEF institutions was 72,000 more than the student enrollment at PUF institutions. The difference in enrollments between the two has increased by almost 50 percent from 10 years ago; and 4) The PUF institutions rely on the Available University Fund (AUF) for their construction, capital renewal and equipment needs. The 2005 distribution to the AUF is 54 percent more than it was in 1995. A 50 percent increase to the HEF would require an additional \$87.5 million appropriation per year.

With an appropriate increase in HEF annual funding, requests for tuition revenue bonds could be mitigated, allowing institutions to better plan for facility needs. Requested increases should at least restore real-dollar funding lost to inflation over the past 10 years.



TEXAS TECH UNIVERSITY  
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Tuition Revenue Bonds

**Request: Authorize and fund new tuition revenue bonds.**

### Purpose

Periodically the Texas Legislature has authorized the institutions of higher education to issue tuition revenue bonds (TRBs) for construction of new facilities or major renovation of existing facilities. To meet the goals of the *Closing the Gaps by 2015* plan, institutions will need additional instructional and research space and capital renewal of existing facilities. Texas Tech University (TTU) is requesting \$56 million in TRBs and Texas Tech University Health Sciences Center (HSC) is requesting \$33.75 million in TRBs to address their respective facility needs.

### Background

*Texas Tech University is requesting \$56 million in new TRBs to address the following needs:*

**Rawls College of Business:** \$50 million – The most cost-effective way to meet TTU's needs for large classrooms is to move the Rawls College of Business (CoBA) out of its current building and use the building as a general purpose facility. CoBA will thus need a new building and is one of the few academic colleges that can raise external funds to leverage construction of a new building. While the existing CoBA building will need upgrading, the total funds to complete this project are less than the cost of constructing a new classroom and office building.

**School of Law Courtroom:** \$6 million – This project includes a state-of-the-art courtroom; an auditorium-classroom; more office space; and additional seminar and classroom space. This new facility will allow Texas Tech to better fulfill a requirement by the professional accrediting body, the American Bar Association (ABA), to provide students instruction in professional skills with training under conditions that students will confront after graduation. The School currently suffers from a severe shortage of classroom space. In its 2004 inspection of the Law School, the ABA noted the School's classroom space is "barely adequate."

*Texas Tech University Health Sciences Center is requesting \$33.75 million in new TRBs to address the following needs:*

**El Paso Research Facility:** \$9 million – This project includes funding: 1) to fit-out the remaining shell space in the Medical Research Building; 2) to renovate research and office space in the existing Regional Academic Health Center; 3) to provide a fiber-optic connection between the two campuses; and 4) to purchase research equipment.

**Medical Residency and Physician Assistant Program Expansion – Midland:** \$13.5 million – Construction of a facility to house the School of Medicine OB/GYN residency program proximate to Midland Memorial Hospital and to purchase and renovate or to construct a new facility to accommodate expansion of the Internal Medicine Residency program in Midland and to accommodate the expanded Physician Assistant Program.

**School Of Pharmacy Expansion:** \$11.25 million – Construction of a classroom building in Amarillo, conversion of existing space into faculty offices in Amarillo, and construction of additional classroom space in Dallas. This expansion will serve an additional 76 students per year.



# Formula and Non-Formula Funding

**Request: Restore formula and non-formula funding.**

## Purpose

The State will need to make a significant financial investment in higher education to achieve the goals of the *Closing the Gaps by 2015* plan. Texas Tech University (TTU) and Texas Tech University Health Sciences Center (TTUHSC) seek the restoration of formula and non-formula funding to the FY 2002 level, the year before reductions were enacted. Texas Tech especially requests funding for enrollment growth and inflation and requests that due consideration be given to the realities of rising utility costs when the infrastructure component of the formulas is established. TTU is currently funded for approximately 24,500 students, but enrollment has increased to 28,412. TTUHSC is currently funded for approximately 1,788 students, but enrollment has increased to 2,249.

## Background

The Texas Higher Education Coordinating Board reports that General Revenue appropriations to general academic institutions in constant dollars per full-time student equivalent (FTSE) has shown a decrease of 8 percent from 1994 to 2005, while actual dollars increased by 19 percent. For health-related institutions, the General Revenue in constant dollars per FTSE has decreased 35 percent over the same 11-year period, while actual dollar growth per FTSE has decreased 15 percent. Formula funding provides for core functions of institutions such as instruction, student services, administration, and the physical plant.

Non-formula items for all institutions were reduced approximately 12.5 percent for the 2004-2005 biennium. For Texas Tech, these items include targeted research areas, museums and institutes, medical residency programs, and telemedicine operations.

Institutions of higher education were instructed to submit appropriations requests for FY 2006-2007 with an additional five-percent reduction in formula and non-formula items. A funding decrease at this level would represent a drastic reduction in State support for academic areas, resulting in a serious reduction in Texas Tech's ability to provide instruction and conduct research. To meet the needs of a greatly expanded student population already, each institution needs to increase its teaching faculty and its staff who provide support services such as financial aid and advising. Even more faculty and staff will be needed in the future to continue to grow the student body to meet the State's *Closing the Gaps* enrollment goals. If more funding cuts are enacted and inflationary loss of funding is not restored, Texas Tech will be forced at a minimum to enact enrollment freezes. If the situation continues for an extended time, Texas Tech foresees enrollment reductions.

## Four-Year Medical School—El Paso

## Purpose

## Background

In the FY 08 – FY 09 biennium, TTUHSC will request funding for additional faculty required for an estimated enrollment of 80 medical students per class in the El Paso medical school.



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Institute for Health Disparities Research

Funding Requests: FY '06 — [\$3,770,000] FY '07 — [\$1,230,000]

### Purpose

TTUHSC is requesting exceptional item funding of \$5,000,000 for the biennium to establish a new Institute for Health Disparities Research. Funding will be used to: 1) significantly expand TTUHSC's core faculty in biostatistics, epidemiology, clinical outcomes research, and demography; 2) recruit a nationally recognized researcher to direct the Institute; 3) convert existing space into laboratories and offices; 4) cover start-up operation and maintenance costs; and 5) anchor and leverage federal and private resources currently being sought for work in this area.

### Background

Because of a growing national consensus that extreme differences in the health status of groups of citizens are contrary to core American values, the issue of health disparities is and will be one of the most important agendas for health-related work and policy in coming decades. This request for \$5 million to establish an Institute for Health Disparities Research is a response to this growing public policy imperative and aims to connect advanced research findings with solutions that are innovative, cost-effective and practical for Texas.

The Institute will combine the exploration of behavioral, cultural, economic, environmental and biomedical determinants of health with basic and clinical research to find effective new interventions to reduce health disparities.

Federal and state agency decision-makers and academic researchers recognize that health disparities are associated with chronic and costly diseases that are among the leading causes of disability and death in the nation. The Institute for Health Disparities Research will take advantage of the fact that few regions of the United States compare with West Texas, which comprises the TTUHSC service area. West Texas provides vivid examples of differences in health status drawn along the fault lines of age, race, ethnicity, disability status, income, educational level, and geographic location. This region provides an important and promising opportunity to learn more about, and find ways to reduce, the disparate burdens of disease and disability.



## TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

# Institute for Improved Fertility

Funding Requests: FY '06 — [\$ 3,550,000] FY '07 — [\$ 2,200,000]

### Purpose

TTUHSC is requesting \$5,750,000 in exceptional item funding for the biennium to establish a new Institute for Improved Fertility. The requested funding will be used to: 1) recruit a nationally recognized M.D./clinical researcher with subspecialty training and board certification in reproductive endocrinology and infertility, and a proven record of National Institutes of Health (NIH)-funded clinical research in the area of fertility, who would be a link between basic science and clinical research teams working in areas of fertility and reproductive success; 2) employ clinical outcomes researchers and postdoctoral researchers; 3) provide research equipment and supplies; and 4) fund renovation of existing research laboratories for the Institute's scientists.

### Background

More than half of all conceptions fail to produce healthy offspring in humans and in some domestic animals. For humans, the economic and emotional cost of failed or unhealthy pregnancies is beyond calculation; in the case of food animals, this failure to maximize reproductive success has a tremendous economic impact.

A group of biologists and physiologists at TTUHSC comprise an elite cadre of reproductive scientists with nationally recognized expertise in each of the stages of the at-risk reproductive process. This group of scientific experts is providing the basic research ground work for translational research that will have, as part of its focus, increased fecundity (fertility and reproductive success) in economically important food animals. This team's research is designed ultimately to translate into improved quality of life for the human population. Another TTUHSC team within the Department of Obstetrics and Gynecology's Reproductive Endocrinology laboratory has an established record in basic and clinical research in fertility and reproductive biology and includes collaborators within the TTU College of Agricultural Sciences and Natural Resources.

Within three years of receipt of the requested funding, these two teams of experts would be expected to obtain competitive extramural support through the "U-54 Center Grant" program at the NIH that provides funding to defray substantial portions of researcher salaries and research activities. The requested funding would spark a synergy among the Institute's members that would create a flow of information and ideas throughout the Institute, integrating human and animal, basic science and clinical fertility research.





## TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

# Pharmacy School Class Size Expansion—Amarillo

Funding Requests: FY '06 — [\$1,990,625] FY '07 — [\$2,025,000]

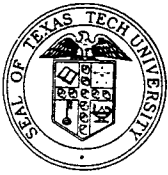
### Purpose

TTUHSC is requesting an additional \$4,015,625 in exceptional item funding for the biennium to expand its pharmacy school entry class size from its current 88 students to 126 students. The TTUHSC pharmacy school provides first- and second-year training for all its students at the Amarillo campus. For their third and fourth clinical years, the students are assigned to the Amarillo, D-FW, or Lubbock campus. The expanded class size would increase the number of first- and second-year students at the Amarillo campus by a total of 76 students (38 year-one students and 38 year-two students). All 76 of the new students would be assigned to the D-FW campus for their third and fourth clinical training years to help alleviate the critical shortage of pharmacists in that rapidly growing area of the state.

TTUHSC is requesting: 1) \$2,250,000 for the biennium to recruit and employ additional faculty members and to accommodate new students for their third and fourth years of clinical training; 2) authority for \$11,250,000 in tuition bonds to expand and renovate pharmacy school facilities in Amarillo and expand the D-FW Metroplex campus facilities to accommodate the increased class size; and 3) debt service for these requested bonds totaling \$1,765,625.

### Background

In 2003 the Texas Higher Education Coordinating Board (THECB) completed a study of the needs for pharmacy education in Texas. Citing the results of the study, the THECB requested the existing Texas pharmacy schools to assess their respective abilities to accommodate an increase in entry class size to help meet the demand for additional new pharmacists in Texas. The request reflected the conclusion that expanding the class size of the existing Texas pharmacy schools would be more cost-effective and could be accomplished more quickly than establishing new pharmacy schools.



TEXAS TECH UNIVERSITY

## TTU Hill Country Education Network

Funding Requests: FY '06 — \$562,500 FY '07 — \$562,500

### Purpose

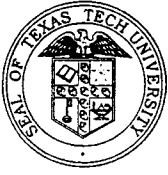
Exceptional item funding for an additional amount of \$1,125,000 for the biennium is requested to increase access to higher education for residents of 14 counties of the Texas Hill Country. The funding requested would increase higher education services and workforce training at teaching sites in Fredericksburg and Marble Falls by providing for faculty salaries and operational costs associated with new degrees and programs implemented in response to regional needs. This initiative is a partnership among TTU, TTU Health Sciences Center (TTUHSC), Austin Community College and Central Texas College.

Funding is requested for: 1) faculty salaries for delivery of high-demand academic programs; 2) staff salaries for teacher certification and workforce training; 3) operational costs, including travel of professors and staff to the teaching sites, space lease and facility maintenance, recruiting of students, telecommunications, instructional technology equipment and maintenance, instructional materials, printing and copying; and 4) costs associated with continued development of classrooms and the technology infrastructure of the Network.

### Background

The TTU Hill Country Education Network advances the goals of the *Closing the Gaps by 2015* plan by providing access to high-demand undergraduate and graduate degrees in a 14-county region of Texas. The Network provides access to the first and second years of college through the community college partners, and access to third- and fourth-year undergraduate and graduate public higher education through TTU and TTUHSC. Moreover, this strategy improves workforce and economic development in a rapidly growing region through state, local and private partnerships.

Higher education teaching sites with advanced instructional technology were established in Fredericksburg and Marble Falls in 2002. Since then, students have completed TTU and TTUHSC coursework at both sites and graduated in or completed the following programs: Master of Education in Educational Leadership with principal certification, Master of Science in Nursing, Master Reading Teacher certification, Bachelor of Science in Nursing, and Bachelor of General Studies. Many of the graduates have subsequently assumed leadership positions in education and health care in the Hill Country region.



TEXAS TECH UNIVERSITY

## Research Development Fund

**Request: Restore and grow the Research Development Fund.**

### Purpose

To join Texas A&M University, The University of Texas at Austin and other nationally competitive institutions in the Top Tier of research status, other universities in Texas will need a sustained infusion of additional funding over a period of 10 to 20 years, depending on each respective institution's current level of achievement and productivity. Emerging and aspiring institutions will need the State's substantial investment in the following areas: 1) Sustained recruitment of additional support staff and research-oriented faculty who, while teaching, would have meaningful release time for research; 2) Improved and increased research infrastructure, including research and laboratory space with advanced technology, and substantially improved research libraries. Strong libraries are critical to developing any serious research enterprise; 3) Expansion of cohorts of graduate students and research assistants in key research areas; 4) Creation and expansion of master's degrees, doctoral and post-doctoral programs in newly emerging areas; and 5) Development of focused research clusters in an institution's areas of research strength.

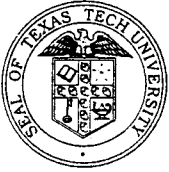
The full restoration of at least \$30 million per year for the Research Development Fund is essential to the continued development of Texas Tech's research faculty and research infrastructure. A continuous, dependable source of funding would enable Texas Tech and other rising Texas institutions to more fully develop and expand the research activity necessary to the creation of new knowledge and technology and economic development.

### Background

In 2001, the Legislature created the Texas Excellence Fund and the University Research Fund to develop the research infrastructure at institutions of higher education that received no excellence funding from the Permanent University Fund (PUF). These funds were established to grow the number of nationally competitive research universities in Texas. The two funds were equally funded at a total amount equal to the projected return on the Higher Education Fund endowment, but each had its distinct allocation methodology.

In 2003, the Legislature passed a bill to abolish the two funds and consolidate their finances into a new Research Development Fund with a single allocation methodology. This consolidation bill was written to take effect in FY 2006.

In the meantime, the Governor vetoed appropriations to the still-existing two funds for FY 2004 and FY 2005. The Legislative Budget Board later adopted and the Governor approved restoration of FY 2005 funding for both funds. Appropriations from the newly consolidated Research Development Fund will begin in FY 2006.



TEXAS TECH UNIVERSITY

## Water Resource Center

Funding Requests: FY '06 — [\$1,000,000] FY '07 — [\$1,000,000]

### Purpose

Exceptional item funding for an increase of \$2,000,000 for the biennium is requested to expand the scope of research, education, and technology transfer conducted by TTU's Water Resources Center. Specific areas to be addressed include water allocation policies, legal definitions of water rights, water quality protection and restoration, economic trade-offs in irrigation decisions, drought management, quantification of goals of regional water management plans, and wastewater recycling and other water augmentation technologies. The Water Resources Center addresses the efficiency of use of the limited water resources, not only in the High Plains of Texas, but throughout the State.

The additional funding is requested for the following: 1) additional professional and support personnel, including laboratory, Information Technology, and outreach specialists; 2) grant funding for student and faculty support on specific research projects; 3) enhancement of computer modeling, GIS applications, and internet communication capabilities; and 4) laboratory, field data collection, and computer support equipment.

### Background

Economic issues, population growth, and increasing demands on limited water supplies present an urgent need for increased emphasis on water resources research and development in Texas. Among the factors obviating this increased emphasis are: 1) increased competition for limited water supplies accompanying statewide growth in population and economic development, 2) trans-boundary (state and national) incentives for improved allocation of shared water sources, 3) Texas regional water plans, 4) regulatory impacts on potable water quality and hazardous waste site remediation standards, 5) global climate change and extended periods of extreme weather events (drought, floods and other events), and 6) federal and other funding sources for leveraged research support.