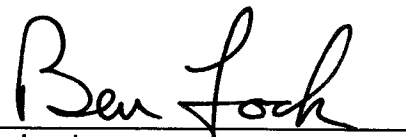


INDEX OF ATTACHMENTS

Attachment 1	TTUS Prioritized Audit Plan FY 2012
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Attachment 16	ASU SGA President's Report

I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on October 6-7, 2011.



Ben Lock
Secretary

SEAL

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2012

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF SEPT 24	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	18,650					
		REQUIRED AUDITS						
Required	ALL	State Auditor's Office and Comptroller's Office Misc. Projects	Miscellaneous (assist)	20	(9)			11
		TTU: 2011 Statewide Single Audit--Federal Portion (A-133 Audit)	Fin/Compliance (assist)	3	In Progress	1	2	0
		ASU: 2011 Statewide Single Audit--Federal Portion (A-133 Audit)	Fin/Compliance (assist)	3	In Progress		3	0
		TTUS: State Comptroller's Office Post-Payment Audit	Fin/Compliance (assist)	3	In Progress		3	0
Required	TTUS	Texas Tech University Foundation	Financial (assist)	120				120
Required	TTUS	Regents, Chancellor, & Presidents Travel and Credit Cards	Compliance (assist)	20				20
Required	TTUS	Assessment of Risk Management Processes	Risk Management	200				200
Required	TTUS	Office of Audit Services Annual Report	Compliance	30	In Progress	4	26	0
Required	TTUS	Office of Audit Services Annual Plan	Compliance	40				40
Required	TTUS	Office of Audit Services GAGAS Quality Assurance Activities Review	Compliance	10				10
Required	TTUS	Office of Audit Services Self-Assessment	Compliance	120				120
Required	TTUS	Office of Audit Services Peer Review	Compliance	80				80
Required	TTUS	Multihazard Emergency Plan Safety and Security Audit	Compliance	150				150
Required	TTU	NCAA Rules Compliance Program	Compliance	400				400
Required	TTU	Athletics Financial Review	Financial (assist)	175				175
Required	TTU	Texas Tech Public Media Financial Statement Audit	Financial (assist)	300	In Progress	5	295	0
Required	TTU	KTXI-TV Financial Statement Audit	Financial (assist)	5				5
Required	TTU	Football Attendance Certification	Compliance	10				10
Required	TTU	Time and Effort Certification Processes	Compliance	200				200
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	Compliance	80				80
Required	HSC	Correctional Managed Health Care Committee Contract	Compliance	200				200
Required	HSC	Tx Higher Education Coordinating Board Nursing Shortage Grant	Compliance	10				10
Required	HSC	Time and Effort Certification Processes	Compliance	200				200
Required	ASU	Carr Foundation	Financial (assist)	10				10
Required	ASU	Investments	Compliance	150	(80) In Progress	13	57	0
		TOTALS FOR REQUIRED AUDITS	2,530	(80)		23	386	2,041
		AUDITS IN PROGRESS AT AUGUST 1, 2011						
Prior Year	TTU & HSC	State Comptroller's Office Post-Payment Audits	Fin/Compliance (assist)	5	In Progress		5	0
Prior Year	TTU	Tx Higher Education Coordinating Board--State Financial Aid Grants	Fin/Compliance (assist)	5	In Progress		5	0
Prior Year	TTU	Academic Department Reconciliation Processes	Management Advisory	200	On Hold	1	199	0
Prior Year	TTU	Restricted Research Expenditures--FY 2011	Financial/Compliance	500	In Progress	311	189	0
Prior Year	TTU	Athletics Financial Processes	Financial/Operational	375	350 On Hold	340	385	0
Prior Year	HSC	Lubbock School of Medicine	Financial/Operational	100	In Progress	217	20	(137)
Prior Year	HSC	Information Technology Governance	Governance/IT	300	In Progress	460	20	(180)
Prior Year	HSC	El Paso Department of Internal Medicine	Financial/Compliance	100	On Hold	1	99	0
Prior Year	HSC	South Plains Oncology Consortium	Financial/Compliance	250	In Progress	94	156	0
Prior Year	HSC	El Paso Department of Surgery	Financial/Compliance	50	On Hold		50	0
Prior Year	ASU	Instructional Enhancement Fee	Financial/Compliance	75	Complete	102		(27)
Prior Year	ASU	College of Education	Financial/Operational	150	In Progress	132	18	0
Prior Year	ALL	Wrap-up on Audits Included in August BOR Report		10	Complete	9		1
		TOTALS FOR AUDITS IN PROGRESS	2,120	350		1,667	1,146	(343)
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total Hours Budgeted for Special Projects & Investigations	3,600	(1,209)				2,391
		IN PROGRESS AT AUGUST 1, 2011						
Special	HSC	El Paso Emergency Medicine Research Grant	Special	9	Complete	9		0
Special	HSC	El Paso Surgery Center	Investigation	1,000	In Progress	758	242	0
		BEGUN AFTER AUGUST 1, 2011						
Special	TTU & HSC	Fraud Monitoring Procedures--FY 2012	Special	200	In Progress	98	102	0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	3,600	1,209		865	344	2,391
		HIGHEST PRIORITY						
	TTUS	Tech Enterprise Account Management (TEAM App) System Security	IT Controls	525				525
	TTUS	Construction Project Expenses	Financial/Compliance	400				400
	TTU	Natl Wind Resource Ctr / Nat'l Inst for Renewable Energy Funding	Financial/Compliance	300				300
	TTU	Student Fees	Financial/Compliance	400				400
	HSC	Contracting Processes	Operational/Controls	500				500
	HSC	Rural and Community Health	Financial/Compliance	500				500
	HSC	El Paso Department of Psychiatry	Operational/Financial	325				325
	HSC	El Paso Campuswide Claims Rejections	Operational	400				400
	ASU	Center for Security Studies	Operational/Financial	350	In Progress	48	302	0
	ASU	Enrollment Management	Operational/Compliance	350				350
		HIGHEST PRIORITY TOTALS	4,050			48	302	3,700

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2012

PRIORITY	ENTITY	AUDIT AREA		BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF SEPT 24	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		MODERATE PRIORITY							
2	TTU	Responsibility Center Management	Management Advisory	350					350
2	TTU	Physical Plant	Operational	400					400
2	TTU	Enrollment Management	Operational	400					400
2	HSC	Anita Thigpen Perry School of Nursing	Governance/Operational	450					450
2	HSC	Lubbock Department of Surgery	Operational/Financial	400					400
2	HSC	El Paso Department of Obstetrics & Gynecology	Operational/Financial	325					325
2	ASU	Hispanic Serving Institution (HSI) Federal Grant Program	Financial/Compliance	250					250
2	ASU	Student Fees	Financial/Compliance	350					350
		MODERATE PRIORITY TOTALS		2,925	-		-	-	2,925
		LOWER PRIORITY							
3	ALL	Audit Report Follow-Up Procedures and Reporting	Follow-Up	300		In Progress	66	234	0
3	TTU	Small Business Program (SBIR/STTR) Federal Grants	Financial/Compliance	250					250
3	TTU	Student Business Services	Operational/Controls	400					400
3	HSC	Lubbock Department of Internal Medicine	Operational/Financial	400					400
3	HSC	Physical Plant	Operational	400					400
3	HSC	El Paso Department of Family Medicine	Operational/Financial	325					325
3	HSC	El Paso Department of Medical Education	Financial	200					200
3	ASU	Office of Environmental Health, Safety and Risk Management	Operational	250					250
		LOWER PRIORITY TOTALS		2,525	-		66	234	2,225
		OTHER VALUE-ADDED WORK							
		Total Hours Budgeted for Other Value-Added Work		900	(144)				756
Other	TTUS	Fraud Prevention Training				Ongoing			
Other	TTUS	Cash Handling and Control Environment Training				Ongoing	6		
Other	TTUS	Enterprise Application Steering Committee				Ongoing			
Other	TTUS	Enterprise Application Council				Ongoing	3		
Other	TTUS	Enterprise Application Work Group				Ongoing			
Other	TTUS	Enterprise Risk Management				Ongoing			
Other	TTUS	Research Projects Executive Steering Committee				Ongoing			
Other	TTU	Institutional Compliance Committee				Ongoing			
Other	HSC	El Paso Electronic Medical Records				Ongoing			
Other	HSC	Institutional Compliance Working Committee				Ongoing	2		
Other	N/A	Texas Department of Public Safety Peer Review				Ongoing			
Other	N/A	Professional Organizations (ACUA, TACUA, IIA, TSCPA, SIAIF)				Ongoing	100		
Other	TTUS	Other Miscellaneous Projects				Ongoing	33		
		OTHER VALUE-ADDED WORK TOTALS		900	-		144	-	756
		TOTAL ENGAGEMENT HOURS		18,650	270		2,813	2,412	13,695

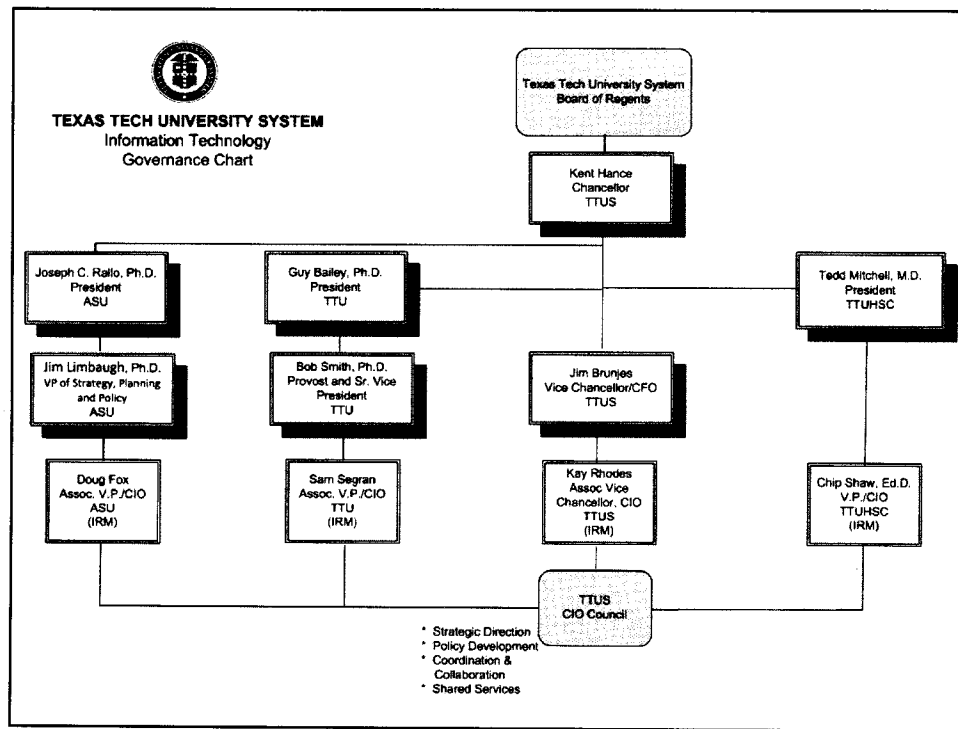
		KEY							
	TTUS	Texas Tech University System and/or inclusive of multiple Texas Tech institutions							
	TTUSA	Texas Tech University System Administration							
	TTU	Texas Tech University							
	HSC	Texas Tech University Health Sciences Center							
	TTU & HSC	Areas with parallel functions or shared responsibility							
	ASU	Angelo State University							
	N/A	Work that is not attributable to a particular institution or campus							
Required	Audits that are mandated by law, Operating Policies, standards, contracts, etc. Will be performed based on timing of external deadlines.								
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.								
Special	Unplanned special projects and investigations.								
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 in the official plan because of resource constraints.								
Other	Other projects, including committee service, class development and instruction, professional organizations, etc.								



TEXAS TECH UNIVERSITY SYSTEM

Protection of Institutional Information Resources

1. IT Security Introduction
2. General Security Areas
3. Mandates and Best Practices
4. Collaboration across TTU System

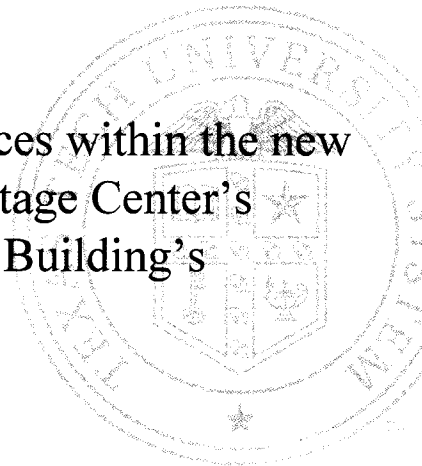


Texas Tech University

Item I

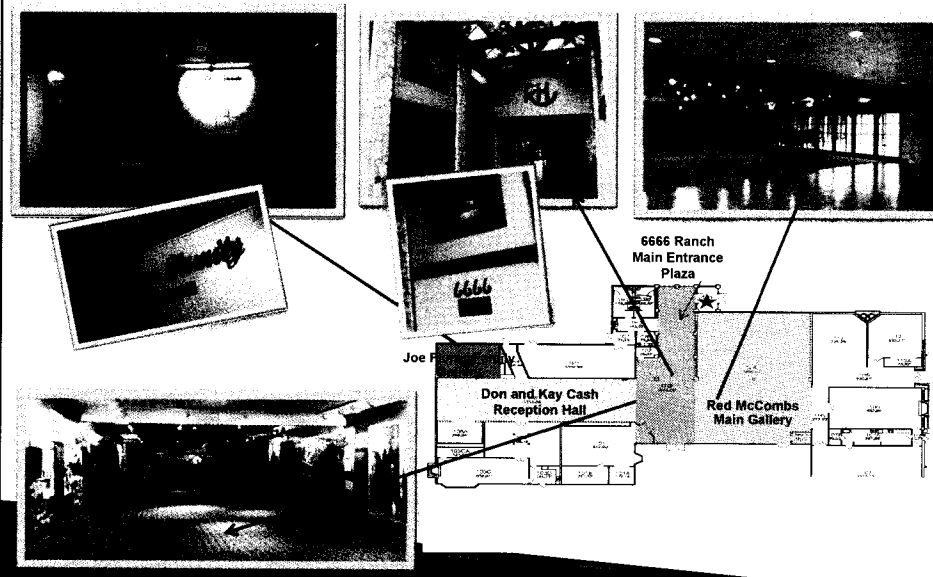
Approve naming of spaces within the new
National Ranching Heritage Center's
DeVitt-Mallet Museum Building's
North Addition

Dr. Kelly Overley



NRHC - DeVitt-Mallett Museum Building's North Addition

Item I



Item 1

6666 Ranch Main Entrance Plaza

- Named for the Historic 6666 (pronounced Four Sixes) Ranch in honor of Mrs. Anne Marion's ancestors, including her great grandfather Burk Burnett who established the ranch at Guthrie, Texas in 1902.
- Mrs. Anne Marion of Fort Worth, owner of the 6666 Ranch has supported numerous projects at the National Ranching Heritage Center ("NRHC") and other areas of Texas Tech and served on the Texas Tech Board of Regents.



Item 1

Red McCombs Main Gallery

- Named in honor of Mr. Red McCombs, a long time supporter of NRHC projects and a member of its National Advisory Board since its inception in 2000.
- The first exhibit in the Red McCombs Main Gallery will be items from his outstanding personal collection of Americana artifacts.



Item 1

Don and Kay Cash Reception Hall

- Named in honor of Don and Kay Cash of Lubbock, graduates of Texas Tech University.
- The Cash Foundation has given additional grants to the NRHC and other Texas Tech entities for research, endowments and capital improvements.



Item 1

Joe Flores Family Gallery

- Named in honor of Joe Flores, who has been a member and active supporter of the Ranching Heritage Association ("RHA") and NRHC for four decades.
- He currently serves on the RHA board of directors and its executive committee and has personally acquired more than 100 members for the RHA.
- He and his ancestors have ranched in the Texas Panhandle and eastern New Mexico for nearly 100 years.



Recommendation

Item 1

- Approve naming of several spaces within the new National Ranching Heritage Center's DeVitt-Mallet Museum Building's North Addition as follows:
 - “6666 Ranch Main Entrance Plaza”
 - “Red McCombs Main Gallery”
 - “Don and Kay Cash Reception Hall”
 - “Joe Flores Family Gallery”
- The donors concur with the naming of the individual spaces.
- The namings meet the requirement of donation of at least 50 percent of the project's construction cost as stated in *Regents' Rules*, Section 08.05.

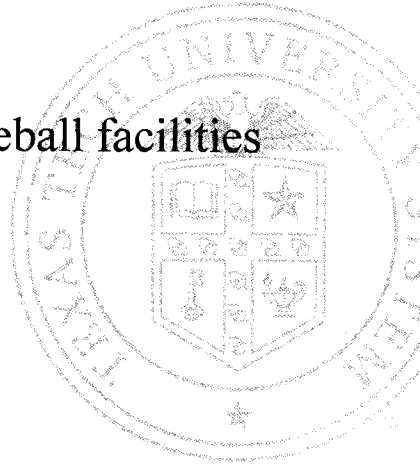


Texas Tech University

Item 2

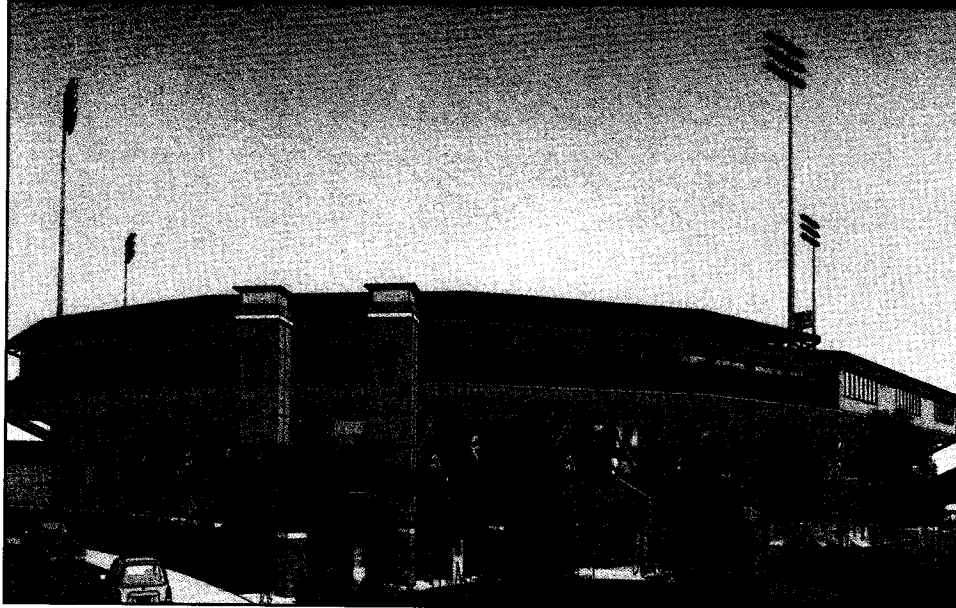
Approve naming of baseball facilities

Dr. Kelly Overley



Rip Griffin Park

Item 2



Item 2

Recommendation

- Approve naming the renovated baseball facilities “Rip Griffin Park”. The facility will be known as Dan Law Field at Rip Griffin Park.
- The donor concurs with the naming of this facility.
- The naming meets the requirement of donation of at least 50 percent of the project’s construction cost as stated in *Regents’ Rules*, Section 08.05.



Item 3

Texas Tech University

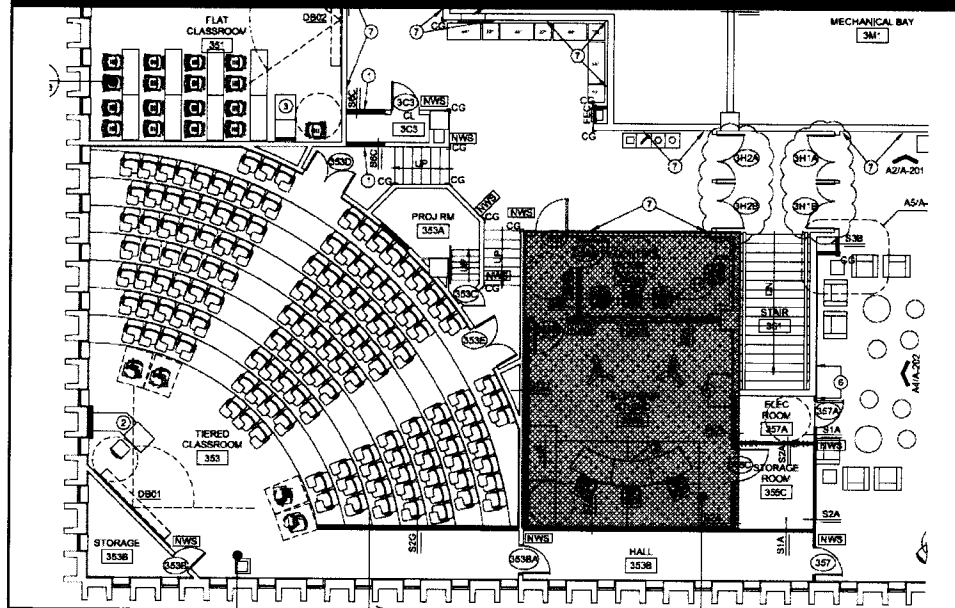
Approve naming of television and video studio in the College of Mass Communications

Dr. Kelly Overley



David and Catherine Swofford Video and Television Studio

Item 3



Item 3

Recommendation

- Approve naming the television and video studio in the College of Mass Communications, the “David and Catherine Swofford Video and Television Studio”.
- The donor concurs with the naming of this facility.
- The naming meets the recommendation requirements as stated in *Regents’ Rules*, Section 08.05.

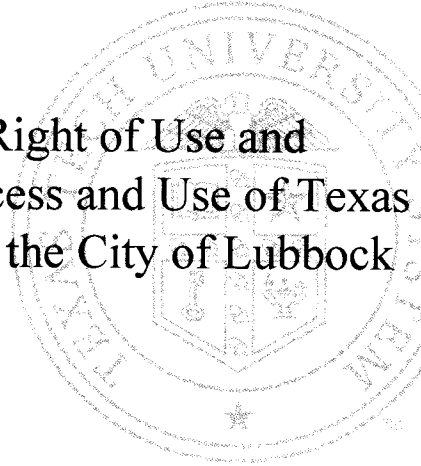


Texas Tech University

Item 4

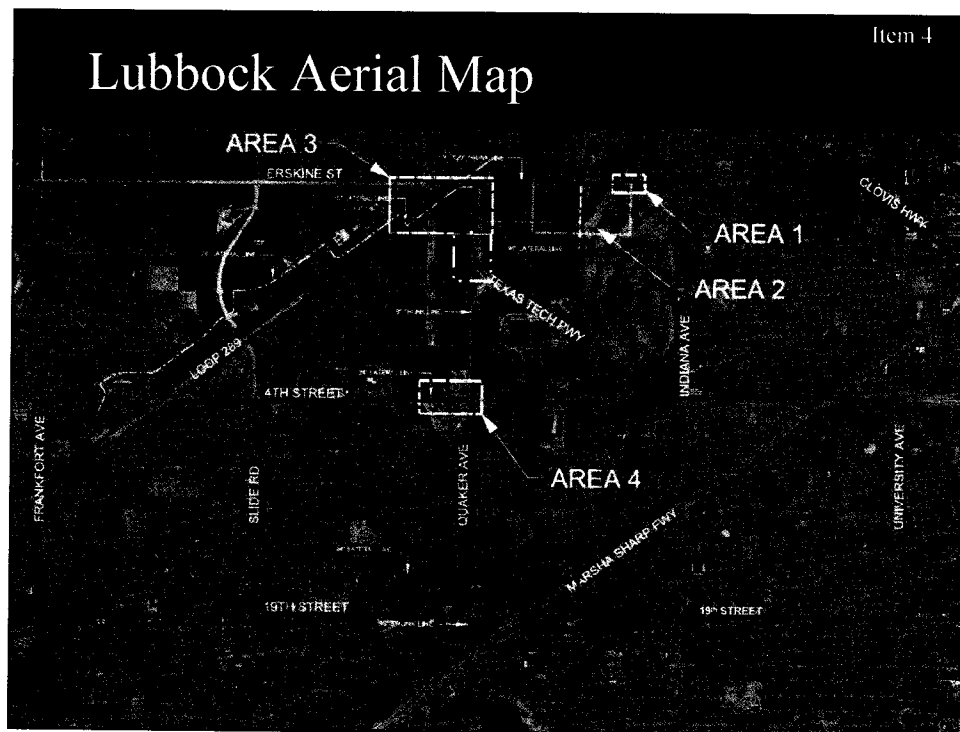
Approve Construction Right of Use and Permanent Right of Access and Use of Texas Tech University land to the City of Lubbock

Michael S. Molina



Lubbock Aerial Map

Item 4



Drainage Infrastructure Locations

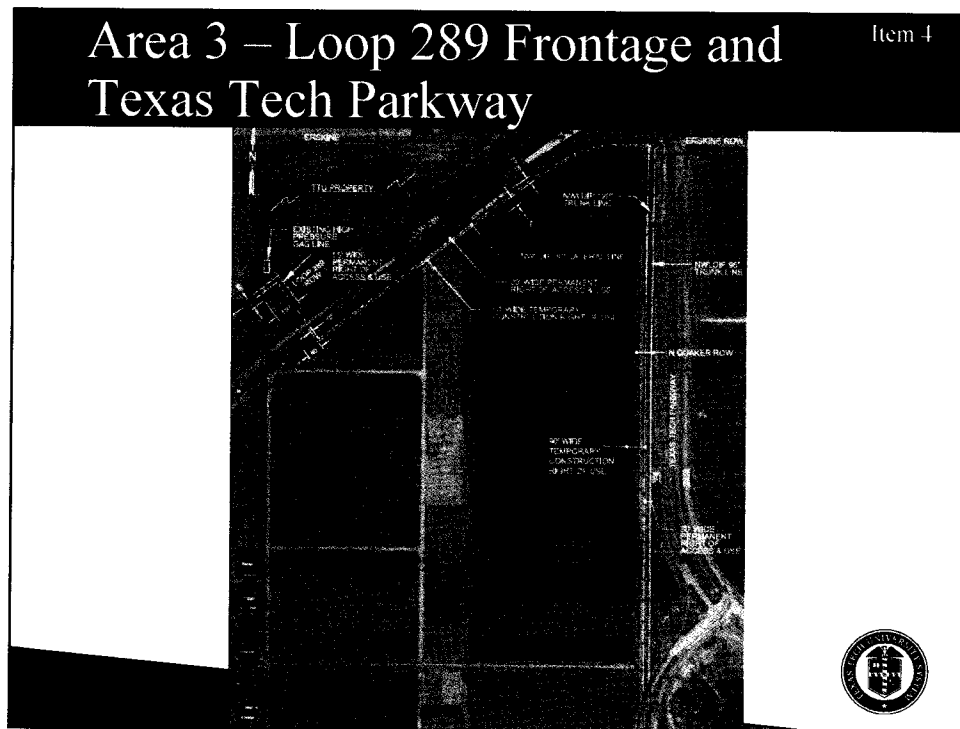
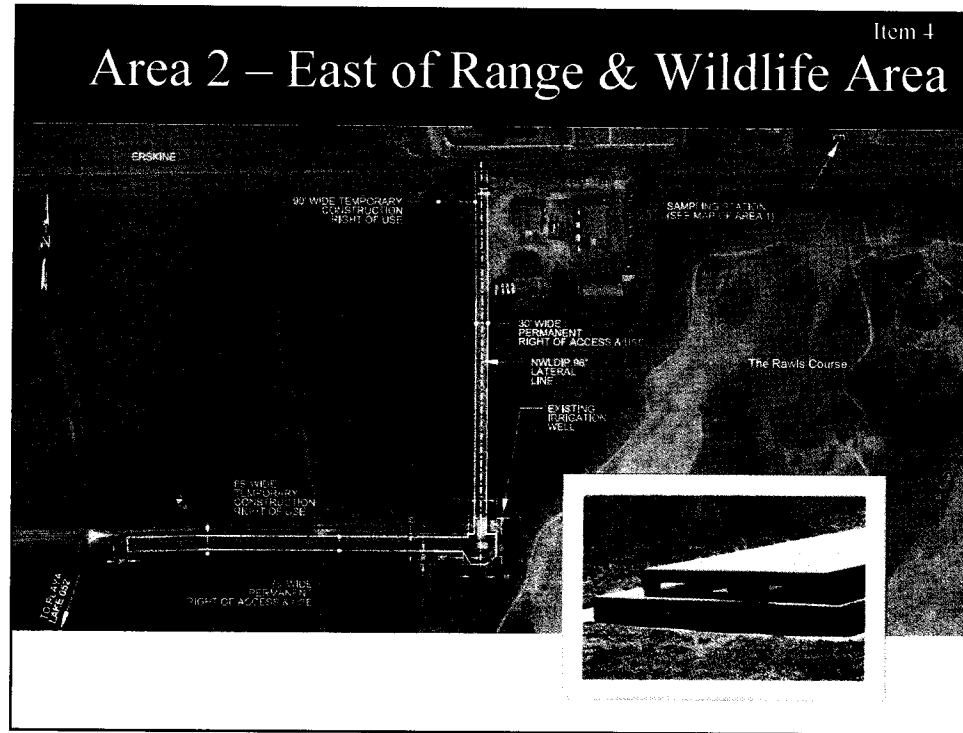
Item 4

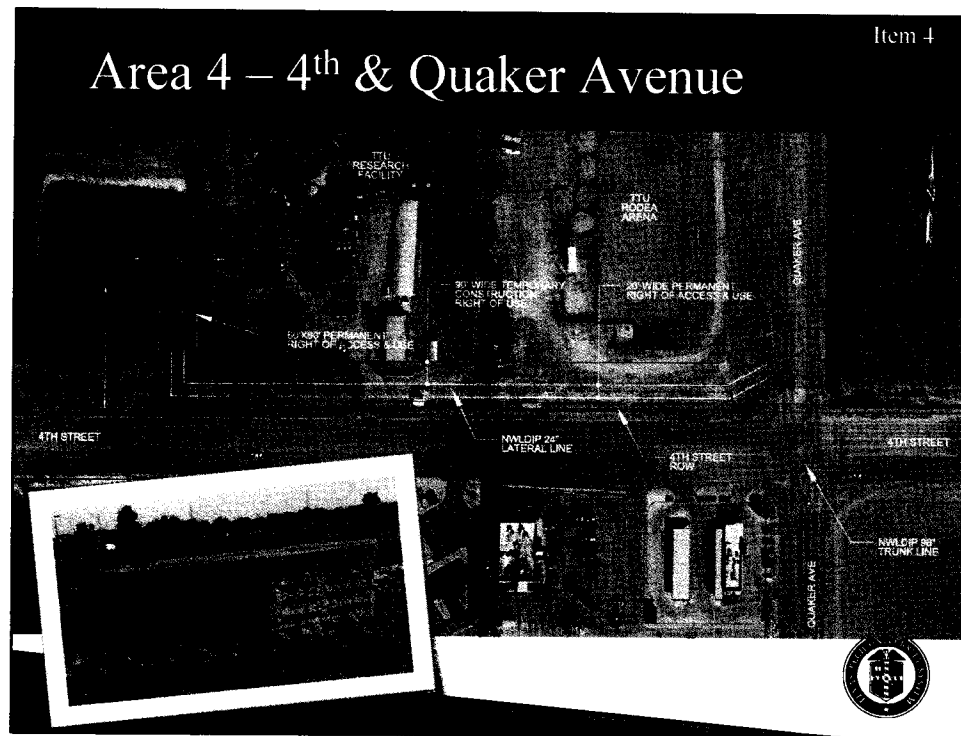


Area 1 – Grantham Site

Item 4







Recommendation

Item 4

- Authorize the president to grant:
(1) construction right of use by the City of Lubbock for approximately 12.065 acres of Texas Tech University (TTU) land; (2) permanent right of access and use of approximately 5.033 acres of TTU land for the City of Lubbock's Northwest Lubbock Drainage Improvements project; and (3) approval of the final architectural and engineering plans.





TTUS Design & Construction Review

Under Construction

October 2011

www.fpc.ttu.edu

Project

Completion Date

Status

Cost

Rawls College of Business Administration
Business Administration Building Renovations
NRHC North Addition
PrinTech Building Renovation (HESS Relocation)
NRHC Historic Preservation Building
Admin Bldg Abatement and Renovation
Campus Chapel
Boston Avenue Residence Hall and Dining Facility
Rawls Course Clubhouse and Team Facility
Texas Tech Baseball Park Improvements

\$ 70,000,000
\$ 25,000,000
\$ 1,833,000
\$ 6,449,412
\$ 664,721
\$ 3,850,000
\$ 3,000,000
\$ 45,000,000
\$ 3,700,000
\$ 5,000,000
TTU Total \$ 164,497,133

Under Construction
Under Construction
Substantially Complete
Under Construction
Substantially Complete
Under Construction
Under Construction
Under Construction
Under Construction
Under Construction

December 2011
September 2012
September 2011
August 2011/December 2011
September 2011
April 2012
June 2012
August 2012
September 2012
February 2012

ASU

Plaza Verde Residence Hall Phase I (Design Phase I & II / Construct Phase I)

Under Construction
August 2011/September 2011/Fall 2011

\$ 35,000,000
ASU Total \$ 35,000,000

HSC

HSC Total \$ -
Under Construction Grand Total \$ 199,497,133



TEXAS TECH UNIVERSITY SYSTEM
Facilities Planning and Construction

TTUS Design & Construction Review

In Design
October 2011

www.fpc.ttu.edu

	<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>
TTU	Petroleum Engineering Bldg Renovation for Maddox Chairs	\$ 2,900,000	On Hold	TBD
	Admin Building 3rd Floor Interior Finish Out	\$ 2,000,000	Design In Progress	August 2012
	The Burkhardt Center for Autism Education and Research	\$ 10,000,000	Design In Progress	TBD
	Architecture Building Life Safety Upgrades	\$ 7,400,000	On Hold	TBD
	Biology & Biology Greenhouse Fire Suppression System	\$ 8,300,000	On Hold	TBD
	System Office Relocation	\$ 7,500,000	Planning in Progress	TBD
	TTU Total	\$ 38,100,000		
ASU	Concho Hall Abate/Demolish	\$ 2,500,000	On Hold	October 1, 2012
	Mixed-Use Development	\$ TBD	Planned	TBD
	ASU Total	\$ 2,500,000		
HSC	Abilene School of Nursing	\$ 12,000,000	Design in Progress	TBD
	HSC Total	\$ 12,000,000		
	In Design Grand Total	\$ 52,600,000		



TEXAS TECH UNIVERSITY SYSTEM
Facilities Planning and Construction

TTUS Design & Construction Review

Prospective
October 2011

www.fpc.ttu.edu

Project	Cost	Status	Completion Date
Experimental Sciences Building II	\$ 87,750,000	Proposed	TBD
Petroleum Engineering Research Building	\$ 15,000,000	Stage I Design Budget	TBD
Engineering Expansion/Renovation Phase II	\$ 90,000,000	Proposed	TBD
Plant & Soil Sciences Building	\$ 15,000,000	Program Complete	TBD
Foreign Language Building Renovations	\$ 16,000,000	Proposed	TBD
Mass Communication Building Renovation	\$ 15,000,000	On Hold	TBD
Human Sciences Life Safety Upgrades	\$ 6,000,000	On Hold	TBD
TTU Total	\$ 244,750,000		
College of Nursing and Allied Health	\$ 16,200,000	Proposed	TBD
Plaza Verde Residence Hall - Phase II	\$ 30,000,000	Proposed	TBD
ASU Total	\$ 46,200,000		
Lubbock Education, Research & Technology Renovation	\$ 45,000,000	Proposed	TBD
El Paso Medical Science Building II	\$ 65,000,000	Proposed	TBD
El Paso Clinical Sciences Building	\$ 30,000,000	Proposed	TBD
Permian Basin Academic Building	\$ 18,900,000	Proposed	TBD
Amarillo Panhandle Clinical/Hospital Simulation Center	\$ 16,500,000	Proposed	TBD
Amarillo Laura W. Bush Institute Renovations	\$ 12,800,000	Proposed	TBD
HSC Total	\$ 188,200,000		
Future Grand Total	\$ 479,150,000		



TEXAS TECH UNIVERSITY SYSTEM
Facilities Planning and Construction

TTUS Design & Construction Review

Completed
October 2011

www.fpc.ttu.edu

Project	Cost	Status	Completion Date
Art 3D Annex Finish Out (Sculpture)	\$ 3,800,000	Complete	August 2011
Experimental Science Bldg Build Out	\$ 12,100,000	Complete	July 2011
Jones AT&T Stadium East Side Expansion	\$ 34,630,000	Complete	January 2011
Jones AT&T Stadium North End Zone Expansion	\$ 6,000,000	Complete	January 2011
System Office Relocation (2nd Floor)	\$ 2,000,000	Complete	December 2010
Jones AT&T Stadium NEZ Facilities (Toilets & Concessions)	\$ 1,300,000	Complete	January 2011
Scholarship Donor Walk-Phase 2	\$ 50,000	Complete	March 2010
Softball Team Facility	\$ 3,000,000	Complete	February 2010
Pulse Power Lab	\$ 1,500,000	Complete	October 2009/February 2010
Soccer Team Facility	\$ 4,080,000	Complete	September 2009
Rawls CoBA Tunnel Project	\$ 1,700,000	Complete	October 2009
Horn/Knapp Window Replacement	\$ 2,500,000	Complete	November 2009
Memorial Circle Utility Tunnel Replacement	\$ 3,887,819	Complete	August 2009
Student Leisure Pool	\$ 8,250,000	Complete	May 2009
SPICE Chess Garden	\$ 71,000	Complete	July 2009
Thompson Gaston Demolition	\$ 2,200,000	Complete	March 2009
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Complete	March 2009
Track Renovation/Relocation	\$ 4,000,000	Complete	May 2009
Softball Field Improvements	\$ 1,000,000	Complete	March 2009
Art 3D Annex Ceramics/Kiln Yard	\$ 1,556,937	Complete	October 2008
High Performance Research Computer Facility	\$ 1,800,000	Complete	September 2008
Sneed/Bledsoe HVAC Upgrade	\$ 6,000,000	Complete	August 2008
Bledsoe Window Replacement	\$ 1,000,000	Complete	August 2008
4th Street Sewer Upgrade	\$ 560,000	Complete	October 2008
Mark & Becky Lanier Prof. Development Center	\$ 13,665,000	Complete	April 2008
NCAA Soccer Complex	\$ 1,998,000	Complete	August 2007

Art 3-D Annex	\$	8,603,315	Complete	September 2007
Outreach & Extended Studies Building	\$	8,000,000	Complete	October 2007
Softball Field Repairs	\$	509,055	Complete	September 2007
Discovery Mall	\$	1,167,698	Complete	July 2007
Student Wellness Center	\$	9,229,767	Complete	March 2007
CDRC / CSAR	\$	8,126,506	Complete	October 2006
Scholarship Donor Recognition Walk	\$	225,000	Complete	November 2006
Sneed/Gordon/Bledsoe LifeSafety Upgrades	\$	5,792,000	Complete	September 2006
Jones AT&T Stadium Field Improvements	\$	2,860,000	Complete	August 2006
Student Union Building Phase II B	\$	6,034,070	Complete	November 2006
Student Union Building Phase III	\$	1,299,043	Complete	July 2006
NRHC - Christine DeVitt Wing	\$	3,278,509	Complete	June 2006
Experimental Sciences Building	\$	36,702,120	Complete	March 2006
Texas Tech Parkway	\$	9,222,073	Complete	February 2006
Grover E. Murray Residence Hall	\$	24,613,235	Complete	January 2006
Animal and Food Sciences Building	\$	16,809,505	Complete	February 2006
Wall/Gates LifeSafety Upgrade	\$	3,094,012	Complete	January 2006
Student Parking Expansion	\$	660,000	Complete	October 2005
Student Union Bldg. Expansion/Renovation	\$	37,372,009	Complete	October 2003/February 2005
Museum NSRL Addition	\$	3,555,259	Complete	August 2005
Admin Building Stone Repair	\$	2,262,839	Complete	January 2005
Jones SBC Stadium Stage IIA /IIB	\$	53,578,710	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	\$	3,234,692	Complete	August 2004
Football Training Facility	\$	10,974,030	Complete	May 2004
Marsha Sharp Center for Student Athletics	\$	3,789,332	Complete	January 2004
The Rawls Course Support Facilities	\$	1,692,000	Complete	November 2003
Admin Building Roof Repairs	\$	827,901	Complete	November 2003
The Rawls Course	\$	9,013,000	Complete	August 2003
Horn/Knapp Fire Suppression	\$	3,026,015	Complete	December 2002
Campus Conference Bonfire Circle	\$	400,000	Complete	September 2002
English-Philosophy & Education Complex	\$	44,910,950	Complete	August 2002
Flint Avenue Parking Facility	\$	10,670,916	Complete	August 2002

ASU

Project Name	Status	Completion Date	Cost	Funding Source
El Paso Strategic Space Study	Complete	TBD	\$	TBD
El Paso - Archer Building Renovations	Complete	March 2008	\$	1,700,000
Texas Tech Physicians Medical Pavilion	Complete	June 2006/Dec 2007	\$	36,462,388
El Paso Medical Education Bldg.	Complete	November 2007	\$	45,000,000
Abilene School of Pharmacy	Complete	July 2007	\$	9,087,743
El Paso Medical Science Bldg. I Build Out	Complete	July 2006	\$	3,564,306
Amarillo Campus Improvements	Complete	September 2006	\$	1,424,677
HSC Roof Replacement	Complete	April 2006	\$	1,747,867
The Larry Combest Health & Wellness Center	Complete	January 2006	\$	1,551,549
El Paso Medical Science Bldg. I	Complete	February 2006	\$	36,977,869
HSC Campus Infrastructure Improvement	Complete	January 2006	\$	5,028,277
HSC El Paso Clinic Expansion/Renovation	Complete	February 2005	\$	9,638,830
HSC El Paso Hydronic Pipe Replacement	Complete	February 2005	\$	1,552,209
HSC Academic Classroom Bldg.	Complete	October 2003	\$	14,963,993
HSC Synergistic Center	Complete	March 2003	\$	1,995,105
Amarillo Academic/Clinic Facility	Complete	April 2002	\$	23,636,894
Midland Physicians Assistant Building	Complete	August 2001	\$	6,000,000
HSC Admin Relocation	Complete	March 2001	\$	1,862,000
Odessa Clinic Renovation	Complete	September 2000	\$	1,200,000
Communications Disorders Renovation	Complete	May 2000	\$	2,161,000
HSC Total			\$	256,362,671
Completed Total			\$	1,308,857,895
TTUS Capital Project Total			\$	2,040,105,028



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System

Revenue Finance System Overview

Jim Brunjes
Vice Chancellor and Chief Financial Officer

Board of Regents
October 6, 2011

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TEXAS TECH UNIVERSITY SYSTEM

Revenue Financing System (RFS)

- Cost-Effective Debt Program Secured By a System-Wide Pledge of All Legally Available Revenues for Debt Issued on Behalf of the Institutions and System Administration

Board of Regents
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TEXAS TECH UNIVERSITY SYSTEM

Types of Debt

- **Revenue Finance System (RFS) Bonds** – Debt instruments issued with a specific revenue source identified for repayment. Bonds may be issued in one or more issues or series.
 - Tuition Revenue Bonds (TRB)
 - Student Fee Bonds
 - Revenue Bonds
- **Commercial Paper** – Short-term debt instrument with a variable interest rate used for interim financing. A flexible method of financing interim construction costs and equipment purchases before converting to long-term debt when appropriate.
 - Higher Education Assistance Fund (HEAF)



TEXAS TECH UNIVERSITY SYSTEM




Revenue Financing System (RFS)

- Rated Aa2 (or equivalent) by Moody's, Standard & Poor's, and Fitch
- **RFS Bond Debt Outstanding = \$479.2 million**
 - Includes \$228.6 million of Tuition Revenue Bond (TRB) Debt
- **RFS Commercial Paper Outstanding = \$85.4 million**



TEXAS TECH UNIVERSITY SYSTEM

Bond Ratings

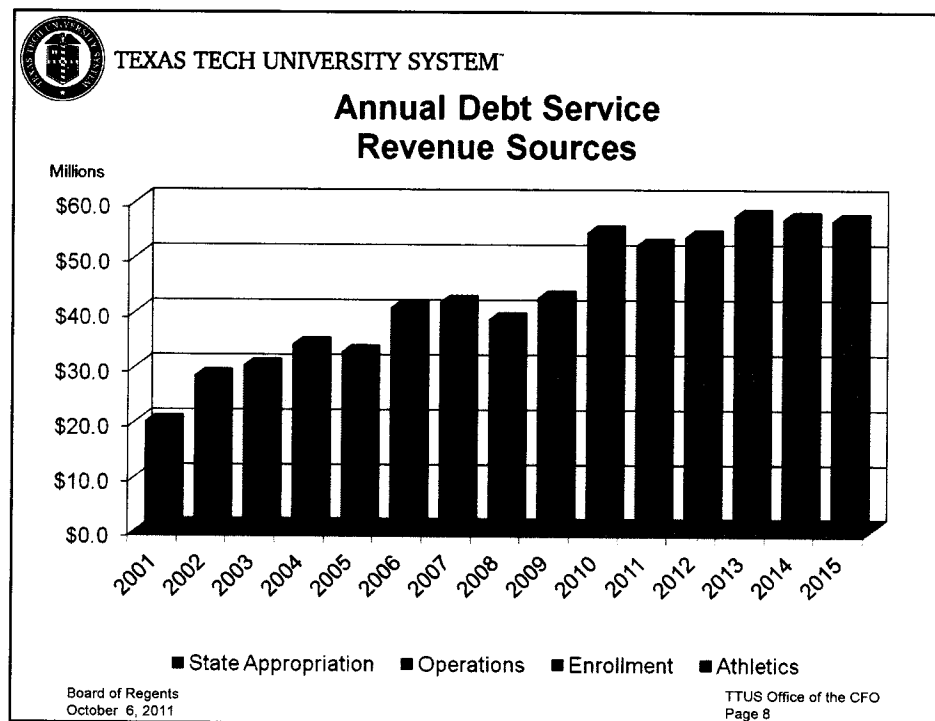
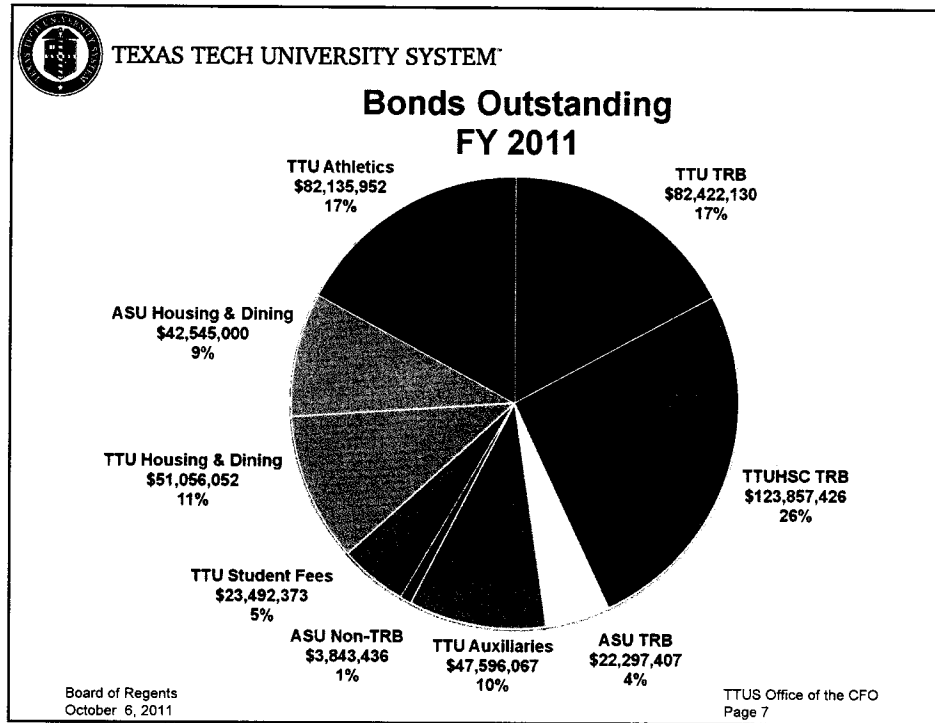
	Aa2
	AA
	AA



TEXAS TECH UNIVERSITY SYSTEM

Moody's Public University Medians

Aaa	Aa1	Aa2	Aa3
Texas	Kansas	Texas Tech	Oklahoma
Texas A&M	Missouri	Houston	Oklahoma State
		North Texas	
		Kansas State	
		Iowa State	
		Baylor	





TEXAS TECH UNIVERSITY SYSTEM

Four Debt Measures

Cash Flow

- Actual Debt Service Coverage (x)
 - Measures actual margin of protection for annual debt service payments from annual operations
 - The sum of annual operating surplus (deficit) plus depreciation expense plus interest expense divided by total of principal and interest payments
- Actual Debt Service / Operations (%)
 - Measures burden of actual debt service payments relative to overall operating budget
 - Actual annual debt service divided by total operating expenses

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TEXAS TECH UNIVERSITY SYSTEM

Four Debt Measures (Cont.)

Balance Sheet

- Expendable financial resources to comprehensive debt (x)
 - Measures coverage of comprehensive debt by financial resources that are ultimately expendable
 - Expendable financial resources divided by comprehensive debt
- Unrestricted financial resources to comprehensive debt (x)
 - Measures coverage of comprehensive debt by the most liquid resources
 - Unrestricted net assets divided by comprehensive debt

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TEXAS TECH UNIVERSITY SYSTEM

Moody's Public University Medians

|--|--|--|--|--|

Cash Flow

Actual Debt Service Coverage (x)	3.78	3.3	1.30	2.62
----------------------------------	------	-----	------	------

Actual Debt Service to Operations (%)	2.8%	3.6%	3.3%	3.7%
---------------------------------------	------	------	------	------

Balance Sheet

Expendable Financial Resources to Debt (x)	1.35	1.08	1.59	1.33
--	------	------	------	------

Unrestricted Financial Resources to Debt (x)	0.71	0.61	0.94	0.99
--	------	------	------	------



TEXAS TECH UNIVERSITY SYSTEM

Rating Medians: Moody's Public University Medians

Public Medians for 2010 – By Rating Level

Total Direct Debt (millions)	989.3	527.6	489.6
Total Financial Resources (millions)	1,824.3	956.3	1,194.5
Total Revenues (millions)	1,715.8	978.7	1,411.2
Total Expenses (millions)	1,936.6	968.2	1,360.3
Total Enrollment FTE	42,864	32,489	30,978



TEXAS TECH UNIVERSITY SYSTEM

Debt Capacity

Current long-term debt (millions): \$479,200

Projected Debt Capacity Using 2010 Financial Data and Moody's 2009 "Aa2" Published Medians As Guidelines

Performance Ratio/Factor	Debt Capacity Factor (Moody's Aa2 Medians)	Projected Debt Capacity Based on Moody's Medians	Assigned Weighting	Weighted Debt Capacity
Unrestricted Resources to Debt	0.61	\$936,970	45%	\$421,637
Expendable Resources to Debt	1.08	\$766,366	25%	\$191,591
Total Resources to Debt	1.85	\$777,785	5%	\$38,889
Debt Burden	3.6%	\$744,067	15%	\$111,610
Debt Service Coverage	3.3	\$180,152	10%	\$18,015
Calculated Total Debt Capacity		\$681,068	100%	\$781,743
Calculated Additional Debt Capacity		\$201,868		\$302,543

Current Tuition Revenue Bonds	\$228,600	\$228,600
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TEXAS TECH UNIVERSITY SYSTEM

Projects for 2011 Bond Issuance

Projects	Est. Bond Amount	Source of Payment
New COBA Building	14,000,000	TTU Student Fees
Student Union Expansion IIS	2,494,000	
Subtotal	\$16,494,000	
Jones East Side Expansion	15,800,000	TTU Athletic Gifts and Revenue
Jones North End Zone Seating	5,576,000	
Jones Restroom & Concessions	1,300,000	
Soccer Team Facility	2,080,000	
Softball Team Facility	3,019,000	
Track Renovation	2,488,000	
Subtotal	\$30,263,000	
New Residence Hall (Boston & 19th)	\$44,070,000	TTU Housing and Hospitality Revenue
Center for Human Performance	7,000,000	ASU Student Fees
P. Henderson Library	4,380,000	
Subtotal	\$11,380,000	
Plaza Verde	\$35,000,000	ASU Housing and Hospitality Revenue
TOTAL	\$137,207,000	

Board of Regents
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TEXAS TECH UNIVERSITY SYSTEM

Tentative Schedule of Events

October 6, 2011	Present BOR overview of current debt status
Month of October 2011	Select underwriters
Month of November 2011	Develop final list of projects for bond issuance
Week of November 7, 2011	Distribute draft of preliminary offering statement (POS) to full working groups Submit ratings request
Week of November 14, 2011	Ratings meetings BOR agenda item due (Supplement Resolution to RFS Master Resolution)
Thursday & Friday December 16-17, 2011	BOR committee meetings BOR meeting – approve bond resolution Electronic distribution of POS
Week of January 9, 2012	Price bonds (estimate date – state of bond market)
7 Days After Pricing	Final OS delivery
Month of January 2012	Receive approval from the Attorney General Close and deliver bonds Redeem \$100 million of commercial paper Redeem refunding bonds 2/15/2012 – Series 2001 8/15/2013 – Series 2003



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Texas Tech University System **Intermediate Fund Review**

October 6, 2011

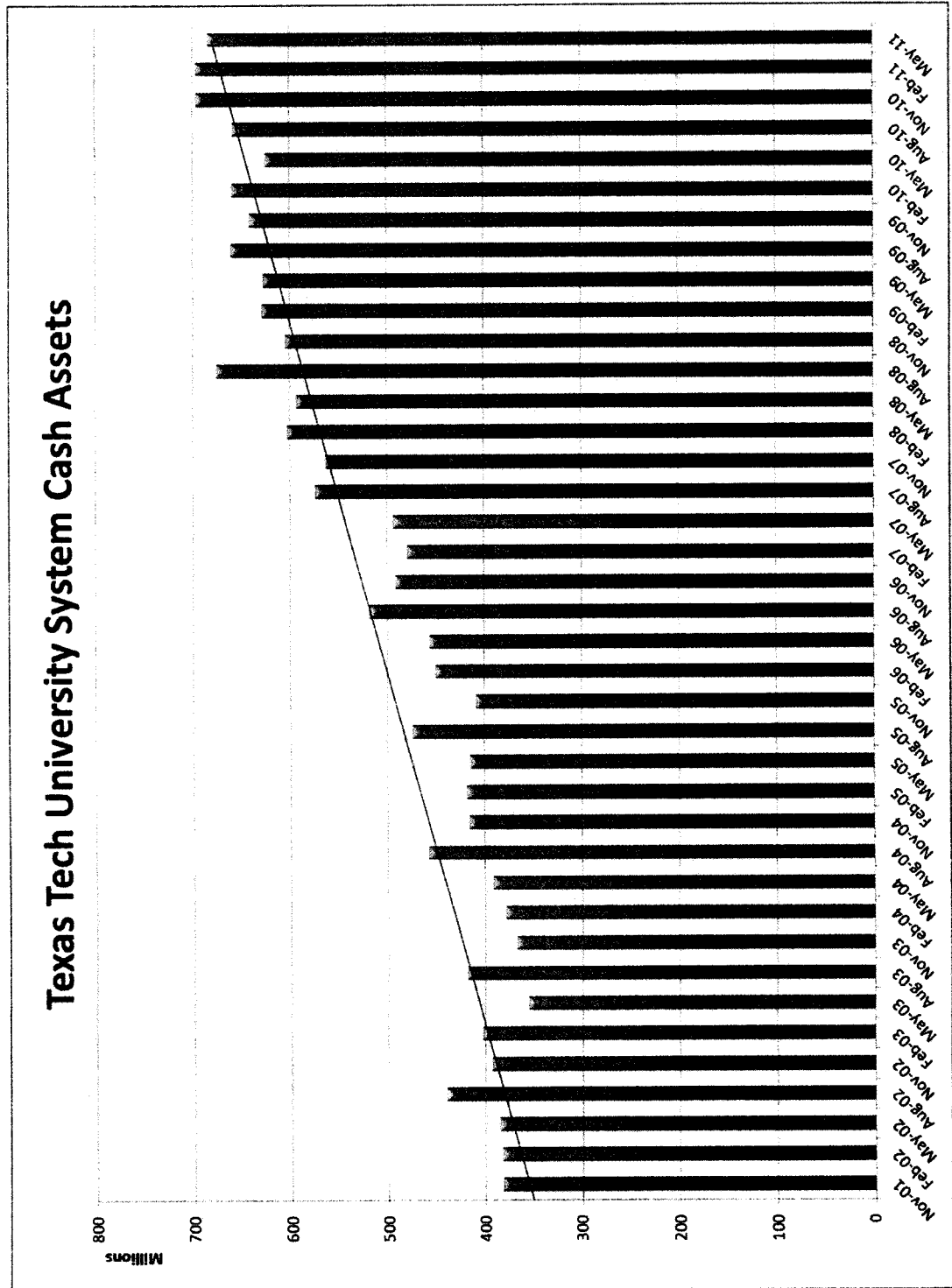
Michael Manning, CFA, CAIA, Managing Partner
KC Connors, CFA, CAIA, Partner
Sebastian Grzejka, Consultant
Cody DeSouza, Analyst

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25
Years
1986-2011

Assumptions

Texas Tech University System Cash Assets



Assumptions*

	Cash Fund	Short Term Fund	Intermediate Fund
Dollar Amount	\$200 million	\$200 million	\$300 million
Estimated Percent of Total	28.5%	28.5%	43.0%
Strategy	Money Market funds	Fixed Income only	Diversified, total return portfolio; Aims to achieve a 5-7% return
Liquidity	Requires daily liquidity	Very liquid	Mixed liquidity; prohibited from investing in securities with longer than one year lock-ups
Time Horizon	n/a	0-2 Years Maturity	3-5 Years (assume 3 years until TTUS will need to access the funds)
Oversight	CFO/CIO	CFO/CIO	Internal Committee (TTUS CFO, CIO, Component CFOs)
Portfolio Management	Investment Staff	Investment Staff	Investment Staff
Asset Allocation and Manager Selection	n/a	n/a	Investment Staff and Consultant

* Based on input from TTUS Staff

Intermediate Fund Mixes

Potential Asset Allocation Range

	Cash Fund	Short Term	Mix A	Mix B	Mix C	Mix D	Long Term
Cash	100%	0%	10%	8%	6%	4%	0%
Treasuries	0%	50%	10%	8%	7%	3%	0%
Credit	0%	50%	9%	7%	6%	4%	10%
TIPS	0%	0%	9%	7%	6%	3%	0%
High-Yield Bonds	0%	0%	7%	7%	6%	3%	0%
EMD (Local Currency)	0%	0%	6%	6%	4%	3%	0%
Total Fixed Income	0%	100%	41%	35%	29%	16%	10%
Large Cap Equities	0%	0%	7%	9%	11%	14%	10%
Small/Mid Cap Equities	0%	0%	3%	4%	4%	6%	0%
Int'l Equities (Unhedged)	0%	0%	6%	7%	9%	12%	10%
Emerging Int'l Equities	0%	0%	4%	5%	6%	8%	0%
Total Equity	0%	0%	20%	25%	30%	40%	20%
Private Assets	0%	0%	0%	0%	0%	0%	33%
Hedge Funds Low Vol	0%	0%	6%	7%	8%	10%	10%
Hedge Funds Mod Vol	0%	0%	6%	7%	8%	10%	15%
Total Alternatives	0%	0%	12%	14%	16%	20%	58%
Global Asset Allocation	0%	0%	15%	15%	15%	15%	0%
Commodities	0%	0%	2%	3%	4%	5%	13%
Total Other	0%	0%	17%	18%	19%	20%	13%

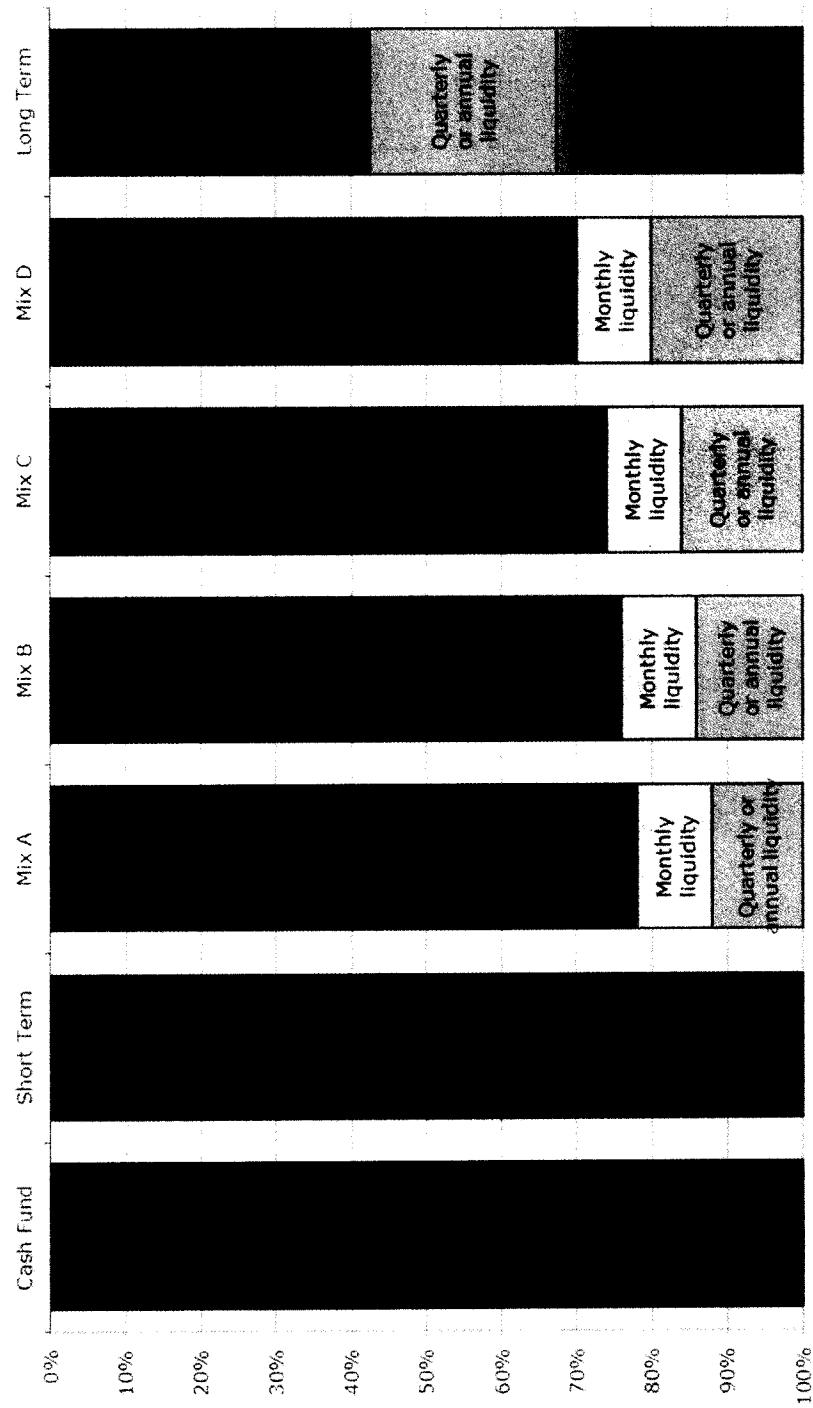
Expected Return	
Standard Dev of Asset Return	
Sharpe Ratio	

Probability of 1-Year Return Under 0%	
Probability of 3-Year Return Under 0%	

*1-3 year Treasury assumptions were used to model the Short Term fund's allocation.

**Note: Asset allocation for Long Term fund is for modeling purposes only. Target allocation is: 20% Constrained Equity, 15% Non-Constrained Equity, 10% Private Equity, 10% Constrained Credit, 10% Non-Constrained Credit, 5% Private Credit, 5% Constrained Real Assets, 10% Private Real Assets.

Liquidity



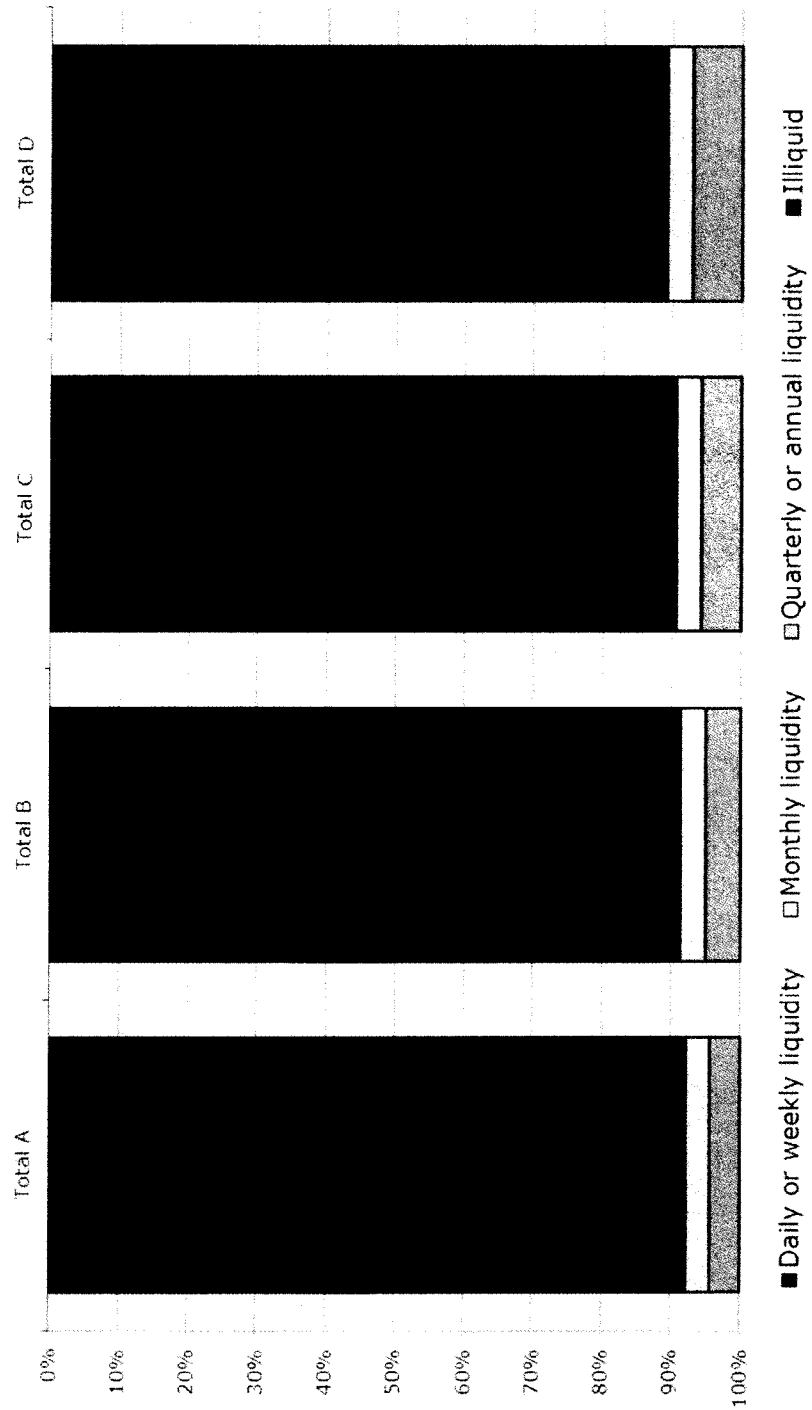
Aggregate Fund Data

Aggregate Fund Data

	Total A	Total B	Total C	Total D
Cash	32.8%	31.9%	31.1%	30.2%
Treasuries	18.6%	17.7%	17.3%	15.5%
Credit	18.1%	17.3%	16.8%	16.0%
TIPS	3.9%	3.0%	2.6%	1.3%
High-Yield Bonds	3.0%	3.0%	2.6%	1.3%
Global Bonds (Unhedged)	0.0%	0.0%	0.0%	0.0%
EMD (Local Currency)	2.6%	2.6%	1.7%	1.3%
Total Fixed Income	46.1%	43.6%	41.0%	35.4%
Large Cap Equities	3.0%	3.9%	4.7%	6.0%
Small/Mid Cap Equities	1.3%	1.7%	1.7%	2.6%
Int'l Equities (Unhedged)	2.6%	3.0%	3.9%	5.2%
Emerging Int'l Equities	1.7%	2.2%	2.6%	3.4%
Total Equity	8.6%	10.8%	12.9%	17.2%
Hedge Funds Low Vol	2.6%	3.0%	3.4%	4.3%
Hedge Funds Mod Vol	2.6%	3.0%	3.4%	4.3%
Total Alternatives	5.2%	6.0%	6.9%	8.6%
Global Asset Allocation	6.5%	6.5%	6.5%	6.5%
Commodities	0.9%	1.3%	1.7%	2.2%
Total Other	7.3%	7.7%	8.2%	8.6%
Expected Return				
Standard Dev of Asset Return				
Sharpe Ratio				
Probability of 1-Year Return Under 0%				
Probability of 3-Year Return Under 0%				

*1-3 year Treasury assumptions were used to model the Short Term fund's allocation.

Liquidity – Aggregate Mixes



Appendix

Asset Class Correlations & Yield Assumptions

Asset Class	Cash	Treas	Credit	MBS	TIPS	High Yield	Glob Bonds (U)	Glob Bonds (H)	EMD Ext	EMD Lcl	Lg Cap Eq	Srv/Mid Cap Eq	Int'l Eq (U)	Int'l Eq (H)	Emerg Eq	Private Eq	Private Debt	Real Estate	Comm	HF Low	HF Mod
Cash	1.00																				
Treas	0.20	1.00																			
Credit	0.15	0.95	1.00																		
MBS	0.25	0.90	0.90	1.00																	
TIPS	0.00	0.80	0.70	0.70	1.00																
High Yield	-0.05	0.35	0.50	0.45	0.25	1.00															
Glob Bonds (U)	0.10	0.55	0.50	0.45	0.40	0.10	1.00														
Glob Bonds (H)	0.10	0.90	0.70	0.60	0.60	0.10	0.60	1.00													
EMD Ext	0.10	0.10	0.50	0.20	0.20	0.65	-0.15	-0.15	1.00												
EMD Lcl	0.10	0.15	0.55	0.25	0.25	0.70	-0.10	-0.10	0.95	1.00											
Lg Cap Eq	0.05	0.20	0.50	0.35	0.05	0.60	0.00	0.00	0.60	0.60	1.00										
Srv/Mid Cap Eq	-0.05	0.10	0.30	0.20	0.00	0.60	-0.10	-0.10	0.55	0.55	0.90	1.00									
Int'l Eq (U)	-0.10	0.15	0.25	0.20	0.00	0.40	0.40	0.40	0.50	0.50	0.70	0.55	1.00								
Int'l Eq (H)	-0.10	0.15	0.25	0.20	0.00	0.40	0.40	0.40	0.50	0.50	0.70	0.55	0.90	1.00							
Emerg Eq	-0.10	0.00	0.20	0.05	0.00	0.45	-0.05	-0.05	0.80	0.80	0.55	0.60	0.60	0.60	1.00						
Private Eq	-0.10	0.05	0.25	0.15	0.00	0.60	0.00	0.00	0.25	0.25	0.75	0.85	0.50	0.50	0.25	1.00					
Private Debt	0.00	-0.25	0.15	0.00	0.05	0.65	0.00	0.00	0.55	0.55	0.40	0.50	0.40	0.40	0.45	0.00	1.00				
Real Estate	0.40	-0.05	-0.05	0.00	0.00	-0.10	-0.05	-0.05	-0.10	-0.10	0.15	0.05	0.10	0.10	-0.10	0.00	-0.20	1.00			
Comm	0.10	-0.05	-0.05	-0.05	0.20	0.00	0.00	0.00	0.10	0.10	0.00	-0.05	0.00	0.00	0.10	0.00	0.10	0.00	1.00		
HF Low	0.40	0.05	0.15	0.10	0.35	0.45	0.00	0.00	0.30	0.30	0.40	0.40	0.35	0.35	0.30	0.20	0.35	0.00	0.10	1.00	
HF Mod	0.10	0.10	0.30	0.20	0.20	0.50	0.00	0.00	0.25	0.25	0.55	0.60	0.40	0.40	0.35	0.35	0.60	0.00	0.15	0.90	1.00

Asset Class	Index
Treasuries	BC US Treasuries
1-3 Yr Treasuries	BC 1-3 Year Treasuries
5-10 Yr Treasuries	BC 5-10 Year Treasuries
Credit	BC Credit
High Yield	BC High Yield
Global Bonds	BC Global Treasuries
EMD (Local Currency)	JP Morgan GBI-EM Global Diversified
TIPS	BC US Tips

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
October 7, 2011

Chancellor Hance presented his report to the Board: "I want to report on just a few things. Our fundraising for the end of the fiscal year came in at \$184 million. It was the best year that we have ever had. It's the fifth consecutive year that we have raised over \$100 million. On our campaign to raise a billion dollars at the end of August, it put us at \$796 million. We are above the \$800 mark now and are well on our way to achieving the goal of one billion dollars.

"I sent you last week a report that had to do with productivity and efficiencies in all that we're doing. If you look, the press has really in the last six months talked about efficiencies and talked about some of the governor's items that he wanted achieved. You've seen some different reports from our friends in Austin and College Station, and I want to report that a lot of the things that are being talked about, we've already done. We did it before they even came up as issues and I think that the Board and the Administration needs to feel proud of this, in that some of the things that we've been able to do, and do correctly over the period of time. We've increased the number of degrees over the last five years by 7.4 percent at Tech, and 9.3 percent at Angelo State. We also had the Red Raider Guarantee Program, and it increased the number of lower income and underserved students by 52 percent from the fall of 2006 to the fall of 2010. This year Dr. Bailey was able to provide some funding to make up for what we lost in state government. But the state grants are going to be critical in addressing this issue with going forward. So, we hope the State Grant program will come back into being in the next session of the Legislature.

"Angelo State was designated as a Hispanic Serving Institution. They received \$3 million in 2010 to aid in minority retention. That is a big plus for us.

"At the medical complex at the medical school, the Family Medicine Accelerated Track—where you can get a degree in three years—has been adopted and we are the first in the nation to launch such a program. There are going to be others that do this. This will be for General Practice and Dr. Mitchell will touch on that just a little later.

"Also, we're starting to make some strides and distance in online learning and Tim Hudson is heading that up for the system at this time to coordinate what we're doing with Texas Tech and Angelo State and the Health Science Center. We've also worked at expanding the awards we give in research and teaching for professors. We've been giving three in each University, each part of the system, and we have changed that to nine. We give them an award; they get money on it; they get recognition; and we will have them here and recognize them in December. We are able to do that because we have raised more money for the Chancellor's Council. This is the first year the Chancellor's Council has ever raised more than a million dollars. That's something that started with Chancellor Montford and we've been able to take that and do extra things. Those awards mean a lot to the faculty. We've also had our Top Scholar program—that

was part of the introductions that I just made. We're looking at doing everything we can on our commercialization of technology. Our friend Jodey Arrington has taken over in that area now, and I think you're going to see some great results. The last two years we had some great results but I think you're going to see even more.

"The further outreach with the communities—the rating that we got from the Wall Street Journal is the 18th best place in the nation to hire people. That was a big plus for us. That is another thing that we need to be very proud of.

"Our information tech, our IT people, have made a lot of improvements. The Banner System was a little tough when we went through that transition, but it's really proven to be a great asset for us. So we are very pleased about that.

"On making adjustments when the budget was cut, that was pretty tough. We had anticipated that ahead of time and Dr. Bailey had made some changes, and we didn't fill some positions. That went well. Dr. Mitchell did the same thing. Angelo State was hit a little harder and they had an elimination of 32 positions, which was five percent of their faculty workforce. They made those adjustments, and we've made adjustments without affecting the quality of education that we're bringing. It has made classes larger and some things like that that we are still going to have to come back and address. Some of the information I'm giving you this morning is good news, but the other side of some of it is bad news also.

"The RCM, Responsible Center Management, that is being implemented and I think you are going to be very impressed with the results of that over the next few years.

"The student credit hours for faculty members increased by 7.5 percent. The weighted student credit hours taken increased by almost 11 percent and our classroom efficiency score went from 75 percent in 2008 to 92 percent in 2010. There are not very many universities in the nation that have 92 percent efficiency rate on their classrooms, because there is a tendency that everyone wants to take their classes at between 9 to 11 o'clock on Monday, Wednesday, Friday. So, our people have done a great job in that regard.

"Our instructional cost for student credit hour has decreased by 13 percent between 2008 and 2010. One of the things that—and Regent Steinmentz brought this to my attention—he had been given some information that talked about some of the costs and what was happening budget-wise. For example, it was A&M. They showed a cost decrease of two percent, and so their budget was down two percent. We checked on that and they did not include the available University Fund, the money they get from the Permanent University Fund. They did not include increase in fees or increase in tuition for business, engineering, and things like that. So, I thought the best thing to do—if we take out some of the things that were expenses for us, we can show pretty good also, but I thought that one of the things we ought to do is go back and look at the information that you turn in on your costs, go back and look at that and see what the Coordinating Board has, because all of us has to turn in the same information. The first hand out is exhibit A that I want to go over. This shows that we had our cost per student was \$17,971—our operating expense. A&M is \$23,519 and UT is \$37,231. They are over twice

what we are. The statewide average is \$19,123. We were below the statewide average. If you look at the three years, if you go back to 2001, between 2001 and now, Texas Tech has gone up 31.7 percent over the 10 years. A&M has gone up 56.8 percent. UT has gone up 62.3 percent and the state average has gone up 44.1 percent. So, I'm just going to tell you, we've done a great job. This Board and the administration of all of our components, they need to be very proud of what we've done. We've done a lot more with less and this is great news. If you are talking about efficiency, you look at what we are doing and the ones that are charging more—Houston, UT Dallas, A&M and UT Austin are all substantially above us on their cost per student. And these are numbers that we get from the Coordinating Board. I think this is very important. Now, the downside on this is that we have to get our numbers up in one area in particular, and that's with faculty. We have got to get more competitive nationwide with faculty and that is my top priority over this next year and Dr. Bailey is working on that and will have some reports in the future on it. He is doing a good job in that regard. There are two other exhibits that I want to show you. That has to do with the instructional cost per full time student equivalent."

Chairman Turner asked, "Kent, let me make sure, those cost increase percentages, that was from 2001 to 2010."

Chairman Hance responded that was correct.

Regent Huffaker asked, "What was ours?"

Chancellor Hance responded, "Ours was 31.7 percent. The percentages that I read out that are not listed will be sent to you. The first one is the instructional cost and that is what it costs to actually teach, it does not include the operations like grounds keeping and building maintenance, but instructional cost. If you look at that, the only school that has had a reduction over the last three years is Texas Tech University. If you look at those three bars, ours are stair stepped down, we have really been able to watch our costs. That includes the seven emerging research universities plus A&M and UT Austin. The next bar chart would just be the seven emerging. It is the instructional costs for 2010. It also includes A&M and UT for the year 2010. You can see that the instructional costs there were right at \$9,000 and we're below North Texas, Houston, UT Dallas, A&M and Austin. We do have lower cost of living than some of those areas, and not that much. The good news is that we have done an excellent job at keeping our costs down. The opposite of that is we have got to get our expenditures on our faculty up to be competitive as we move forward in our search for being not only Tier One, but an AAU school."

Regent Turner asked, "Chancellor, on these two handouts, this is also information that was furnished to the Coordinating Board?"

Chancellor Hance responded, "Yes, to the Coordinating Board. Jim Brunjes and Kyle Clark were the ones that got that information. The reason they did is that we were trying to compare all these other things that people had put out and it was not the same as what everyone else had, so we just went to the Coordinating Board and got the exact figures that everyone has to turn in. We were in apples to apples at that point and time."

"In summary I'd just like to say that the progress we have made speaks for itself. We have continued to do more with less. We have increased our enrollment while increasing our quality as well. Our research has gone to record levels. Dr. Bailey will touch on that. We still have a long road ahead of us, but I think the biggest item that we have got to face in the next few years is getting the faculty salaries up and we have got to show that we are competitive to be a national research university. That is one of the factors that they look at. So, that is one of the things that we have got to do.

Chancellor Hance concluded his report.

Chairman Turner thanked Chancellor Hance for his report.

President's Report
Texas Tech University
Board of Regents Meeting
October 7, 2011

Dr. Bailey presented his report to the Board: I'll give an update on several things. First of all an update on our enrollment, and we've set a record enrollment for the third straight fall at 32,327 and for the sixth straight long semester. So, when you include spring semesters there, we've had a record enrollment for six straight semesters. We set records in total enrollment, graduate student enrollment, and enrollment of underrepresented minorities. Our applications were up by more than 900. For the first time in our history, we have more than 17,000 applications. That's a significant increase in applications and if you want to know how you're held in esteem by prospective students, applications are a good example of that. Something that people don't notice but is very important, maybe the most important thing because it triggers your funding, our student credit hours also set a record. We broke 400,000 student credit hours for the first time in our history—405,644. The increase in student credit hours exceeded the head count growth. That's really what you have to have. It is very important that your student credit hour growth exceed the head count growth. It's not financially feasible if it works the other way. This is the best thing we could do financially. First and second year retention rates were also up a little bit, very slightly from last year and this is good news. A little bit of bad news, our four year graduation rate declined from 36.9 to 32.8 percent. I'll give an explanation for that in just a minute. And our six-year rates declined a little bit as well. Our five-year rates were about the same. But, except for those declines in graduation rates, everything looks very good there. The fall enrollment growth, the rate of growth, was more modest than it has been in the last two years, and it was purposefully so. First of all, we had uncertain state funding in a variety of ways, everything from Texas Grants to how much we get through the formula, and then we also wanted to reverse a decline in our SAT scores and we wanted to get that back on an upward trajectory. So, this fall we focused on growing the enrollment while increasing the SAT scores and becoming more selective as an institution and of course what that really requires is careful management of the freshman class. We increased our total enrollment by 690 students but our freshman class declined by 394. So, we reduced the size of the freshman class in order to get the SAT up to be more selective, but the total enrollment still increased substantially anyway. We had an increase in freshman applications. Applications from first time freshman of 937, but we actually had a decrease in the admission of first time freshman to 190. So, as you'll see we had a significant increase in our selectivity measure and we'll continue these efforts to enhance the quality of our classes and there are two new programs that are extremely important for this. One, is a change in the way we do our scholarship program. There is a handout that you were given. I won't go into detail about this unless you have questions, but essentially we've broadened our scholarship program. At one time, our scholarships were triggered on two things, your SAT score and your rank in the top ten percent of your class. The problem is, especially in large, very good high schools, you have people with 1400 and 1500 SAT's who are fifteenth in the class, or not in the top ten percent, they're in the twelfth percentile, or the fifteenth percentile, and so we've expanded our scholarship program to include people in the top

25 percent of their graduating class. We think this will help us enormously. A lot of those students were getting scholarships to Arkansas, Mississippi, Oklahoma, and Alabama. We were losing students to out of state schools, and we think we'll be able to reverse that. This will enhance the quality, and we've put some additional resources in to the scholarship program. This will give you a good summary. If you have questions about it, please let me know."

Regent Huffaker asked, "Let me interrupt you right there because I think it's pertinent to what you're talking about. As I understand it, a lot of these rating agencies that rate universities look at SAT scores and such for incoming freshman. Do they pay any attention at all to transfer students from community colleges? [Dr. Bailey answered that they do not] I noticed that we have a scholarship program that helps us recruit, I assume, good quality transfer students?"

Dr. Bailey continued, "That's exactly right. Transfer students are not... They look only at first time, full time freshman in the fall and summer semesters. So if you enter in the spring semester, you don't count and if you're a part time student you don't count, and if you're a transfer student you don't count. There are potentially very good students in all of those and remember that nearly three quarter of the people who start higher education in Texas now start at community colleges. So, we recruit community colleges in the same way we do high schools, looking for the best students there and we have a scholarship program for those students and it's been very successful so far. We've had great success not only with South Plains, but with Tarrant County Community College, and Collin County, and other community colleges throughout the state of Texas. That's an important program for us. If you'll notice our spring enrollments have been very robust recently and part of that is that transfer scholarship program. We especially apply that in the spring semester."

Regent Anders asked, "Dr. Bailey, follow up question to John's, does that same thing hold true with transfer students for four-year and six-year graduation rate metrics, do they count?"

Dr. Bailey responded, "They do not count. The four-year and six-year graduation rates, are applied to first time, full time freshman. We do track the graduation rates of our transfer students as well and they graduate—the ones we get here—at roughly the same level proportioned as our native student population does. So, we track that but it's not factored in to the rates that most rating agencies use."

Regent Huffaker stated, "Not to go off on a tangent, but honestly a part of what our mission is, to the state of Texas, is to attract and educate those students coming out of community colleges. You know, it sort of irks me that none of that part of our mission is even measured."

Dr. Bailey continued, "We have about...in a typical fall semester a third of our new students will be transfer students. Two thirds will be first time freshman, most of them full time. Remember, most of our students are full time students. If you look at head count growth at the urban schools, UTSA or University of Houston or Arlington, a significant part of the head count growth will be part time students. They will have an

even larger transfer population. We're very proud of the transfers. We think that they're every bit as qualified academically as our freshman."

Chairman Turner asked, "The applicants were up for first time freshman... it was up 930-something?"

Dr. Bailey replied, "That is correct—nearly 1,000."

Chairman Turner continued, "And then, admissions were down a 190. Is there middle categories in there too of admittance but that did not enroll?"

Dr. Bailey answered, "Well, certainly of the people who are admitted, typically 40 percent of the admitted students will enroll. So, I think we admitted 66 percent of that 17,000. I'll get the figure in a minute. About 40 percent enrolled in the institution. So, if you think of it as three pots—the applications, the admissions and the enrollees. If you look at measures of quality, the percentage of your applicants that you admit is something that rating agencies look at. That's been about over 70 percent for us, but 66 percent this time. The rate at which they enroll is a figure that's very important to us. That's about forty percent."

Chairman Turner questioned, "And so, Dr. Bailey, when you say that admissions were down a 190-something, is that the same as saying enrollees were down? So it's the admissions, it's the middle?"

Dr. Bailey answered, "That's right, it's that middle pot."

Chairman Turner continued, "Which really does affect the selectivity?"

Dr. Bailey continued, "That's right. If you think of increasing that pot of applicants, pool of applicants, by nearly a 1,000—if we had admitted at the same rate, we'd expected about 1,100 additional, so there was a significant increase in selectivity. And you'll see this in a graph."

Chancellor Kent Hance stated, "One of the things that I want to add that I want to make sure everyone understands, we want to continue to get a lot of freshman. And one of the things with freshman that happens, if they're here four years, or five years, the loyalty in giving and being part of Texas Tech is a lot better than if they're here only two years. We're not decreasing on freshman as much as it's just being routed in a little different way."

Dr. Bailey added, "We had nearly 4,500 freshmen. We're not hurting for new freshman. So, that's a significant pot. And that pool is enhanced by the next program, the Tech Transfer Acceleration Program, a TTAP program. Dr. Munoz is here. He's the guy who put this together and this is regarded as a model around the state. It's very highly regarded as a program. How many students do we have in that?"

Dr. Munoz responded, "There are 91 for the fall class, and there are approximately 90 who are at Texas Tech today as full time Texas Tech students."

Dr. Bailey continued, "Here's what we do for students who don't meet our admission criteria, but we think have a very good chance of being successful, we offer them admission into the TTAP program. The TTAP program is a partnership with South Plains Community College, and we've talked a little bit about this before. Students come here, it's important that they come here, they live on campus, they take courses through South Plains, they take one course that we offer, but the courses are primarily through South Plains, so their SAT scores don't count against us. If they make a 2.5 GPA in their first semester, they are automatically admitted to Texas Tech in the spring. The one thing about the TTAP program that's really good, it's a highly structured program. These students get far more mentoring and things are really structured for them in a way that they're not structured for other students. So, we think that this program would be highly successful. We look for it to grow, and it will help us meet our obligations to the state to educate a broad range of students, even as we become more selective. So, we're particularly proud of that program."

Chairman Turner asked, "When did we start that program?"

Dr. Bailey added, "It is in its third year. Dr. Munoz has a lot of work to do. This is an interesting program logistically. Remember, South Plains has its own work and business to do; we have ours. His job is to mesh those two. We couldn't ask for a better partner than South Plains College, but again, we try to help them ensure that they have adequate instructors and instructors that we would want to hire here for our students. They work very closely with us. It's a great program that I think has tremendous potential. A lot of people around the state are looking at it as a way to maintain and increase your access while not diminishing the quality of the freshman class you admit."

Regent Neal asked, "Did you say how many students are in this?"

Dr. Bailey responded, "There are 91 this semester."

Regent Neal continued, "And persistence, are they staying with us?"

Dr. Bailey answered, "We had 90 in the program from last year. So, I think we are doing pretty well. Again, remember, only about a little over 80 percent of our freshman come back for a second year. So, we would measure the success of this program. We want persistence rates that are parallel to what we have with students we admit. These two things together, I think, will help us in our rankings and really achieve a lot of goals that are sometimes in conflict with one another. So, we're very pleased, and by the way Jim Burkhalter, the scholarship program is Jim's baby, and these are his ideas, and so these two guys together have been very helpful. If you think of enrollment, what it is enrollment management and we're trying to do a very good job of managing enrollment.

"The next slide illustrates the increased selectivity, and as you can see, in the fall 2011, a little over 66 percent of the applicants were admitted. That's a very good national standard. So, we've made good progress there. I said I had an explanation for our decline in four- year graduation rates for fall. If you look at fall 2007, we were far less selective in the students that we admitted and we're paying for it right now. Those fall

2007 students should have graduated, a big chunk of them, this spring. So, I have another chart and there's a pretty nice correlation there. Four years from now, this will pay big dividends. It will pay big dividends next year with better retention rates."

Chairman Turner asked, "Dr. Bailey, do you recall what the SAT and ACT scores were in 2007 and 2011?"

Dr. Bailey answered, "I believe they were 1092. Actually the next slide shows that. It tracks our changes in SAT score. So during the fall of 2007 was 1092. You can see why we're trying to manage this pretty carefully. It will pay off. Remember, we're measured—another thing I want to bring to the Boards attention-- that the state is now looking at changing the funding formulas and adding performance measures. Those performance measures will be triggered by things like graduation and retention rates. So, it's all that much more important to us to focus on the graduation and retention rates because there will be a financial consequence for doing that. We think our graduation rates will start going back up now because our SAT scores did. You can see the track, and you can see we've started back up in the right direction and we'll manage this carefully."

Chairman Turner stated, "Dr. Bailey, we still down substantially over 2005."

Dr. Bailey answered, "Yes but there is the challenge. In 2005, we were able to do this because we had a much smaller freshman class. Now, we could easily raise our SAT scores by simply reducing the size of your freshman class. But there's a problem there. Remember that the state funding formula incentivizes growth. So, if you don't grow, you lose money. In the 2009 legislative session, actually you can see this in far more detail than you'd ever want to see it in a PowerPoint on my website. We didn't do well in 2011. In the 2009 session, the state put more than seven percent new money into higher education. We realized less than two percent growth in our budget. So you have to balance out growing your enrollment and also managing the quality. So that's what we're trying to be very careful to do. We need to grow our enrollment and we need to balance the quality of our growth. I think we're getting a much better handle on that."

Regent Stienmetz added, "Dr. Bailey, in recognizing formula funding and the importance of it, I know the Chancellor and I have had this conversation and I agree with the Chancellor 100 percent. The loyalty that freshman, or a four year college student brings to the table is very important and I hope we don't focus so much on junior college, or community college transfers, and lose that long term loyalty."

Dr. Bailey responded, "That's the reason we put the TTAP program in. We think that with the TTAP program, we can achieve a lot of both of those things. We believe we can get the kids here on campus and transfer them in. It's important because the minute they step on this campus, even though they are technically South Plains students, they are part of the Red Raider family and we want them to feel that. They get the same privileges that every other Texas Tech student gets. We want them to feel like they are part of the family. By the way, the students in this program are from all

over the state. I have no doubt that a lot of them will be very successful and one of those TTAP students may have a college named after him or her at some point."

Regent Scovell asked, "What is the percentage of graduating seniors in the state of Texas that go to a two year community college?"

Dr. Bailey answered, "That would be 75 percent."

Regent Scovell continued, "And I assume that's increasing?"

Dr. Bailey answered, "It fluctuates a little but the last five or six years it has been somewhere between 70 and 80 percent."

Chancellor Hance added, "But only 12 percent go to a four-year school. So, some of them are going for welding, cosmetology, all kinds of things."

Dr. Bailey added, "And some of them don't transfer at all. So, you've got a population that you need to recruit, that you need to get the best students out of. But that's right. Many of them don't transfer, and many of them aren't successful, and some of them never intended to transfer."

Regent Anders asked, "On TTAP, again, going back to my previous question, that doesn't help us on the metrics for the rating agencies that we're trying to balance, but it does help us in form of a funding, is that correct?"

Dr. Bailey answered, "It will. It will help us as you go into the second semester. And more important, it doesn't hurt us. And that's the key thing."

Chancellor Hance added, "That's the key. Considering those 91 students, if we'd accepted those 91 students, our scores would not be 1107. I think that what happened and one of the things that I want to mention, in 2007, I emphasized to all of our people that we've got to grow. And we did, we went from 3,900 students to 4,500, but we dropped a total of 26 points on our SAT. So, the next semester, the next year, before Guy got here, I emphasized that we've got to get the scores up. So, they got the scores up, they went to 1,113. We are hoping that with this new program that Guy has, and even though it's only at 91 this time, that it will 200, or 250 or 300, because every student that we can get in to that program helps us both with our enrollment numbers and also with our SAT scores. It lets them be part of the Tech family and so Dr. Bailey's got this as a priority."

Dr. Bailey added, "There are probably some TTAP students over at Raiderville. And again, we want them to be a full part of the family, and it's important that they live here on campus. We have freshman live on campus not simply because we want them too, but because it helps them academically. The success rate of freshman who live on campus is far superior. Even when my daughter went to college, she didn't have to live on campus as a freshman, I required her to and it had everything to do with academic success. So that's the goal in all of this. We think that TTAP program is much better than a program where you go to a community college somewhere else and transfer,

cause you get all the positive support and the guidance here that we give our normal students. We think it's a great program for us."

Chairman Turner asked, "What does that acronym stand for?"

Dr. Bailey answered, "Tech Transfer Acceleration Program. I'll ask Dr. Munoz to send a couple of PowerPoint slides around."

Regent Huffaker stated, "And they are paying South Plains College tuition rates, correct?"

Chancellor Hance added, "Yes, but they're paying for our dorms and the student activity fees to go to football games and things like that."

Dr. Bailey continued, "In any event, we feel good about the way we are managing the enrollment. We think that bodes for very positive things for us in the future.

"Just a quick update on NRUF and research—the final numbers for our performance on NRUF criteria aren't in yet but we feel really good about our performance on those criteria for FY11. Remember, we were very pleased with FY 10. We thought that the numbers we submitted there met the benchmark. We feel really good about what's happening for FY 11. What I will do in December, just as I did last December, is provide a full report to the board on the NRUF criteria. I think you'll be very pleased with the numbers you'll see there. Again, the research final numbers are not in and we won't ever mention things like restricted research again, we won't talk about NRUF. We'll talk about how we stack up nationally as a research institution from now on. And if you look at our total research expenditures for FY 11, we'll set a new record and they'll exceed \$130 million, maybe \$135 million. Remember that in FY 08 there were around \$55 million. So, we've had tremendous growth in those numbers. Now, there's something that's even more important than just that growth itself. In 2008, a lot of our external funding was from earmarks. They were essentially earmarked and it was noncompetitive and that doesn't really help you a lot in the estimation of your peers. That's begun to change pretty significantly here. If you'll look at the next slide, you can see the earmarks in black. You can see the earmarks declining and you can see the other sources of funds increasing pretty significantly. Our faculty are doing a much better job in being competitive. Another figure that I just got from Taylor, in FY 10, if you look at the National Science Foundation, which is perhaps the most competitive agency that our people apply to, we had about \$8 million in awards, not expenditures, but awards in FY 10. In FY 11, we've had over \$17 million in awards just from the National Science Foundation. That's very competitive and really speaks well to what our faculty is doing. They're really stepping up and that will be noticed very quickly. These are competitive kinds of awards.

"I have another quick announcement. I have some very good news, and again this is really hot off the press. The Department of Interior is going to be announcing at 1 o'clock today the establishment of a multi-university regional climate science center for Oklahoma, Texas, New Mexico, and Louisiana. It's expected that this award will be well over \$20 million for a five-year period with a very good chance of renewal. There are

centers like this around the United States. We competed for this. There are teams of universities. One team was headed up by our friends in Austin. Another was headed up by our friends that we play tomorrow evening, over in the Jones, and then we worked with OU, OSU, LSU and two tribal nations to put together a consortium. We were co-leaders of that with OU and the announcement will be that we won that award. This is head to head with competition, competitive awards with our two big rivals in the state. So, I would say that I'm not bragging, but I am. I'm very pleased with Taylor and his entire team and with all of the faculty involved in that. This is quite an honor. These centers were started back during the Bush Administration and this is one of the last to be awarded and so we're very pleased with this and it will be a tremendous coo for us, and I hope this will set a precursor of a victory for tomorrow night."

Chancellor Hance, "As Dizzy Dean said, it's the truth it's not bragging. The other thing is that I think what Texas Tech put together was something that would appeal to this administration and the tribal nations involved and everything, and it was formulated in a way that was smart politically on our part, and even more important that we had merit. We had great merit."

Dr. Bailey continued, "We'll do some great science there and we couldn't be more pleased with how that's come out."

Chairman Turner questioned, "I'm a little confused as to consortiums. Are we the leader of the consortium?"

Dr. Bailey answered. "We and OU were the co-leaders."

Chairman Turner continued, "Is this through Ron's group out at...where will this work take place?"

Dr. Bailey referred to Dr. Eighmy for a response.

Dr. Eighmy asked for Mr. Turner to repeat the question.

Chairman Turner asked, "Where's this research going to be focused within the University family?"

Dr. Eighmy replied, "What's interesting about this is that this is one of eight regional climate science centers for the United States. This is one of the last to be awarded. It's focusing on the four states that are mentioned, and most of the researchers that are participating are from our College of Arts and Sciences, mainly the department of biosciences, and the department of natural resource management in the College of Agricultural Sciences and Natural Resources. We're going to be focusing a lot on the eco systems here in Texas that integrate with what the state is doing, what the Fed's are doing here in Texas down in Big Bend. We're going to work a lot on the Guadalupe Bass and the Brazos River and all of its tributaries. It involves a lot of meteorological work and modeling, so all of the things that we do with our West Texas Mesonet will be involved. It was a very rewarding experience to participate in this. We worked on getting ready to submit this proposal for over a year. It took that much lead time, and

we were teaming way in the beginning, so by the time our two competitors here in Texas started to team, we had already locked up everybody. So, pays to be looking over the horizon well in advance of everybody else to do this. What's really nice about this is that we bring a whole bunch of expertise from Texas and our Texas partners in the state agencies to this partnership that the other two institutions really couldn't bring when they finally got around to it. So, it's all good and Dr. Bailey played a very important role in this because when we actually met in Oklahoma, it will be located in Oklahoma because they have a massive National Weather Service presence there and that's so integral to this, but we had a huge leadership role and Dr. Bailey put on the table the provision of resources and new faculty lines that would be contributing to our efforts and the Department of Interiors was very, very complimentary of that role. So, this is what we call long ball and we've been planning for this for a long time and we have a bunch of others like this we're going after."

Chairman Turner stated, "Congratulations. Well done. Maybe you should talk with Coach Tuberville about a game plan."

Regent Huffaker added, "If I could just make one really quick comment. The chancellor and his exhibits regarding the expenditures per student gave us those numbers and one of those sets of costs are instructional costs, and one of those sets of costs are this so-called operating expense. As you know, we're rated on this operating expense thing. One of the numbers that's in there, or the factor that's in the bigger number are research expenditures. So, in a way, we've increased research expenditures and so far as the statistics are concerned, are quite helpful. So that's a good thing to do even though it's perhaps the real incentive as to what we ought to be doing."

Dr. Bailey continued, "One of the issues that we'll look at is how we categorize and classify our expenditures and how we use the revenue that we do have. That's very important, that's made a big difference for us in our research numbers and I think it will help with some of the other numbers as well."

Dr. Bailey stated that was the conclusion of his report.

SGA President's Report
Texas Tech University
Board of Regents Meeting
October 7, 2011

Tyler Patton presented his report to the Board: "It is good to see everyone again today. I think that you are going to like my first point, especially Regent Scovell. We have set a record at Texas Tech SGA. This is the longest consecutive number of days that Mike Uryasz and I have not worn a similar suit and tie combo. So, we're going strong for a month now. Thank you Regent Scovell.

"We have some really good things that have been going on. We just wrapped up our student retreat two weeks ago. It has been one of the most successful ones we have had. We stayed in Lubbock this year with the help of the Red Raider Club. They opened their facilities for us on the West Side of the Stadium and we actually had the largest number of senators that we have ever had in Student Government. So, we are definitely feeling the growth, and we have outgrown the Senate Room and thus have taken some creative measures to try and move across campus and also utilize some of the spaces that our students normally would not see in their own academic experience. So, that is pretty good.

"We are also streaming our Student Senate meetings now online through KTXT 88.1 FM. So, on Thursday nights if you guys ever want to tune in for the action it is available.

"I do have some other good news to report on the transportation account. We are actually going to see a \$60,000 surplus this year in that account because we realized those new revenue opportunities through our apartment complexes around here. So, that is great. I don't think that that has happened at all since I have been here. I'm really proud of the work that we have been doing there.

"Finally, we wrapped up a tour of the west coast. About a month ago, we got a chance thanks to Dr. Muñoz,--his office helped us coordinate a trip to tour three universities, University of Southern California, UCSB, and UCLA, to tour their diversity programming. Those three universities combined are some of the leaders in diversity services and we have assembled a Student Task Force on campus diversity. We are going to be trying to take some of the instruments and some of the programs that they have got in place there and see how we can maybe work that in to a recommendation for a Student Affairs initiative in the near future. So, hopefully in the next semester after we kind of do our research and we meet with all the right people, we will have a good report and a presentation to actually provide to the Board, because I think that is something that is really important and that is needed. I definitely think there is a need. Students have kind of come together and said 'we need the task force' so we have been happy to oblige.

"The only other order of business is that we are about to start working with our legislative working group. This is something new that we are going to try this year. We

normally take a coordinated effort to try and work with our networks in D.C. and in Austin whenever the Legislature is in session and really leverage our relationships with other universities towards higher education issues. Recently it has been tough trying to coordinate everybody. So, we really wanted to double down and utilize, especially at the federal level, to integrate our mission with the trips that we annually take with the president and the Chancellor's Office early in the semester, rather than later, which is normally what happens with the conference. So, we're actually putting that together. We have utilized some of the best alumni from our D.C. internship program to start work on that. Hopefully, I will have some good news to report to you next time. I guess after some of our subsequent meetings.

"That is what we are doing right now in Student Government. That concludes my report. I know we are running short on time, but if there are questions I would be happy to answer them."

Chairman Turner expressed his gratitude towards the SGA.

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
October 7, 2011

Dr. Mitchell presented his report to the Board: "I will preface this by saying one of the things that is extremely important that Dr. Bailey does with this is go through the numbers on enrollment, on the need to make sure that the students that you have coming in graduate on time, etcetera, and etcetera. For the most part, with Health Sciences Centers that is a non issue. When he talks about the 32 percent graduations rate for Texas Tech this last spring, what we wind up getting is the upper echelon of that 32 percent of folks that are graduating. So the idea of saying, well of the people that come in, how many of them graduate on time and this and that. That's not our issue at the Health Sciences Center. For the most part, our graduation rates run right toward a 100 percent—in the high nineties, because for the most part our students have already crossed the hurdle of academia to get in to our system. Our issues are a little bit different as far as when it comes to enrollment growth and things like that. We're more limited by a smaller university when it comes to the size of our student body. So, our issues are a bit different than they are on the TTU side. All the work that they put in on the TTU side does nothing but benefit us on the HSC side, because it ensures that the people that you're getting in the door from the very beginning as freshman over at TTU—the ones that you're admitting, the better caliber the students are there, the more interaction they have with us, the better the caliber of students that we have coming in on the HSC side. As for an example with that, if you look at our MCAT scores, and I'm talking specifically now in the School of Medicine, MCAT scores and GPA's coming in, our numbers look like everybody's in the state. Texas is blessed to have phenomenal medical schools. So, the folks that we have coming in are stellar.

"Any way, I'll jump into my report. Budget cuts: the state's budget has been the worst that it's ever been. This is the first time in the history of the Health Sciences Center that we are operating on a budget smaller than the previous year. For the current biennium, we've lost about \$30 million, and that's forced us to do a lot of things. At the end of the day, the idea is to make your system run lean and mean. We have, over the course of the past biennium, moving forward, reduced our force by 538 positions. Now, a lot of these were positions—the majority of these were positions where we had openings that we were waiting for hires and we decided to go ahead and scrub them. We have an annual attrition rate that runs 10, 12, 14 percent, and I'll mention this in a minute. We're going to continue to look at those. Every time somebody retires, every time somebody gets married, every time somebody leaves the system for whatever reason, we're going to critically review that particular position as to whether or not we really need it. If we don't need it, we'll scrub it. If we can divvy up the work amongst other folks, we'll do that. If they need to get raises for that, we'll do that. If it's a job that's critical for our missions, we will see if we can't move somebody from another position in to that one and scrub their position. I don't think that the day is over yet when it comes to the budget in Austin. I don't think things are going to be a lot better in the next biennium than they are in this one. So, we're going ahead and preparing for things and moving

forward as though things aren't going to be good in the next biennium as well. And by doing so, I am very proud of the fact, and you guys have heard me say this before, that we run an administrative overhead that is lean, lean, lean. About 4 to 4.5 percent of our costs are administration and that compares very favorably to the other Health Sciences Centers in the state of Texas. And in fact, it should be higher, given the fact that we have multiple campuses in multiple cities with redundancy that is built into the system. We have regional chairs, regional deans, that you can't get away from having, but in spite of that we run lean. I've listed out some of the things that we've had to do that were painful, but they've made us far more financially effective. We lost our Pathology Residency in order to preserve our Primary Care Residencies. We significantly reduced our Pain Fellowship Program from five fellows annually to one. We significantly reduced the International Pain Center as far as its overhead. We closed the Marble Falls campus and our School of Nursing. We've done a lot of things that, again, in better times you may not have had to do, but it does make us run much leaner.

"On item two, 2011 enrollment, we've had the highest enrollment in our history. We have an operating budget of this biennium that will be \$30 million less and in spite of that our student enrollment has gone from 3,700 to right at 4,100, so we've got about 400 more students than we had last year and we're doing quite well with that. We're still able to effectively teach the courses we need to in a way that is very high quality and that we're very proud of."

"Our Medical Practice Plan, we had the best financial year in the history of the practice. We saw a 4.9 percent increase in gross collections over 2010 but more importantly, if you look at our profit, the profit of \$2.9 million for 2011 was compared to a profit margin of \$498,000 in 2010, which represents a 491 percent increase in net profit. This is because we went through last year and we looked at every provider and people that were taking home more money than they were producing, we had a discussion with them about why that was the case, and we actually lost some physicians because of that. But it makes our overhead go down and our profitability go up. We're continuing to look at that. We look at our coding. We look to make sure that not only are we remaining in compliance, but that we are effectively coding, and appropriately coding so that we're getting paid for the work that we do. In addition to that, if you look at Midwest Texas from Amarillo to Lubbock, down to the Permian Basin, our payer mix has improved. Instead of running about 38 percent of third party pay standard, third party pay, Blue Cross, Blue Shield, etcetera, etcetera, we're now up to 40.8 percent, which is good because you want to make sure that you're not seen always as just the poor folks, county hospital, that the state's supporting you, etcetera, etcetera. We have to get out there and compete with everybody else and we've done a great job of that. El Paso, as Regent Francis knows, is extraordinarily difficult. Geographically, the location of our hospital, our primary affiliated hospital, makes it difficult to get past, conceptually, for people in that area, that that's the county hospital. The state supports them, the county supports them, anybody that has money comes out up here away from that Valley area and up here to get treatment on either the east or the west side of the mountain. We're trying to work with that, but that's a huge challenge for us in El Paso because the third party payer mix out there runs about eight percent of our patients. It's really problematic, but we're working on that very hard."

Chairman Turner asked, "Dr. Mitchell, the Medical Practice Plan, is that an enterprise in and of itself, and so the million whatever it was, the 2.9 million dollars in net profit, how is that allocated?"

Dr. Mitchell responded, "Well the way we work it, it's actually a huge part of our operational budget for the HSC. Now, the fact of the matter is, it's one of those things where you've got this group of several hundred physicians that are practicing medicine, and the blessing for us as a Health Sciences Center is that we've got a very successful medical practice. If we make that work, to an extent, we can offset the hits that we take from the state. Our percentages of GR that have come from the state have dropped down. We're running at 26 plus percent of our funding from the state and now we're at 24.6 percent. The fact of the matter is, and this is every Health Sciences Center around, the medical practice helps to float it. So, they help to pay the electricity; they help to pay the bills that everybody benefits from, all of our schools. So, it's an extraordinarily important part of the health of the University. They do have their own set of bylaws for the way they allocate salary augmentations and things like that, but they're a vital part of our budget."

"Research efforts: We've had the highest research expenditures in our history, more than \$55 million in 2011. One of the things that we're trying to do is we're trying to, during these budget times that are tough, one of Dr. Stocco's roles with the tobacco money is to go back through and make sure that the researchers we have in the basic areas are getting the equipment they need, the upgrades of equipment they need and like. We're actually going to appropriate some HEAF money for this as well—where we've got standard pieces of equipment that everybody's using collectively, standard areas where everybody can do work for things like centrifusion, we're upgrading all of those so as we prepare for our next round of strategic hires. People can come in and they know that we're serious about that. One of the things that I'm very proud of is that for the first time we've had a significant RO1 Grant given for a clinical research effort. Dr. Leslie Shen just got a \$3 million, NIH funded Grant, the final announcement of this will be in January, but it looks like it's a done deal for us. An RO1 Grant, which is the most competitive grant that the NIH funds, for us this is the first time we've had such a very large clinical grant given. This is really important for us, because at the end of the day, one of the things that we really need to step our efforts up on is clinical. She's worked with people on the TTU side, she's worked with people in other areas on the HSC side. So, in all the things that we're looking at for improving our relationships with one another, she's really worked those.

"Dr. Pat Reynolds continues to do quite well with the work that he's doing in the area of Pediatric brain tumors. I want to illustrate. There's a picture of a young man in the back there. Nick is a young boy that was on one of our cancer protocols. Nick had neuroblastoma, a type of brain tumor; he lives in Oklahoma. He was cared for by our colleagues over at the University of Oklahoma. His mother graduated from TTU. Nick was in Dr. Reynolds phase two trial and he was actually introduced at the Texas Tech vs. OU game back in 2009 as a cancer survivor. He did so well during the phase two trial that even upon conclusion of the trial he was continued on the medicine, continues to take the medicine and this is a picture of him taken just recently on his 13th birthday

playing football. So, not a lot of children with brain tumors wind up being able to continue to play football over time. Now, it can be said that people that play football may have things wrong with their brain, but it's generally not...

"Expansion plans: We are taking a portion of HEAF money to go back through on all of our campuses to work on sameness of experience for the students. One of the things that we've noticed time and again is that student services need to be upgraded in certain areas. We just met last week on what everybody's kind of wish list is for some of the HEAF funding. We're compiling a master list to put that together but the plans are, on every campus that we have, to expand student services in areas like synergistic centers, student lounges, recreation centers for the students and the like. One of the advantages that we have in Lubbock is that we have this phenomenal recreation center right across the highway. The problem with that is, with a multi campus system, we've got to make sure that students do have things available to them where they are as well. We're also looking at things like childcare. TTU has a phenomenal program on their side for that. That's been one of the things that for years and years people on our side have asked about it. We're looking to see if we can start planning to provide those services. We also look for expansion of programs. We're looking at our new masters in Public Health program. Dr. Rolfe is instrumental in that. Hopefully, we're going to have our first students in this by the fall of 2012. We've got expansion of our RN to BSN program through the School of Nursing here at the Anita Thigpen Perry School. Distance learning courses continue to expand in our School of Allied Health Sciences. The Gail Greve Hunt School of Nursing in El Paso continues to expand. They hope to have 300 students per group by 2016. We've got the ongoing growth of the Paul Foster School of Medicine. So, we've got built in growth of our school going right now.

"Academic reputation improvement: Texas Tech has a long and strong history of being noted to be a very good educational institution. One of the things that we're trying to do is up our academic standing as well, and the way that we do that is getting more of our faculty members involved in other areas—be that Masters teaching tracts, be that clinical areas, be that research. So, we're putting into place programmatic things for them, even with faculty development that would include additional degree programs for them as long as they understand the expectations are that they participate in scholarly ways and that if they do participate in programs where we're helping them with their degree programs they stay with us for a period of time thereafter. So those are all things that we're working on to improve that.

"The VA Super Clinic Project, all of you know about this. We just, at our last Board meeting, gave a proclamation that we're supportive of the idea. We had a meeting earlier this week with the people from the VA and that project continues to move forward. It's going to be something for us that educationally, and from a service perspective, will be a real coup for this campus to have what they call a super clinic here on the same piece of property with us.

"For improving our funding, for improving our non state generated funding, Dr. Berk is to be commended for a lot of the work that we've done in this area. We have improved the money that we get from our partner hospitals here in Lubbock, Covenant, University

Medical Center in Amarillo, North West Texas and the Permian Basin, Medical Center Hospital and Midland Memorial, in El Paso, the new El Paso's Children's Hospitals and the University Medical Center there. They have all stepped up to the plate with us and our funding in those areas has picked up significantly. I have to, I would be remiss with Regent Neal here if I didn't bring up the fact that our School of Nursing now celebrated it's 30th year and it is going stronger than ever and again, we're very proud of the fact of not only what they've done here, but the success of that school was what made it possible to spawn and to spin off the Gail Greve Hunt School. So, this is a year of congratulations and celebrations for our nursing program.

"As then as I'd mentioned at the beginning, ongoing austerity plans. By that, I just mean that, you know, we're not out of the woods on this thing and so we still continue to look at ways to improve our efficiencies and ways to improve our income from non state, non federal generated areas. We're also looking to make sure that our overhead remains as low as possible, moving forward, without compromising anything from the student standpoint, without compromising anything from a programmatic standpoint, without compromising anything from the strategic planning standpoint.

"That's the conclusion of my report. I'll answer any questions.

Regent Huffaker asked, "Can I get a quick clarification on the funds from the hospital partners. Those are paid with respect to residency programs. Is that what that's for?"

Dr. Mitchell responded, "Primarily but even other things as well. They partner with us on a number of things, typically programmatic things."

Vice Chairman Long asked , "What is the progress on the Abilene building?"

Dr. Mitchell replied, "Well, it's quite good. We just had the bids come in on September 29. They came in significantly lower than what they'd originally given to us. The problem that we had with them over there was that we had worked a budget out with them, we had the number, we had the figures of what we could spend on a building. The architectural firm had it over there. The construction group that got it, started adding all kinds of things that are beautiful, but they came back and gave us a bill that was a lot higher and we said, 'this isn't what we said we would do' and to his credit, former Regent Dueser said that wasn't right. So, we put it out for bid and even the group that gave us that high number, came back with a substantially lower number. So we just saved a lot of money out there. So, we're tickled with that progress."

Chairman Turner thanked Dr. Mitchell for his report.

SGA President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
October 7, 2011

Calvin Bradley, President of the SGA, presented his report to the Board: "Thank you for having me today. I have a couple of events to report on since the last Board meeting."

"We had our first service opportunity with the Habitat for Humanity on September 17, 2011. That event was well attended. We filled up all of the slots that we had available for Habitat for Humanity, which is very exciting because having our first service event completely filled is a really good sign for our future service events.

"We also had our welcome events at all of the regional campuses. Jill got to travel with us to the different campus locations. We have many different locations ranging from El Paso all the way to Dallas. The turnout was really good for a lot of these events. Midland had 100 percent turnout for all of the students which hasn't happened in the past and the other campuses also had a really high turnout. We got satisfaction surveys that we received back. The comments were really good. They ranged from 50 to 100 percent satisfaction from the different campuses on being well informed of what our student services have to offer as well as who represents them in the SGA and also higher up than that.

"We had our constitution day on September 16, 2011. This is a state-mandated event that we have every year where students get to come and have a lunch provided for them while they listen to a speaker speak on the constitution which varies in topic. This year was on the new medical plan that has been recently passed and how it affects our constitution and why there are problems with it—problems according to the constitution and a very non-biased view. This was very well attended, as a matter of fact we have had problems in the past with our regional campuses joining us by internet but this year we had a surprising amount of people from Abilene and 50 percent of the people really enjoy the speaker and the topic and plan to come next year. The other 50 percent we didn't get a satisfaction survey from, but that was pretty exciting.

"We had an organization fair this past week on October 5, 2011. This was to give students another chance to join organizations if they did not get a chance the first time we had this in early August and September. That was well attended. We have 50 plus organizations, so there is a lot out there that can easily be missed. In the future, we have our photo-registration planned for November 7-11, 2011. This is for students to get the opportunity to come to our campus and get registered to vote. A lot of people are very busy and do not know the process of becoming registered to vote and we just make it easier on them and provide the opportunities for them to come to our campus and register there so they can vote in the future. With important years coming up for voting, it is really good that we do this and give our students the opportunity.

"We also our putting together a Class Ring Committee. We have a class ring for our campus but we are looking to get student opinion on what they want on the ring. In the

past, we have had the exact same ring as the Texas Tech Undergraduate campus. However, a lot of the emblems that are on ring actually do not connect as well to the HSC as much as it does to the undergraduate campus. So, we're getting a committee together to discuss the ring. We are still keeping the Texas Tech symbol and the HSC seal, and we are going to look at the other side of the ring to discuss what we need to put on the other side, especially since we have so many different schools represented with us.

"We also are continuing to grow our connections with our alumni at the HSC. This weekend we are having a tailgate for the Tech vs. A&M game. Nathan Rice has been very helpful with this. He has been a great director for the Alumni Association and he is helping us put this on. It is for future alumni and present alumni to come together and get to meet each other which is great because I think we need to continue to strengthen our relationships with our alumni since they have so much to offer the students that we have right now. This is a great event that we are holding this weekend.

"That is all that has been going on with us recently. I hope to have more the next time. I will be happy to answer any questions."

Chairman Turner thanked Calvin for his remarks.

a doctor and with his undergraduate education in genetics, that's actually an unusual background for it, but it's an outstanding one as well. Next we have Charles Willnauer. Charles is a BYU graduate and Charles did the standard thing when you're at BYU. He got his undergraduate education in Portuguese with a minor in Ballroom Dancing. So, in addition to being in our FMAT program, he's also in our MBA program. He's doing nothing but taking care of his family, taking care of the babies, eating and studying either business or medicine. And he's doing it in a very frenetic pace. He's working so hard at this that when he came in this morning, all of the students were sitting over here in white coats and he came up to me and asked me where he's supposed to sit. So he's obviously focused on medicine and other things. We are very, very proud of this group. I want to mention also that Emily Dosier is not here today but she's also a member of our FMAT program. She went to Tarleton State. She grew up in Canton and we're very proud of Emily and all of our FMAT students. This is the inaugural group—the first group of folks that will quite literally be changing the way we educate people to go into primary care. So, congratulations to everybody.

"These are all of my introductions."

Dr. Rallo began his introductions. "I have one introduction today. It's my pleasure to introduce Dr. Brian May. Dr. May is our Interim Provost and Vice President for Academic Affairs. Brian grew up in Sudan, Texas. It's my understanding, and I have no reason to doubt it, that he was the first Carr Scholar. So, as we talked this morning about tracking success, you can indicate to me whether or not this appointment is part of that tracking process. He's an ASU graduate. He also spent time in the private sector representing the Mohair Council, primarily in Europe. He received his Ph.D. from A&M. He's been on the faculty at ASU since 1994 and he's currently the dean of our Graduate Program and has seen an increase of about 34 percent in our graduate enrollment, probably the highest in the state. He's also worked with the chancellor and myself on the Center for Security Studies. So, I think Brian will make a great addition. That's my introduction.

- IX. OPEN SESSION.—At approximately 9:57 am on Friday, August 5, the Board continued meeting in open session in the Matador Room, Room 227, Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas, to consider items as a Committee of the Whole and Meeting of the Board.

- IX.A. TTUS: Approve resolution in memory of Jack Dale.—The Board approved the following resolution in memory of Jack Dale:

WHEREAS, The Board of Regents of the Texas Tech University System is proud to recognize former sports radio broadcaster Jack Dale for his many accomplishments and service to Texas Tech University; and

President's Report
Angelo State University
Board of Regents Meeting
October 7, 2011

Dr. Rallo presented his report to the Board: "We have had an all time enrollment record set with 7,083 students and graduate enrollment also set a new record up from 701 from last fall to 817 students this fall. Hispanic enrollment has increased to 27.1 percent of the student body compared to 26 percent last fall and again, we also reported an increase of 3.5 percent student credit hours as Dr. Bailey has pointed out, that is really what our funding looks at.

"The only area of concern we have is our freshman enrollment remain flat, in fact a little bit off and we are looking very seriously at that. As the Chancellor mentioned, two years ago we achieved Hispanic Serving Institution ("HSI") status, which allows us then to compete for a significant number of grants. Last year, we received \$3 million for retention. Just last week, we received a \$5.1 million competitive grant for a STEM program; Science, Technology, Engineering and Math. We are partnering with our community college to basically increase by 20 percent over the next 5 years, the number of Hispanic students who are able to enroll and transfer and complete STEM degrees. The grant also provides additional upgrades for our labs, which is very helpful.

Regent Huffaker asked, "How much did you say it was?"

Dr. Rallo responded, "That was \$5.1 million over five years. If we had not achieved HSI status we would not be able to compete for any of these grants. Again, it is a stair step approach; you have to do one before the other.

"Honors programs—Bridget Neal—I always like to keep you apprised of that, and everyone else. Dr. May and Dr. Shirley Eoff, who is the Honors Director, have done a very good job of enhancing that program. We have a total of 130 students enrolled right now with 33 new students. One of the concerns that I had was that we had a very limited curriculum, but we now have over 25 faculty members and growing who are offering courses in their various areas and their various disciplines. We have also started a new faculty mentored research grant initiative where students can compete for a \$1,500 award and faculty \$750. This is to engage in that undergraduate research experience as part of the Honors Program. We are also directing as part of the instructional enhancement fee \$45,000 to support additional travel, upgrades to computers and some additional funding for the Honors Program. So, it's not just alive, it's doing very well and I compliment Dr. May and Dr. Eoff for doing that.

"One of my initiatives has always been our residential campus and I'm pleased to say that our new Student Recreation Center has been an exceptional addition to the campus. We had over 24,000 individual uses of the facilities since it opened in May—more than double the usual rate. We expect that to increase even more because opposite the Recreation Center we just opened Roscoe's Den which is a full convenience store, snack bar, hamburgers, salads. It has opened from 7:30 at night to

2 in the morning. That complements the fact that the library is now open 24 hours a day. So, there is a lot of energy in the middle of campus. The goal is to get them on campus, keep them on campus, and I think we are well on the way to do that.

"Ced Dempsey was the former NCAA Executive Director who was on campus to conduct a feasibility study for the future of our athletic programs. In light of all the changes, D1 and D2, it is prudent to look really at our options in the coming years. His report will be available here in the next few weeks.

"The public art committee met in Lubbock on September 23, 2011 to make some final recommendations for the campus. We have three projects going. I believe that those are going to go very well.

"One of the things that we have worked on for a long time and I am pleased to tell you is coming along nicely—two years ago we started what is called an English Language Learners Institute, formerly known as the ESL, where you basically have foreign students come to campus on a cash basis. They take up English language training programs. Ideally they will enroll at the University. Sometimes they go back home and sometimes they go elsewhere. So, we started that two years ago. It has produced significant revenues and significant opportunities. One of the partners we've had is Sejong University in Seoul, Korea. They have had upwards of 15, 20, to 25 students on campus over the past two years. I met with their dean last week. He came over and they are so pleased with what is going on that we are going to St. John and Seoul the first week of November to sign a "one plus three." They are going to do one year there and three years at ASU. They will send at least a 100 students a year to the campus so this is incredible for diversity. It also helps us on the revenue side because again, these students will be paying out of state tuition. It is one of those examples of putting those pieces into place, having a lot of people work very hard, and sometimes it works. In this case I think it will work very well. That concludes my report and I will be happy to answer your questions."

Chairman Turner asked, "Joe who will award their degrees?"

Dr. Rallo answered, "It will be an ASU degree. They will be on campus for three years and one of the other things that we're looking at is the year that they are in Seoul. We may actually have them looking at some of our classes that are being taught over there. They were so excited—what really cinched it for them, it is actually an interesting story, but I meet a lot of the students along with Barbara, who does the host family program, at the airport. I meet them usually in shorts and sandals because I'm not going to wear this at ten o'clock at night. The South Korean students told their faculty, by email, that they had never expected the president of the university to meet them at the airport and they thought this was just wonderful, and that was the reason why they decided to sign with us as opposed to go somewhere else. They had a great experience, but they also liked the touch that we had out there to reach out to them and make them feel welcome."

Regent Huffaker asked, "Your English Language Learners Institute is housed in-house?"

Dr. Rallo responded, "Yes. There are different models out there. What we did is create a Center for International Studies which houses all of our international initiatives and the ELLI, English Language Learners Institute, is housed there. There are different models. Ours is the one that we decided to do it in house. It has worked exceptionally well. It is very flexible, very agile, and again we think it allows a good introduction to the university to these students."

Regent Neal asked, "Dr. Rallo, am I correct in saying that you did not have an opportunity to intentionally recruit to the Honors this year?"

Dr. Rallo answered, "That's right. Remember last year we never did any admissions recruiting. So, we were able to recruit from the students who arrived but now our admissions people are becoming involved in the process and by December I'll be able to give you some of the materials that we..."

Regent Neal asked, "And have you applied to Phi Kappa Phi?"

Dr. Rallo answered, "Yes. The application is out to Phi Kappa Phi. The next step is that they review it. We believe that we have met all the criteria. They will set an onsite visit. That representative will come and make a report. We expect that decision to come sometime in the spring that we will to be allowed to start a new chapter."

Regent Mickey Long stated, "There's a great article in the Rampage about the Honors College. It is very well written."

Dr. Rallo added, "And I think you have the latest magazine, someone asked if that was 'PhotoShopped.' It was not. Preston Lewis said that those birds were blue and they were gray. The only thing that was edited in that picture of Gettysburg is there was a sign that said 55 mile per hour speed limit, they took that out, but that is an actual shot that he took in Gettysburg."

Dr. Rallo concluded his report.

SGA President's Report
Angelo State University
Board of Regents Meeting
October 7, 2011

Hector Romo presented his report to the Board: "Hello everyone. I have returned from my study abroad trip. Everything went very well. We excavated fossils in Germany.

"I was just telling Calvin something interesting. It was exactly a year ago when I was campaigning to become vice president of the Student Body and now I stand here as the president, giving you a report.

"I would like to begin with two introductions of two very remarkable people who accompanied me to Lubbock today. First is going to be Jennifer Uduje. She is a post graduate nursing student. She is a senator for the Nursing Department and she is from Nigeria. She is involved in the African Student Association as well as the International Student Association, the Psychology Honor Society and she, despite her involvement, has been able to continually make Dean's List every semester at ASU. She hopes to pursue a doctorate of physical therapy once she completes her undergraduate studies. Next is Morgan Ostwinkle. She is a junior agricultural science and leadership major from Arizona. She also serves as a student senator for that department. She is a member of RAM's, which stands for Recruiting Ag Majors, and with this group, Morgan recruits students for ASU not only from Texas but also from her native Arizona. She is a member of our Honors Program and of Delta Tau Alpha, which is the Agricultural Honor Society, Block and Bridal Livestock Judging Team, 4H Club Manager, which is very significant since she works with the Tom Green County agent to get students involved to compete in a statewide agriculture competition. She also received the Newman Civic Fellowship Award, which Chancellor Hance sent her a letter for. So if you have not gotten the chance to meet her personally, here she is. So that is Jennifer Uduje and Morgan Ostwinkle.

"I would like to provide a report on past events. Last week, we completed our SGA round table, which is a discussion that brings together the members of SGA and ASU administration. It is a great way for us to find out everything that is going on, get our questions answered. That was very successful. We got a lot of questions answered and a lot of projects started. For example, we will be working on a whole new sustainability project with the division of strategy planning and policy with Dr. Limbaugh. We will also be improving lighting on campus, which at night some students have been complaining that it is a little dark. So we have quite a few of those projects that we will be going on, working from there.

"I also wanted to comment on the graduate research fee that the Board approved in August. Dr. Nancy Allen, the vice provost, met with us and she told us all about the stipulations that have been going on, how that fee will work out. This will provide for an unprecedented funding for students who wish to be involved in research, as well as the compensation for faculty advisors who wish to be involved with them as well. So that is a great thing that I am thankful for. The students didn't really contribute that much, just

as per semester credit hours. This will provide for a lot of opportunities for us as students.

“Finally, a significant future projects that we are working on is the Red, White, and Blue Day. Every Friday is True Blue, but this one will be a special day since it will be Red, White and Blue Day. We will be honoring the 80th anniversary of Armistice Day, in which we will be remembering all of those who have been giving their lives in the military all over the years. The Division of Student Affairs and Enrollment Management will be working together with the SGA for this project which will be held on September 11, 2011. That is a very significant project for us.

“That concludes my report. I’ll be glad to answer any questions.”