TEXAS TECH UNIVERSITY – BOARD APPROVAL ITEM
(September 1, 2004 – October 31, 2004)

Activity	Source of Funds		Expense
	Other	Income	
Board Action			
Information Technology	**997,156**		**997,156**
Budget $997,156 fund balance of Information Technology Fee for transfer to various information technology accounts. These will fund infrastructure projects of the High Performance Center and Networks as well as capital outlay, maintenance and operation of various information technology accounts.			
CHACP 1 – Purchase Chiller #2 Turbine	**495,000**		**495,000**
Budget $495,000 fund balance of Utility Central Heating & Cooling Plant # 1. These funds will be used to purchase a new steam turbine. The option to repair the existing turbine is not recommended since repair cost is greater than 50% of the cost to replace the item with a new and larger horsepower turbine.			

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER – BOARD APPROVAL ITEM
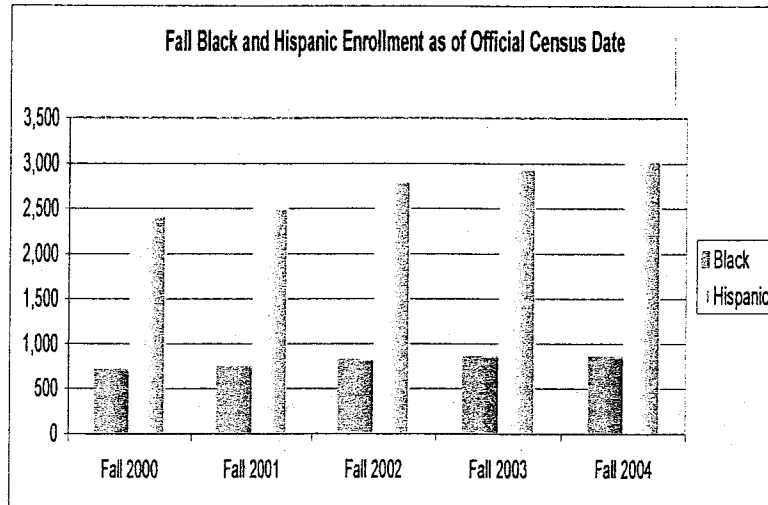### (September 1, 2004 – October 31, 2004)

Activity	Source of Funds		Expense
	Other	Income	
Board Action			
Medical Practice Income Plan – Surgery – Odessa		400,434	400,434
To budget the anticipated patient revenue associated with the recruitment of three surgeons for Odessa Campus.			
Total		400,434	400,434

Texas Tech University
State Accountability Measures

Our vision is to be a national leader in higher education—manifesting excellence, embracing diversity, inspiring confidence, and engaging society. On this page are the State's Key Accountability Measures.

Numeric Change From Prior Year	
▲	Increase
◆	Minimal Change
▼	Decrease

Progress
Toward Target
Minimal Change

Data are as reported to the Texas Higher Education Coordinating Board as of Fall 2004.

Excellence

% Lower Division SCH Taught by Tenure/Tenure Track Faculty   29.30 ◇

FTE Student/FTE Faculty Ratio   23.32 ▲

Additional Key Measures

Participation

Total Enrollment	28,325	◇
Black Enrollment	854	◇
Hispanic Enrollment	3,030	▲
FTE Enrollment	25,094	▲
Black FTE	741	◇
Hispanic FTE	2,509	▲

Research

Federal Research Expenditures per FTE Tenure/Tenure Track Faculty   27,527 ▲

Research Expenditures   56,214,946 ▲

Additional Key Measures

Success

5-Year Graduation Rate	47.93	▲
Degrees Awarded	5,347	▲

Additional Key Measures

Institutional Efficiencies & Effectiveness

% Administrative Costs of Operating Budget   6.09 ▼

Classroom Utilization   25.40 ▼

Additional Key Measures

Participation

Total Fall Headcount Enrollment as of Official Census Date

Participation

Fall Black and Hispanic Enrollment as of Official Census Date

Participation

Total Student FTE Enrollment*
*Using Current Accountability Measure Definition of Student FTE
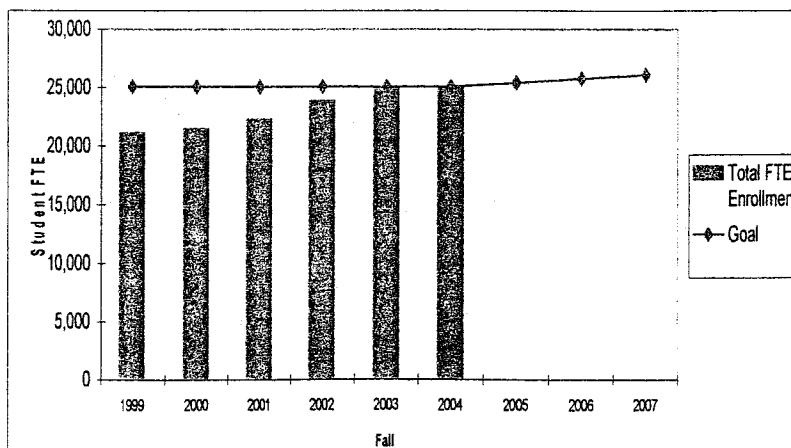
Success

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

*TTU Students Only
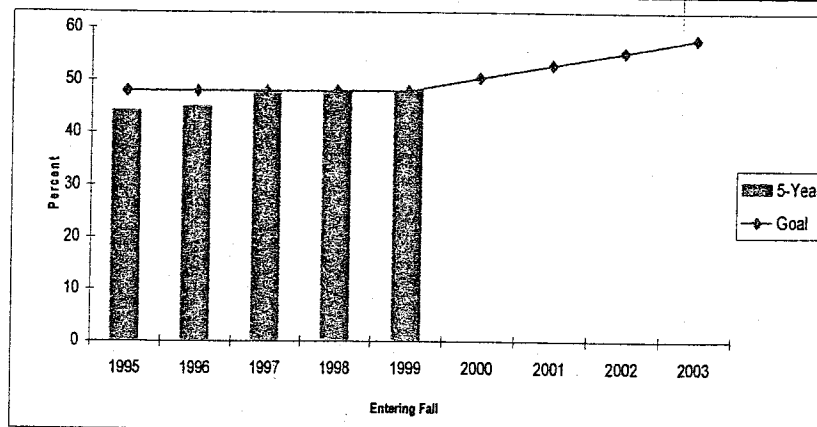
Success

Total Degrees Awarded by Fiscal Year
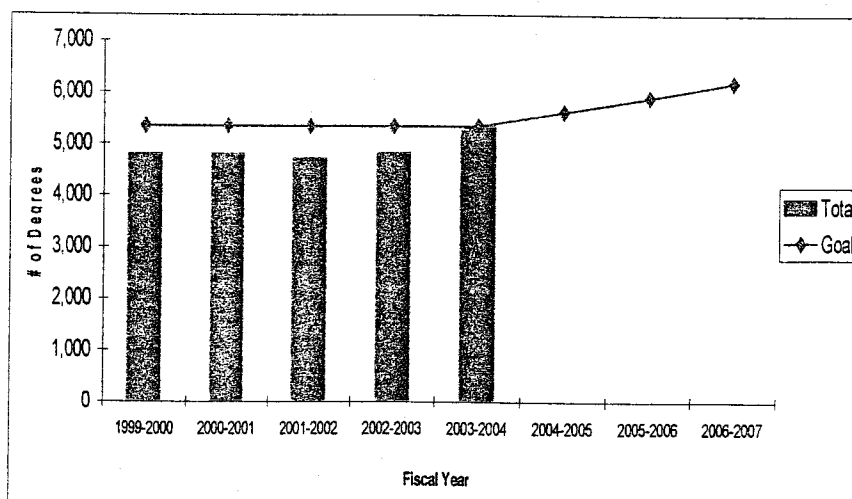
Excellence

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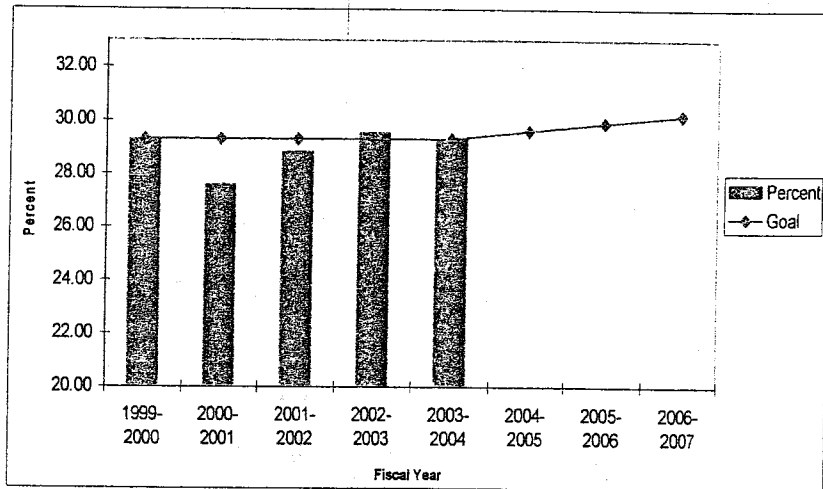
Excellence

FTE Student/FTE Faculty Ratio
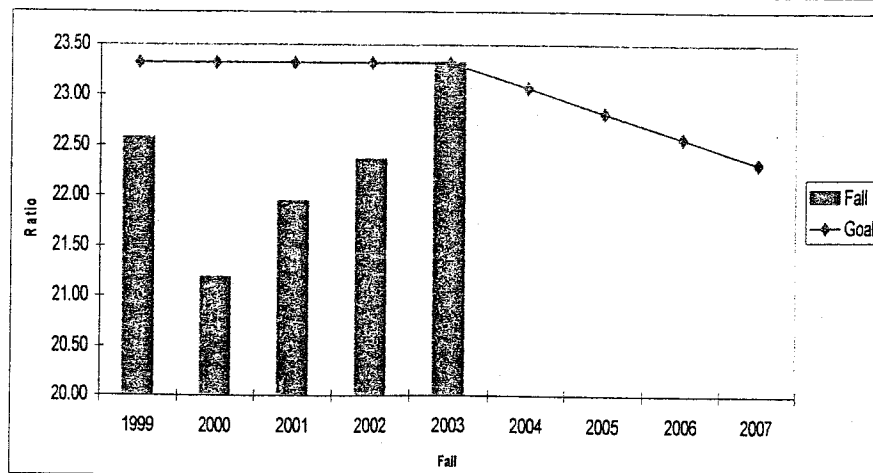
Research

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

Research

Total Expenditures for Research & Other Research Related Sponsored Programs

Institutional Efficiencies & Effectiveness

Percent of Operating Budget Expended for Administrative Costs

Institutional Efficiencies & Effectiveness

Fall Classroom Utilization

9/27/04

TechSTAR measures for Texas Tech and the System. THECB key accountability measures that have been assigned target values."

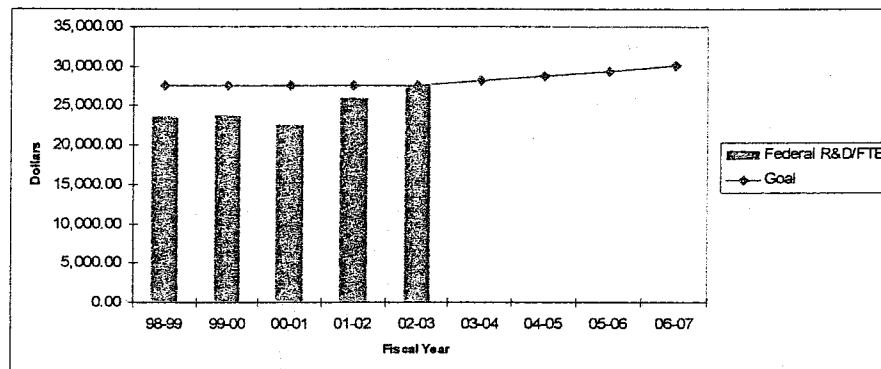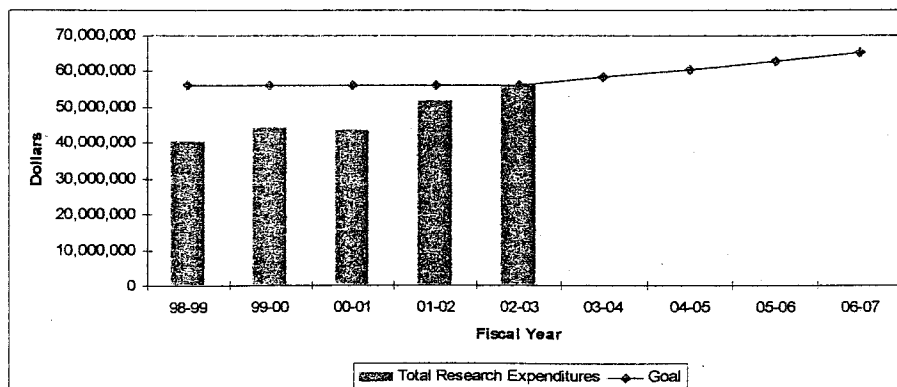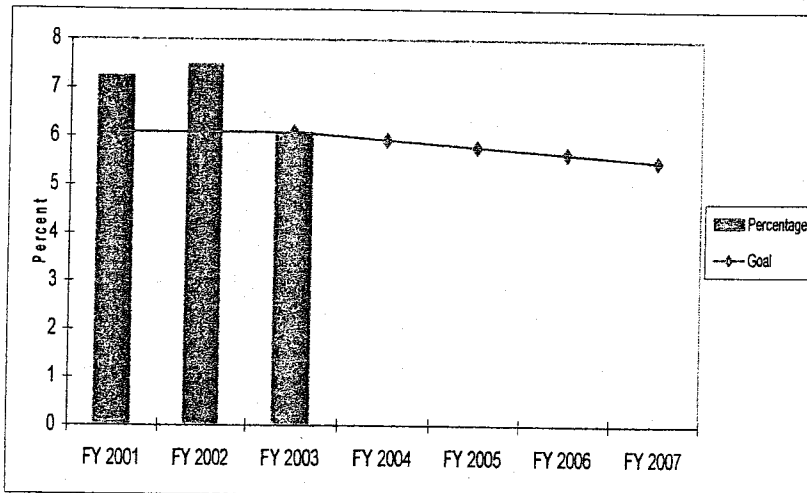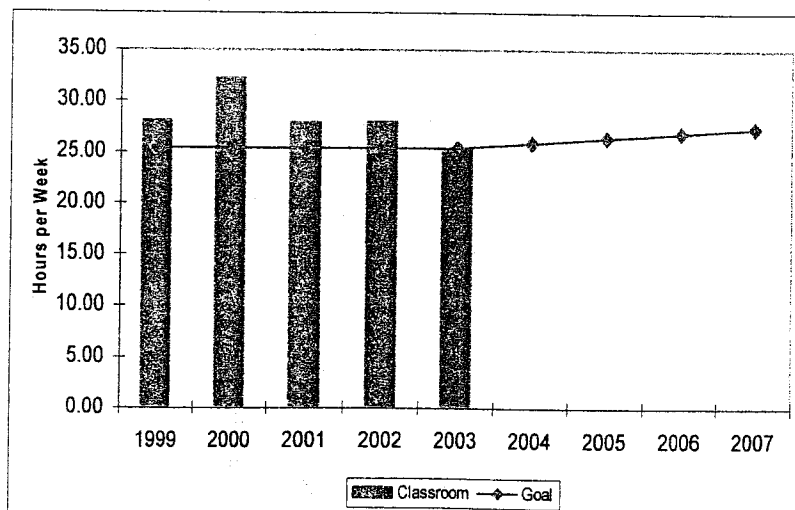| THECB Key Measures: TechSTAR Measures:	Enrollment (& by diversity)	FTE Enrollment	Graduation Rate	Graduates by level, ethnicity & gender	% lower division SCH taught by tenure/tenure-track faculty	FTE student/FTE faculty ratio	Research expenditures to FTE tenured/tenure track faculty	Research expenditures	Administrative Costs	Classroom & Lab Utilization
GROWTH										
Enrollment	+	>								
Weighted SCH										
All Funds Budget										
System Endowment										
System Funds Raised										
System Scholarship Expenditures										
System Research Expenditures							?	>		
DIVERSITY										
Enrollment by Diversity	+									
Faculty by Ethnicity										
Faculty by Gender										
Staff by Ethnicity										
Staff by Gender										
System HUB Expenditures										
PEOPLE										
Retention Rate										
Graduation Rate			+	>						
Student Faculty Ratio										
Staff Turnover Rate										
PARTNERSHIPS										
Transfer Count										
Affiliations										
Origin of New Students										
RECOGNITION										
Applications Count										
Endowment Rank										
System Alumni Count										
System Alumni Donors										

+ is "same"   > is "closely related"   ? is "possibly related

THECB > Accountability System - Health-Related Institutions - Participation

Higher Education Accountability System
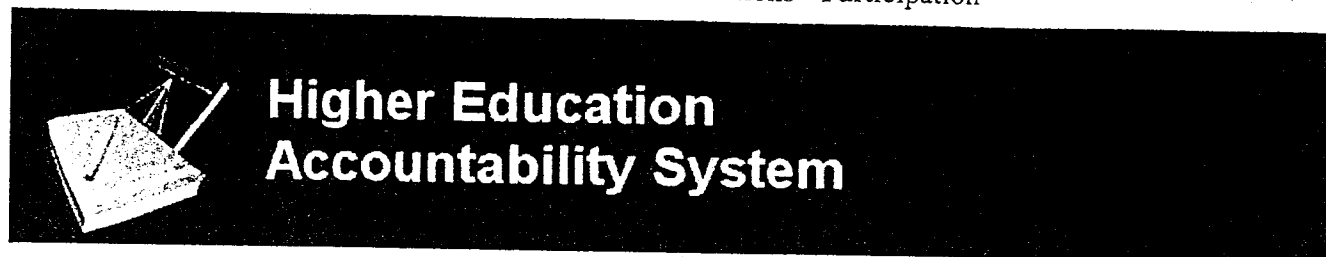
Main > **Health-Related Institutions** > **Participation** - Texas Tech University Health Sciences Center
(Logout)
(Switch to: **Participation,** Success, Excellence, Research, Institutional Efficiencies and Effectiveness, Patient Care)

To see information on a particular institution/system, select the institution below, then click on *Go.*

Texas Tech University Health Sciences Center

Participation - Key Measures

Headcount Enrollment

Fall headcount enrollment disaggregated by ethnicity.

	Fall 2000 detail	Fall 2002 detail	Fall 2004 detail	% Change Fall 2000 to Fall 2004	Closing the Gaps Target- Fall 2005	Group Target Fall 2004 to Fall 2007
Total	1,719	1,972	2,272	32.2%	2,247	5.25%
White	1,293	1,408	1,601	23.8%	1,678	
African-American	30	52	88	193.3%	94	
Hispanic	172	225	256	48.8%	239	
Asian	180	189	209	16.1%		
Other	44	98	118	168.2%	236	

Total Headcount

Headcount by Ethnicity

Commentary:

Update Commentary

Participation - Contextual Measures

THECB > Accountability System - Health-Related Institutions - Participation

	Fall 2000	Fall 2002	Fall 2004	% Change Fall 2000 to Fall 2004
Total School Enrollment				
Graduate School of Biomedical Sciences	64 detail	82 detail	0 detail	N/A
School of Allied Health	458 detail	611 detail	797 detail	74.0%
School of Medicine	484 detail	499 detail	535 detail	10.5%
School of Nursing	387 detail	415 detail	516 detail	33.3%
School of Pharmacy	0 detail	343 detail	325 detail	N/A
School of Pharmacy/Academics	326 detail	22 detail	0 detail	N/A

Commentary:

Update Commentary

THECB > Accountability System - Health-Related Institutions - Success

Higher Education Accountability System
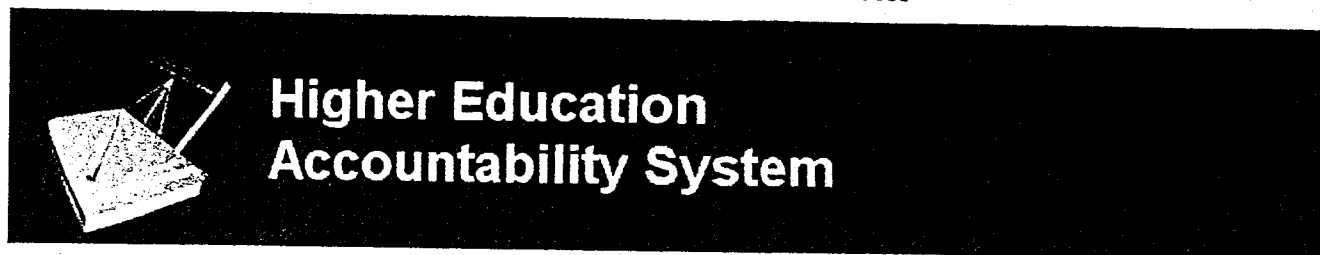
Main > Health-Related Institutions Performance > Success - Texas Tech University Health Sciences Center (Logout)

(Switch to: Participation, **Success**, Excellence, Research, Institutional Efficiencies and Effectiveness, Patient Care)

To see information on a particular institution/system, select the institution below, then click on *Go*.
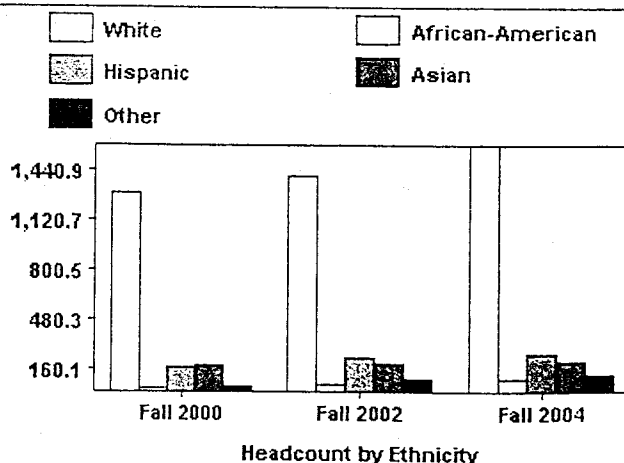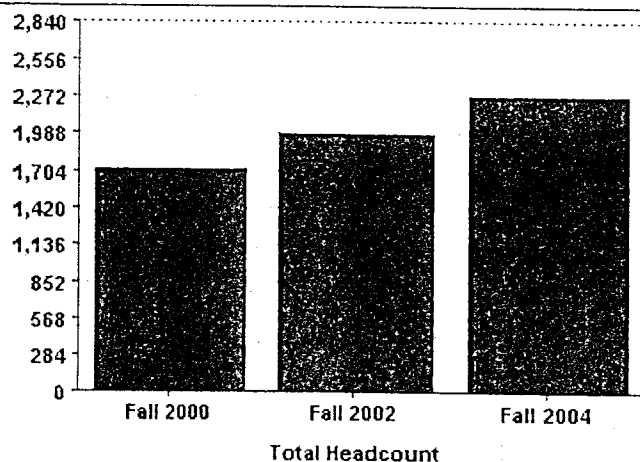
Texas Tech University Health Sciences Center

Success - Key Measures

Degrees Awarded

Number of degrees awarded by level and ethnicity.

	FY 2000 detail	FY 2002 detail	FY 2004 detail	% Change FY 2000 to FY 2004	Group Target FY 2004 to FY 2007
Total Degrees	446	559	709	59.0%	5.25%
White	365	440	505	38.4%	
African-American	10	13	99	890.0%	5.25%
Hispanic	41	46	27	- 34.1%	5.25%
Asian	23	49	54	134.8%	
Other	7	11	24	242.9%	
Level					
Certificate	0	0	0	N/A	
Baccalaureate	175	212	266	52.0%	
Master's	98	160	225	129.6%	
Doctoral	3	9	10	233.3%	
Professional	170	178	208	22.4%	

Commentary:

Update Commentary

Nursing and Allied Health Graduates

Number of degrees awarded in nursing and allied health by level.

	FY 2000	FY 2002	FY 2004	% Change FY 2000 to FY 2004	Closing the Gaps Target- Fall 2005	Group Target FY 2004 to FY 2007
Total Nursing/Allied Health Degrees	272	368	483	77.6%	275	12%

THECB > Accountability System - Health-Related Institutions - Success

Certificate	0	0	0	N/A
Baccalaureate	175	212	266	52.0%
Master's	97	151	210	116.5%
Doctoral	0	0	7	N/A
Special/Professional	0	5	0	N/A

Commentary:

[Update Commentary]

Success - Contextual Measures

	Fall 1997 Cohort	Fall 1998 Cohort	Fall 1999 Cohort	Point/% Change Fall 1997 to Fall 1999
Master's Graduation Rate				
First-time entering cohort	36	17	72	100.0%
Percent Master's or Above	75%	77%	90%	15.3

	Fall 1990 Cohort	Fall 1991 Cohort	Fall 1992 Cohort	Point/% Change Fall 1990 to Fall 1991
Doctoral Graduation Rate				
First-time entering cohort	14	6	3	- 78.6%
Percent Master's Received	14%	50%	33	19.0
Percent Ph.D. Received	29%	33%	33	4.7

Commentary:

[Update Commentary]

THECB > Accountability System - Health-Related Institutions - Excellence

Higher Education Accountability System

(Switch to: Participation, Success, **Excellence**, Research, Institutional Efficiencies and Effectiveness, Patient Care)

To see information on a particular institution/system, select the institution below, then click on *Go*.

Texas Tech University Health Sciences Center

Excellence - Key Measures

State and National Exams Success

Certification or licensure rate on professional examinations.					
	FY 2001	FY 2002	FY 2003	Point Change FY 2001 to FY 2003	Group Target FY 2001 to FY 2003
Nursing	96.9%	92.9%	94.7%	- 2.2	90%
Allied Health	90.0%	94.0%	79.3%	- 10.7	90%
Medical Students	92.0%	92.0%	91.0%	- 1.0	95%
Dental Students	No data reported from LBB	No data reported from LBB	No data reported from LBB	N/A	95%

Commentary:

The first-time certification/licensure exam pass rate for the Masters of Physician Assistant and the Masters in Physical Therapy programs were lower than originally projected. Faculty from each program have embarked on an aggressive review of curriculum, course content and teaching methods to assure better preparation for

Update Commentary

Baccalaureate Graduate Success

Percentage of baccalaureate graduates who are employed in Texas and/or enrolled in a Texas graduate program within one (1) year.				
	FY 2001	FY 2002	FY 2003	% Change FY 2001 to FY 2003
Baccalaureate graduates employed or enrolled in a Texas graduate or professional school within one year of graduation	86.9 %	94.1 %	91.0 %	4.1

Commentary:

THECB > Accountability System - Health-Related Institutions - Excellence

[Update Commentary]

Faculty Awards

Faculty awards (National Academy of Science, National Academy of Engineering, Nobel prize winners, Academy of Arts and Sciences, Institute of Medicine, Institute of Dental Research, American Academy of Nursing)

	Fall 2000	Fall 2002	Fall 2004	% Change Fall 2000 to Fall 2004
Faculty Awards	6	4	7	[Update Info]

Excellence - Contextual Measures

	Fall 2000	Fall 2002	Fall 2004	%/Point Change Fall 2000 to Fall 2004
FTE student/FTE faculty ratio	2.648	2.997	3.346	26.4%
Percent of FTE faculty who are Tenured/Tenure-track				
Ethnicity				
White	34.2%	31.9%	32.0%	- 2.2
African-American	27.0%	19.7%	24.3%	- 2.7
Hispanic	17.8%	12.6%	18.4%	0.6
Asian	31.0%	33.3%	35.1%	4.1
Other	25.8%	40.8%	37.9%	12.1
Gender				
Male	38.4	35.8	37.0	- 1.4
Female	20.2	19.5	19.6	- 0.6
Faculty Ethnicity				
White	568	551	534	- 6.0%
African-American	18	18	17	- 5.6%
Hispanic	70	79	78	11.4%
Asian	73	77	72	- 1.4%
Other	17	25	30	76.5%
Faculty Gender				
Male	482	480	457	- 5.2%
Female	264	270	274	3.8%

	Fall 2000	Fall 2002	Fall 2004	% Change Fall 2000 to Fall 2004
Faculty Salary Comparisons				
Professor	$158,942	No Data Available for Fall 2002	$172,729	8.7%
Associate Professor	$104,638		$114,012	9.0%
Assistant Professor	$87,488		$87,263	- 0.3%
Lecturer	$0		$0	N/A

	Fall 2000	Fall 2002	Fall 2004	%/Point Change

THECB > Accountability System - Health-Related Institutions - Excellence

			Fall 2000 to Fall 2004
Total Endowed Professorships	7	9	10 [Update Info]
Percent filled	0.00 %	11.11 %	20.00 % [Update Info]
Percent of total tenured/tenure-track faculty	0.00 %	0.00 %	50.00 % [Update Info]
Total Endowed Chairs	26	27	30 [Update Info]
Percent filled	69.23 %	77.78 %	93.33 % [Update Info]
Percent of total tenured/tenure-track faculty	61.11 %	66.67 %	78.57 % [Update Info]

Commentary:

[Update Commentary]

THECB > Accountability System - Health-Related Institutions - Research
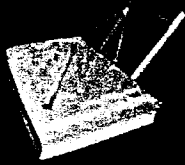
Higher Education Accountability System

Main > **Health-Related Institutions Performance** > Research - Texas Tech University Health Sciences Center (Logout)

(Switch to: Participation, Success, Excellence, **Research**, Institutional Efficiencies and Effectiveness, Patient Care)

To see information on a particular institution/system, select the institution below, then click on Go.

Texas Tech University Health Sciences Center

Research - Key Measures

Sponsored (Federal) Research Expenditures

Total sponsored (federal) research expenditures as a reported in the annual research expenditures report.

	FY 2001	FY 2002	FY 2003	% Change FY 2001 to FY 2003	Group Target Fall 2004 to Fall 2007
Sponsored (federal) research expenditures ($ Million)	$ 6.458	$ 8.802	$ 8.674	34.3%	9%

Sponsored (Federal) Research Expenditures per FTE Faculty

Total sponsored (federal) research expenditures divided by the number of all tenure/tenure-track full-time equivalent faculty.

	FY 2001	FY 2002	FY 2003	% Change FY 2001 to FY 2003	Group Target FY 2004 to FY 2007
Sponsored (federal) research expenditures per FTE tenured/tenure-track faculty	$31,309	$43,795	$41,073	31.2%	9%

Sponsored (Federal) Research as a Percent of General Revenue

Total sponsored (federal) research funds as a percent of state general revenue appropriations.

	FY 2001	FY 2002	FY 2003	Point Change FY 2001 to FY 2003
Sponsored (federal) research funds as a percent of total general revenue appropriations	7.3%	8.7%	8.5%	16.4%

THECB > Accountability System - Health-Related Institutions - Research

Research Expenditures

Research/General Revenue
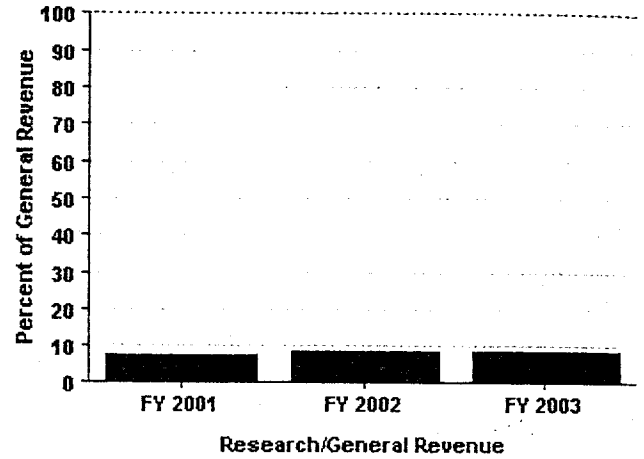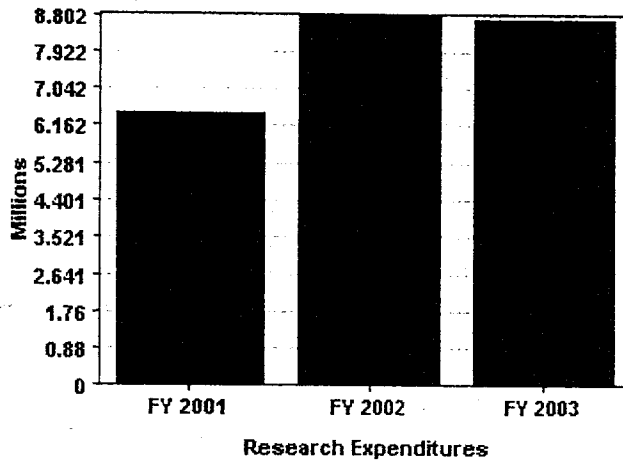
Commentary:

Update Commentary

Research - Contextual Measures

	FY 2001	FY 2002	FY 2003	% Change FY 2001 to FY 2003
Total Research Expenditures ($ Millions)	$ 14.343	$ 19.280	$ 19.751	**37.7%**
Federal	$ 6.458	$ 8.802	$ 8.674	34.3%
State	$ 2.645	$ 3.296	$ 3.680	39.1%
Private	$ 2.754	$ 3.727	$ 3.291	19.5%
Institutional	$ 2.487	$ 3.454	$ 4.106	65.1%
FTE Tenured/Tenure-Track with extramural grants				
Number	66	63	62	Update Info
Percent	31.85 %	31.34 %	29.36 %	
Number of patents issued	2	1	2	0.0%

Commentary:

Update Commentary

THECB > Accountability System - Health-Related Institutions - Institutional Efficiencies and Effectiven... ⁻

Higher Education Accountability System
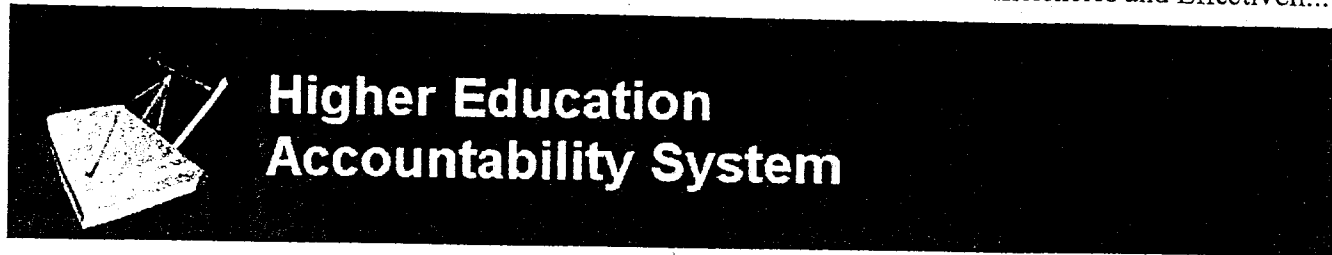
Main > **Health-Related Institutions Performance** > Institutional Efficiencies and Effectiveness - Texas Tech University Health Sciences Center (Logout)
(Switch to: Participation, Success, Excellence, Research, **Institutional Efficiencies and Effectiveness**, Patient Care)

To see information on a particular institution/system, select the institution below, then click on *Go*.

Texas Tech University Health Sciences Center

Institutional Effectiveness - Key Measures

Administrative Cost Ratio

The percentage of funds expended for administrative costs as a percent of operating budget. Administrative costs are Institutional Support expenditure items as designated in the institution's annual financial reports included in the following subcategories: executive management, fiscal operations, general administration and logistical services, administrative computing support, and public relations/development.

	FY 2001	FY 2002	FY 2003	Point Change FY 2001 to FY 2003	Group Target FY 2001 to FY 2003
Administrative costs as a percent of operating budget	5.8%	3.7%	3.6%	- 2.2	-5%
Hospital administrative costs as a percent of hospital total expenditures	%	%	%	Update Info	

Commentary:

Update Commentary

Instruction and Operations formula funding per FTE Student

Instruction and Operations formula funding per full-time equivalent student.

	FY 2002	FY 2003	% Change FY 2002 to FY 2003
Instruction and Operations formula funding Total	$26,776	$23,728	- 11.4%
Medical Education	$61,362	$59,887	- 2.4%
Dental Education	N/A	N/A	N/A
Biomedical Sciences	$17,056	$17,316	1.5%
Allied Health Education	$13,478	$11,574	- 14.1%

THECB > Accountability System - Health-Related Institutions - Institutional Efficiencies and Effectiven...

Nursing Education	$13,171	$10,585	- 19.6%
Public Health Education	N/A	N/A	N/A
Pharmacy Education	$21,652	$19,140	- 11.6%

Commentary:

[Update Commentary]

Facilities

	Fall 2002	Fall 2003	% Change Fall 2000 to Fall 2003
Total replacement cost value of existing physical plant	$315,681,352	$337,463,740	6.9%

Commentary:

[Update Commentary]

Expenses for Instruction per FTE Student and per FTE Faculty

All funds expenditures divided by the number of full-time equivalent students.

	FY 2002	FY 2003	% Change FY 2002 to FY 2003
Expenses for Instruction per FTE Student	$77,173	$71,393	- 7.5%
Expenses for Instruction per FTE Faculty	$241,168	$261,148	8.3%

Commentary:

[Update Commentary]

Institutional Effectiveness - Contextual Measures

THECB > Accountability System - Health-Related Institutions - Institutional Efficiencies and Effectiven...

	Fall 2000	Fall 2002	Fall 2004	% Change Fall 2000 to Fall 2004
Average cost of resident undergraduate tuition and fees for 30 SCH. The actual cost of tuition and fees may be higher for some students since only mandatory tuition and fees are included. Many institutions charge additional fees that vary by field of study and/or major.			$4,594	N/A

	FY 2000	FY 2002	FY 2004	% Change FY 2000 to FY 2004
Endowment				
Total (Millions)	$ 146.4161807	$ 129.1888998	$ 152.3734262	Update Info
Per FTE student	$77,021	$54,787	$60,418	N/A
Per FTE faculty	$226,917	$193,261	$223,412	- 1.5%

	Actual FY 2001	Actual FY 2003	Projected FY 2005	% Change FY 2001 to FY 2005
Construction Projects				
Total projected cost	$0	$0	$46,135,210	N/A
Number of projects			2	N/A
Number of square feet to be added	0	0	79,103	N/A

	FY 2000	FY 2002	FY 2004	% Change FY 2000 to FY 2004
Total HUB Expenditures without construction (Thousands)	$1,766.146	$3,320.115	$7,317.378	314.3%
Percent of expenditures	3.0%	5.0%	11.6%	8.6
Total HUB Expenditures with construction (Millions)	$ 2.046	$ 4.534	$ 11.179	446.5%
Percent of expenditures	3.5%	6.8%	17.7%	14.2

|	FY 2002	FY 2003	% Change FY 2002 to FY 2003
Total Revenue			
Tuition and fees	$418,127,116	$423,048,710	1.2%
State appropriations	$7,564,137	$9,620,783	27.2%
Sales and Services	$120,386,920	$119,127,908	- 1.0%
Federal Grants	$3,505,569	$3,262,780	- 6.9%
Professional Fees	$8,105,095	$11,622,508	43.4%
Local, Private, and Other Gifts and Grants	$101,193,347	$80,986,312	- 20.0%
Other Revenues	$173,618,888	$180,356,023	3.9%
	$3,753,160	$18,072,396	381.5%

Commentary:

Update Commentary

THECB > Accountability System - Health-Related Institutions - Patient Care
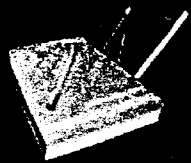
Higher Education Accountability System

Main > **Health-Related Institutions Performance > Patient Care - Texas Tech University Health Sciences Center** (Logout)
(Switch to: Participation, Success, Excellence, Research, Institutional Efficiencies and Effectiveness, **Patient Care**)

To see information on a particular institution/system, select the institution below, then click on *Go*.

Texas Tech University Health Sciences Center

Patient Care - Key Measures

Primary Care Resident Physicians

	FY 2002	FY 2003	FY 2004	Point Change FY 2002 to FY 2004	Group Target FY 2004 to FY 2007
Number of residents in ACGME or AOA accredited programs	Data Unavailable	Data Unavailable	483	N/A	6%
Number of primary care residents in ACGME or AOA accredited programs	303	305	311	2.6%	1.5%

Commentary:

Update Commentary

Patient Care - Contextual Measures

	FY 2000	FY 2002	FY 2004	% Change FY 2000 to FY 2004
Total charges for unsponsored charity care in state-owned and affiliated facilities	$ 53184197	$ 58042893	$ 75175492	Update Info
Total charges for care in state-owned and affiliated facilities	$ 188370258	$ 218976857	$ 257213580	Update Info
Total number of outpatient visits	720199	775725	726305	Update Info
Total number of inpatient days	162113	196655	196017	Update Info
Ratio of General Revenue for state-owned hospitals				
To admissions	NA	NA	NA	Update Info
To charity care	NA	NA	NA	Update Info
To hospital days	NA	NA	NA	Update Info

THECB > Accountability System - Health-Related Institutions - Patient Care

To clinic visits	NA	NA	NA [Update Info]

TDCJ care provided in on-campus facilities

WHEN APPROPRIATE: Number of inpatient days provided annually at the on campus hospital	NA	NA	NA [Update Info]
WHEN APPROPRIATE: Number of outpatient visits provided annually at the on campus clinic	782	352	521 [Update Info]

Commentary:

[Update Commentary]

Draft
Revised 10/27/2004

Developing An Accountability System

Recent Events/Timetable

• **January**: Governor Perry's Executive Order is issued. The Council of Public University Presidents and Chancellors identifies potential measures.

• **July**: The Council's accountability measures are aligned with *Closing the Gaps*. A fifth area, Institutional Effectiveness and Efficiencies, is added. Measures are identified as either key or contextual.

• **August/September**: Stakeholders (institutions, governor's office, and Legislative Budget Board) clarify accountability measure wording, definitions and data sources. University groups, health-related institutions (HRIs), Texas State Technical College System, and Lamar State Colleges establish key-measure targets.

• **October**: Coordinating Board update. Data available for institutional review/comment.

• **December 17**: Deadline for Performance System distribution and presentation.

• **Summer 2005**: Evaluate/modify System. Identify/add of out-of-state peer institutions.

Concept/Format

• **Participants**: 35 public universities, nine HRI's, the four Texas State Technical Colleges and three two-year Lamar State Colleges. The accountability measures vary between the universities, HRIs, and two-year colleges.

• **Online System**: Offers multiple viewing options—statewide, by each university system, and by group-type. Bar charts and graphs will also be available.

• **Paper Version**: Similar to the online version, but with space limits. The Coordinating Board will print and distribute these reports prior to the legislative session.

• **Data Sources**: With few exceptions, all data is currently collected by the Coordinating Board. Staff will calculate all measures to ensure reporting consistency.

• **Key Accountability Measures**: Address priority areas. One key measure for both universities and HRIs is "total enrollment disaggregated by gender, ethnicity, age, and level." There are 23 key measures each for university, 20 for each HRIs, and 17 for the TSTCs and Lamar State Colleges.

• **Contextual/Optional Measures**: Quantitatively explains the data, such as "percent of students on Pell grants." Contextual data is provided for all institutions; some institutions identified optional measures to provide further clarification and context to their measures.

• **Text Boxes**: A third contextual opportunity for institutions to respond to the data. This will be produced by each institution.

Draft
Revised 10/27/2004

• **University Groups**: Aligns institutions with similar missions, student populations and/or programs. Neither permanent nor prescriptive, the groups are Research, Emerging Research, Doctoral, Comprehensive, and Master's.

• **Incentive Funding**: May be available from the state.

Texas Higher Education Coordinating Board

Accountability in Higher Education: Promoting Excellence in Texas Public Universities Through Institutional Groupings, Peers, and Benchmarks

BACKGROUND

Texas' *Closing the Gaps* plan calls for each public higher education institution to engage in an ongoing pursuit of excellence. A strategy for carrying out that goal relies on the selection of institutional peers and benchmarks of performance against which progress can be measured. Because Texas has a wide variety of institutions, the state will need to develop an approach that acknowledges institutional differences, yet focuses on attaining and enhancing excellence in a broad range of equally important tasks. The following brief presents in concept form an approach that the state might take. Examples illustrative of what might result from such a process are provided in regard to universities.

Because comparisons between institutions are inevitable, institutions have been grouped according to general academic mission and certain key academic indicators such as size and number of graduate programs, research expenditures, and other factors. (A broader, but not complete, array of indicators is attached.) *The groupings are intended to be neither permanent nor prescriptive.* Rather, they are to be considered permeable, subject to revision as institutions evolve and shift their academic missions. As a way of recognizing that institutional missions change over time, these proposed groupings will be reconsidered biennially with appropriate full participation by institutional leaders.

OVERVIEW

Making accountability more transparent and promoting excellence in Texas universities through institutional groupings, peers, and benchmarks will require:

- Establishing groupings of institutions of similar types and missions
- Determining for each group appropriate measures that reflect institutional performance
- Determining benchmarks against which to measure success
- Assessing progress annually and taking steps to improve performance

For purposes of this document, Coordinating Board staff presents the general characteristics we have used to differentiate groups of universities and the groupings that

result from applying those characteristics. As the "General Characteristics of University Groupings" chart at the end of this brief illustrates, no institution is purely a "teaching" or purely a "research" institution. Rather, each institution makes its contributions in ways that reflect its mission, its programs, and its students and faculty.

RESEARCH UNIVERSITIES
For 2005-2006

Research universities provide a broad range of undergraduate, graduate and professional programs, place a greater emphasis on research than universities in other groups, and serve their regions, the state, and beyond. Excellent undergraduate education is a central function, but a significantly higher proportion of these institutions' students will be enrolled in graduate and professional programs than is the case in Master's, Comprehensive, Doctoral, or Emerging Research universities.

Research institutions:
• Offer a comprehensive range of excellent undergraduate and graduate programs
• Award 100 or more doctoral degrees annually in excellent programs that span at least 15 disciplines
• Place significant emphasis on research and creative activities and generate at least $150 million annually in research expenditures

Texas institutions that presently meet the above criteria include:
• Texas A&M University
• The University of Texas at Austin

	Doctoral Programs	Doctoral Enroll	Doctorates Awarded	Research Expenditures
Texas A&M University	84	3,229	442	$390,305,058
The University of Texas at Austin	113	5,188	668	$376,403,651

EMERGING RESEARCH UNIVERSITIES
For 2005-2006

Emerging Research universities are educational, scientific, engineering, business and cultural resource centers committed to the three-fold mission of teaching, research and service. As universities with extensive educational programs, academic efforts are directed to applied and basic research in selected fields, teaching and scholarship, and creative activities. The universities encourage faculty members to be active researchers/creators in their respective disciplines and to involve both undergraduate and graduate students in research and creative pursuits.

As the Texas population increases, some of these institutions – especially those located in metropolitan areas of more than one million people – will develop additional breadth and increase their research expenditures (now at least $14 million per year) to address the need for additional access to research universities.

Emerging Research universities offer a wide range of baccalaureate and master's programs, serve a student population from within and outside the region, and are committed to graduate education through the doctorate in targeted areas of excellence. The institutions award at least 20 doctoral degrees per year, offer at least 10 doctoral programs, and/or enroll at least 150 doctoral students.

Texas institutions generally within the above criteria for Emerging Research Universities include:

• Texas Tech University
• The University of Texas at Arlington
• The University of Texas at Dallas
• The University of Texas at El Paso
• The University of Texas at San Antonio
• University of Houston
• University of North Texas

	Doctoral Programs	Doctoral Enroll	Doctorates Awarded	Research Expenditures
Texas Tech University	53	1,303	166	$56,147,235
The University of Texas at Arlington	32	819	62	$23,314,938
The University of Texas at Dallas	18	756	70	$32,547,141
The University of Texas at El Paso	12	260	30	$27,847,152
The University of Texas at San Antonio	13	220	6	$14,547,732
University of Houston	51	1,372	207	$88,608,021
University of North Texas	57	1,316	157	$17,587,767

DOCTORAL UNIVERSITIES
For 2005-2006

Doctoral universities are educational and cultural resource institutions committed to the three-fold mission of teaching, research and service. With extensive educational programs, academic efforts are directed to both applied and basic research in selected fields, teaching and scholarship, and creative activities. The universities encourage faculty members

to be active researchers in their respective disciplines and to involve both undergraduate and graduate students in research and creative pursuits.

Doctoral universities offer a wide range of excellent baccalaureate and master's programs and are committed to graduate education through the doctorate in targeted areas of excellence and/or regional need. The institutions each award at least 10 doctoral degrees per year, offer at least 5 doctoral programs, and/or enroll 150 doctoral students. They generally have research expenditures of at least $2 million per year.

Texas institutions generally within the above criteria for Doctoral Universities are:

- Sam Houston State University
- Texas A&M University-Commerce
- Texas A&M University-Kingsville
- Texas Southern University
- Texas State University at San Marcos
- Texas Woman's University

COMPREHENSIVE UNIVERSITIES
For 2005-2006

Comprehensive universities offer a wide range of excellent baccalaureate programs and are committed to graduate education through the master's degree. Comprehensive universities may also offer doctoral education in targeted program areas to address particular regional needs and/or in disciplines in which the university is nationally recognized for excellence. In most cases this will be one or two areas, but may be as many as five.

Comprehensive universities are expected to:
- Provide access to a broad range of excellent baccalaureate and master's programs
- Possibly provide doctoral-level education in targeted area(s) of excellence and/or regional need
- Provide excellent preparation not only for the workforce, but prepare students for professional schools and graduate education
- Focus on serving the student population within the region

Texas institutions generally meeting those criteria include:
- Lamar University-Beaumont
- Prairie View A&M University
- Stephen F. Austin University
- Tarleton State University
- Texas A&M International University
- Texas A&M University-Corpus Christi
- The University of Texas-Pan American
- West Texas A&M University

MASTER'S UNIVERSITIES
For 2005-2006

Access to exemplary undergraduate institutions is critical to students and communities across Texas. Currently, almost 80 percent of public university students are at the undergraduate level. Master's institutions offer a wide range of baccalaureate programs and are committed to graduate education through the master's degree. Excellent undergraduate education is the primary mission of these universities, which generally offer smaller classes than would be expected in other universities.

Master's institutions are expected to:
- Concentrate on providing excellent broad-based undergraduate education
- Establish seamless transfer and facilitate success for Associate of Arts and Associate of Science graduates
- Offer smaller undergraduate class sizes
- Provide excellent developmental education and retention programs
- Provide access to critical and other excellent master's programs
- Provide excellent preparation not only for the workforce, but for professional schools and graduate education
- Have a critical role in the preparation of certified teachers
- Provide specialized programs recognized for their excellence

Master's Universities could include:
- Angelo State University
- Midwestern State University
- Sul Ross State University
- Sul Ross University - Rio Grande
- Texas A&M University- Galveston
- Texas A&M University-Texarkana
- The University of Texas at Brownsville
- The University of Texas at Tyler
- The University of Texas of the Permian Basin
- University of Houston- Clear Lake
- University of Houston- Downtown
- University of Houston-Victoria

Accountability System
Online Format

Data available online for the Accountability System will be much more detailed than the traditional paper report. There will be three tiers, or layers, of data featured online for public universities (also available for public two-year colleges):

(1) Statewide measures
(2) Measures by members of each university system
(3) Institution measures (specific institution)

Additional features include:

- Most measures will be calculated and loaded into the system by the Coordinating Board

- Text boxes provided by each institution as a descriptive opportunity in each section of measures (participation, success, excellence, research and institutional efficiencies & effectiveness)

- Institutions will have the option to add explanatory optional measures to the system in each goal area.

- Trend line data will be available

- Paper reports will be generated directly from the system for Regents, Legislature, and others

- Web Base Performance and Accountability System will be available to the public.

- Customized reports—identify a group of institutions and measures for comparison by institution/measures of personal interest

- Charts and graphs relative to each group for each measure

- Measure definitions, including data sources and calculations

Draft

Draft General Academic Accountability Measures

Measure	Research	Emerging Research	Doctoral	Comp.	Masters
Participation *Key Measures*		*Percent Change*			
1 Enrollment: Number and percent of undergraduate, master's, doctoral, and professional students enrolled on the 12th day of class, disaggregated by gender, ethnicity, age, and level.	0%	6%	8%	12%	12%
African-American Enrollment increase*	To Be Determined				
Hispanic Enrollment increase*	To Be Determined				
2 FTE Enrollment: Number and percent of undergraduate, graduate, and professional FTE students enrolled, disaggregated by gender, ethnicity, and age.	0%	4%	6%	10%	12%
African-American FTE Enrollment increase*	To Be Determined				
Hispanic FTE Enrollment increase*	To Be Determined				
Contextual Measures - Participation					
3 Percent of first-time undergraduates from the top ten percent of their Texas high school class					
4 Percentage of first-time in college entering applicants accepted, and the percentage of those accepted who enroll					
5 Ethnic composition of high school graduates in Texas					
6 Percent of enrollment that are transfers from Texas two-year colleges with at least 30 SCH.					
7 Semester Credit Hours: Total number of graduate and undergraduate semester credit hours					
Success *Key Measures*					
8 Graduation Rate: four, five, and six-year graduation rate of first-time, full-time degree seeking undergraduates by ethnicity	*Percentage Point Change*				
Four-Year Rate	1.5 points		3 points	3 points	3 points
Five-Year Rate	1 point	5 points	4.5 points	4 points	4 points
Six-Year Rate	.5 point		3 points	5 points	5 points
9 Graduates: Number of graduates by level and race/ethnicity & gender	*Percent Change*				
Total degrees	0%	15%	15%	15%	15%
African-American degrees	3% ug/10% grad	10%	10%	10%	10%
Hispanic degrees	3% ug/10% grad	10%	10%	10%	10%
10 Graduation and Persistence rate: Percent of first-time, full-time, degree-seeking undergraduates who have graduated or are still enrolled in higher education after six academic years (by total and race/ethnicity)					

Draft

Draft General Academic Accountability Measures					
Measure	Group Funded Research	Research	Doctoral	Comp.	Masters
11 Computer science, engineering, math, and physical science graduates both undergraduate and graduate					
12 Nursing and allied health graduates both undergraduate and graduate					
13 Number of students taking the certification exam for teacher education and the pass rates by ethnicity					
Contextual Measure – Success					
14 Enrollment: Percent of first-time students 19 and under					
15 Financial aid: Percent of students receiving Pell Grants					
16 Part-time Undergraduate Students: The number and percent of part-time first-time degree seeking undergraduates.					
17 Persistence Rate: First-time degree-seeking undergraduate students who remain enrolled after one and two academic years (by total and race/ethnicity)					
18 Developmental education: Percent of first-time, full-time, degree-seeking undergraduates needing developmental education who have graduated or are still enrolled in higher education after six academic years (by total and race/ethnicity)					
19 Developmental education: Percent of first-time, full-time, degree-seeking undergraduates needing developmental education by ethnicity					
20 Graduation Rate for two-year college students who completed at least 30 SCH before transferring to a university					
21 Percent of baccalaureate graduates completing at least 30 SCH at a Texas two-year college					
22 Graduation Rates for master's, and doctoral programs					
Excellence					
Key Measures					
	Percent Change				
23 Percent lower division SCH taught by tenure/tenure–track faculty	3%	3%	3%	5%	4.5%
	Percentage Point Change				
24 FTE student/FTE faculty ratio	(.5 point)	(1 point)	(2 points)	(1 point)	Maintain current ratio
25 Percent of baccalaureate graduates either employed or enrolled in a Texas graduate or professional school within one year of graduation					
26 Certification or licensure, Licensure/certification rate on state or national exams (law, pharmacy, nursing, engineering)					
27 Class size: the average class size of lower division classes					
28 Percent of FTE faculty who are Tenure/Tenure-Track					
Contextual Measure – Excellence					

Draft

Draft General Academic Accountability Measures

Measure	Research	Emerging Research	Doctorate	Comp	Masters
29	Percent of FTE teaching faculty who are Tenure/Tenure-Track by ethnicity and gender					
30	Faculty: Ethnicity and gender by rank					
31	Faculty: salaries and trends, Compared to national average by rank					
32	Endowed Chairs: total number of endowed professorships and chairs, number and percent of those filled, and percent of total tenure/tenure-track faculty.					
33	Number of members in the National Academies					
34	Employment: Percent of baccalaurate graduates employed in Texas within 1 year following graduation					
35	Percent of baccalaureate graduates enrolled in a Texas graduate or professional school within one year of graduation					
36	Class size- the percentage of undergraduate classes with less than 20 students					
37	Class size- the percentage of undergraduate classes with more than 50 students					

Research
Key Measures

		Percent Change				
38	FTE Faculty: Ratio of federal research expenditures to all FTE tenured/tenure-track faculty.	5%	9%	9%	6%	3%
39	Research expenditures	15%	15%	12%	10%	6%
40	Research funds: Amount of sponsored (external) research funds as a percent of general revenue appropriations.					

Contextual Measure- Research

41	Research Expenditures by source of funds (federal, state, private, institutional)					
42	FTE Faculty: Number and percent of FTE tenured/tenure-track holding extramural grants (all sources and types).					

Institutional Efficiencies and Effectiveness
Key Measures

		Percent Change				
43	Administrative costs: Amount expended for administrative costs as a percent of operating budget.	Less than or = 6% flat	-10%	-10%	-10%	-3%
44	Facilities: Space utilization rate of classrooms and labs	Hours per Week Change				
	Classroom utilization	.5 hour	2 hours	2 hours	3 hours	3 hours
	Lab utilization	.5 hour	.5 hour	.5 hour	1.5 hours	1.5 hours
45	Appropriations: Appropriated funds per FTE student and per FTE faculty.					
46	Historically Underutilized Business trends					
47	Expenditures: All funds expenditures per FTE student					

Draft

| Draft General Academic Accountability Measures					
Measure		Research	Enterprise Research	Doctoral	Comp	Masters
48	Total Revenue: Total general revenue per FTE student and per FTE faculty.					
Contextual Measures - Institutional Efficiencies and Effectiveness						
49	Average cost of resident undergraduate tuition and fees for 30 semester credit hours*					
50	Square footage E&G classroom and square footage E&G lab space per full-time equivalent student*					
51	Endowment- Total					
52	Endowment- Per FTE Student					
53	Total Revenue: Total revenue by tuition & fees, state appropriation, federal, and institutional funds					

TEXAS TECH™

Facilities Committee

Reports

Parking Update
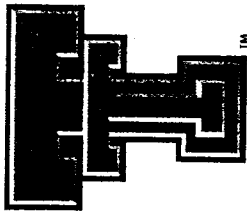
Parking Update

Issues

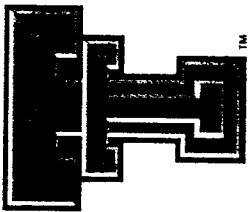- **Project Funded Replacement Parking**
- **Availability of Student Parking**

Project Funded Parking Summary

| PROJECT	LOST	NEW/ REPLACED	NET
West Hall Visitors Center	26	39	13
Student Recreation Center	0	29	29
New Residence Hall	4	0	-4
Experimental Sciences Building	132	62	-70
English/Philosophy - Education Complex	245	263	18
Animal & Food Sciences	10	37	27
Flint Ave Parking Garage	186	791	605
Marsha Sharp Center for Student Athletes	21	15	-6
Student Health / Counseling Center	0	149	149
Child Dev Res Ctr/Ctr Study Addiction/Recovery	42	**	**
** Funds programmed for replacement parking			
Subtotal			761
United Spirit Arena	442	926	484
Jones SBC Stadium	138	79	-59
Texas Tech Parkway	968	1500	532
Grand Total TTU Parking Spaces			1718

Project Funded Parking
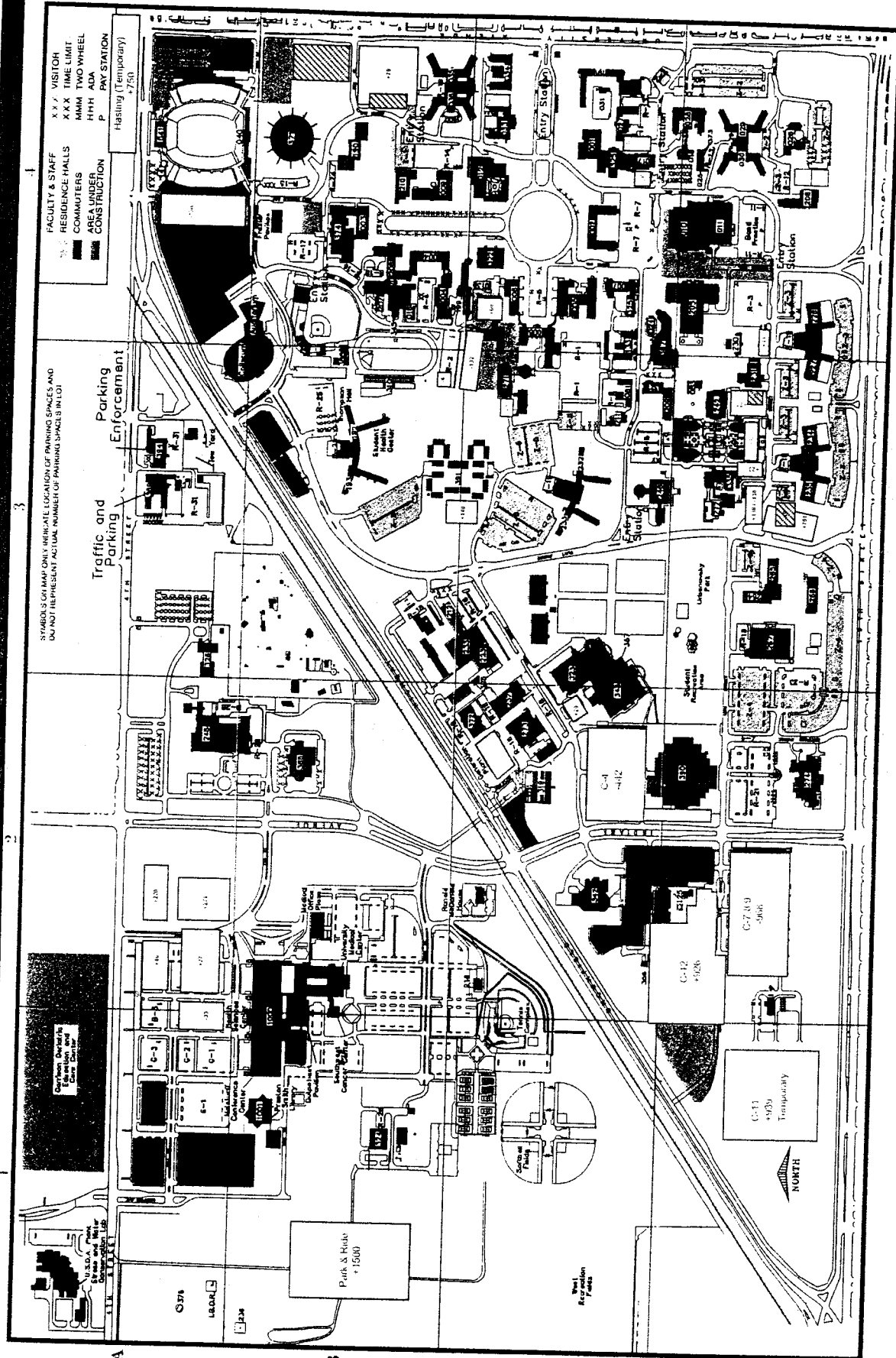
Project Funded Parking

Summary

- Net Gain 1,718 Spaces

- Arena Parking Replaced

- Two Meetings held with Student Government Association
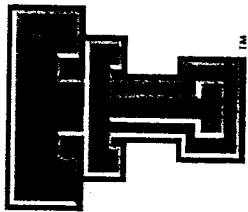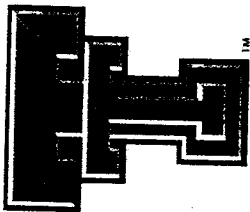
Parking Inventory

- 3,607 Residence Hall
- 4,520 Commuter (and Satellite)
- 462 Staff/Faculty Reserved (and getting fewer)*
- 3,380 Staff/Faculty Area Reserve (most efficient)*
- 896 Visitor (free)
- 303 Visitor (paid)
- 424 Time Zone
- 281 Service Vehicle Only
- 364 ADA
- 23 2-Wheel Bays
- **14,243 Total**

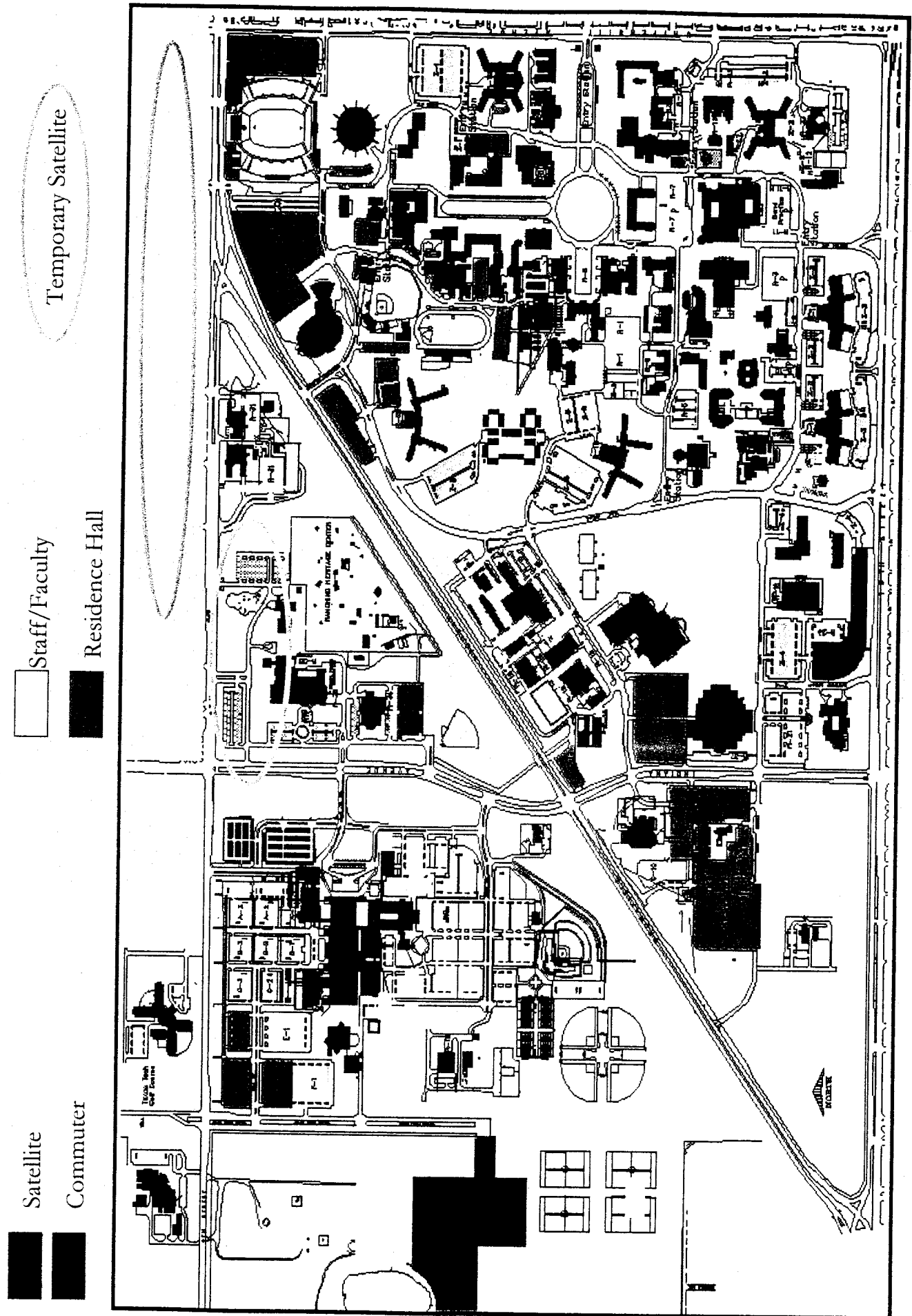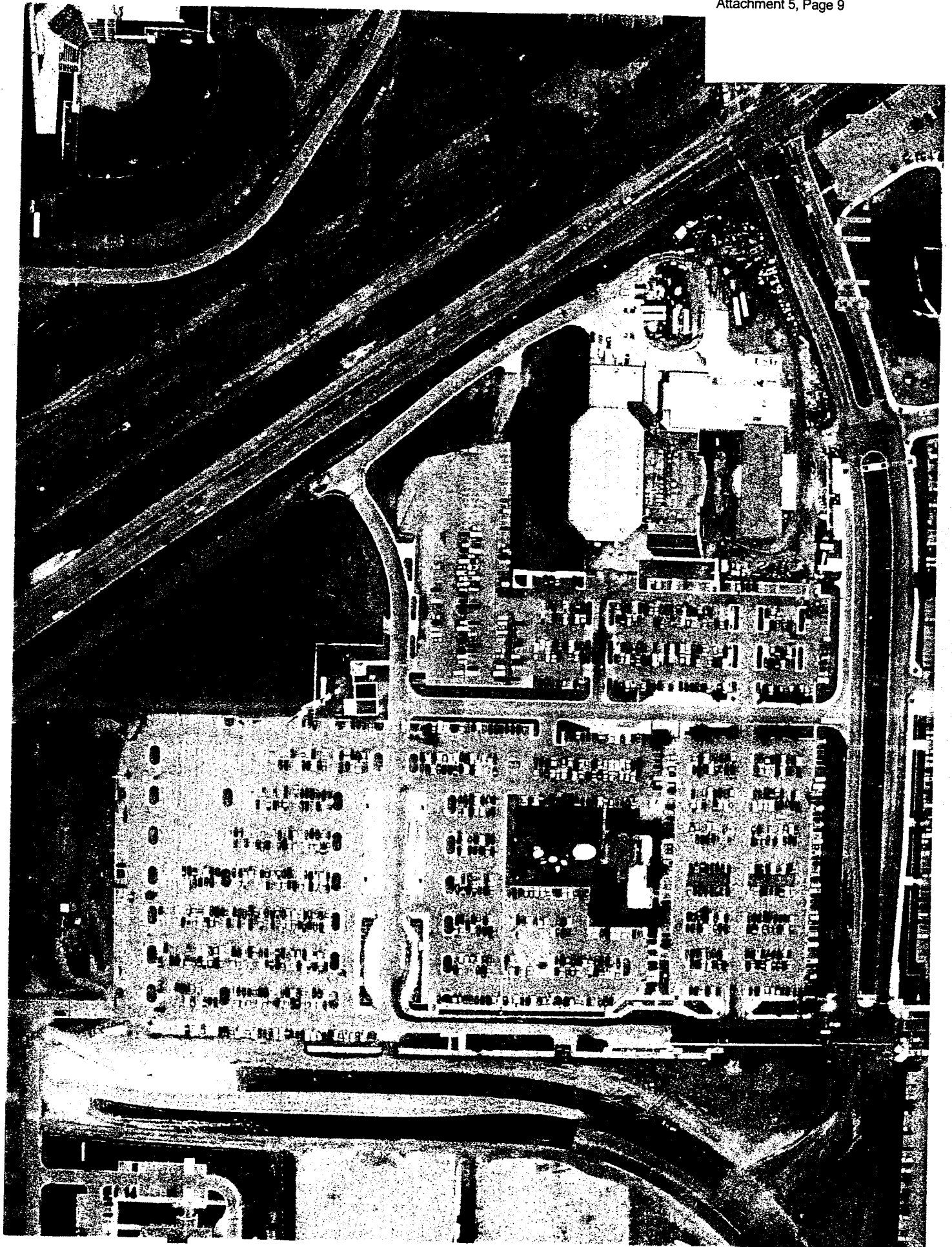- *Staff/Faculty parking has reached saturation

Permits

- Residence Hall — 3,795
- Commuter — 7,217
- Satellite — 1,950
- Reserved — 522
- Area Reserved — 3,261
- Contractor Vendor — 501
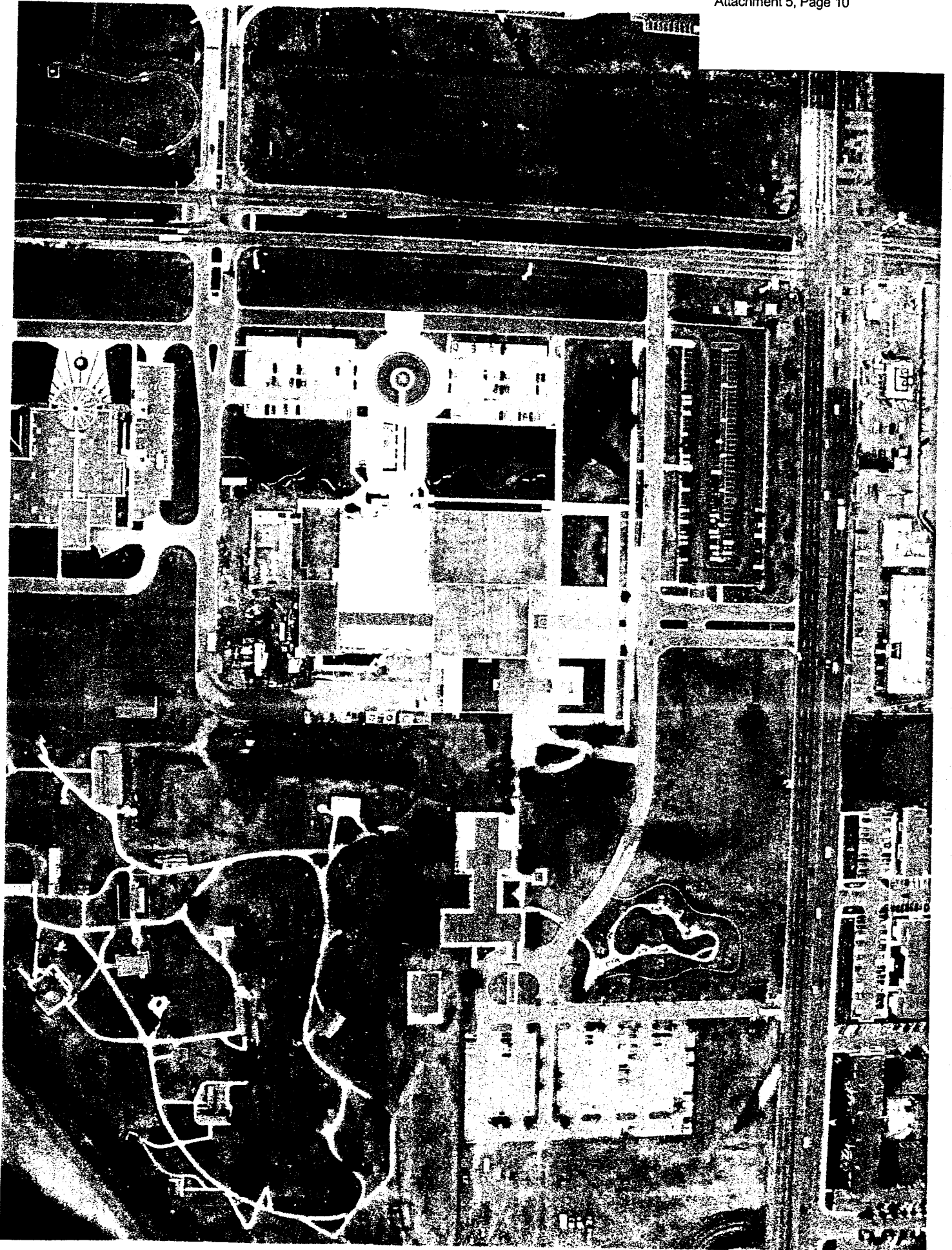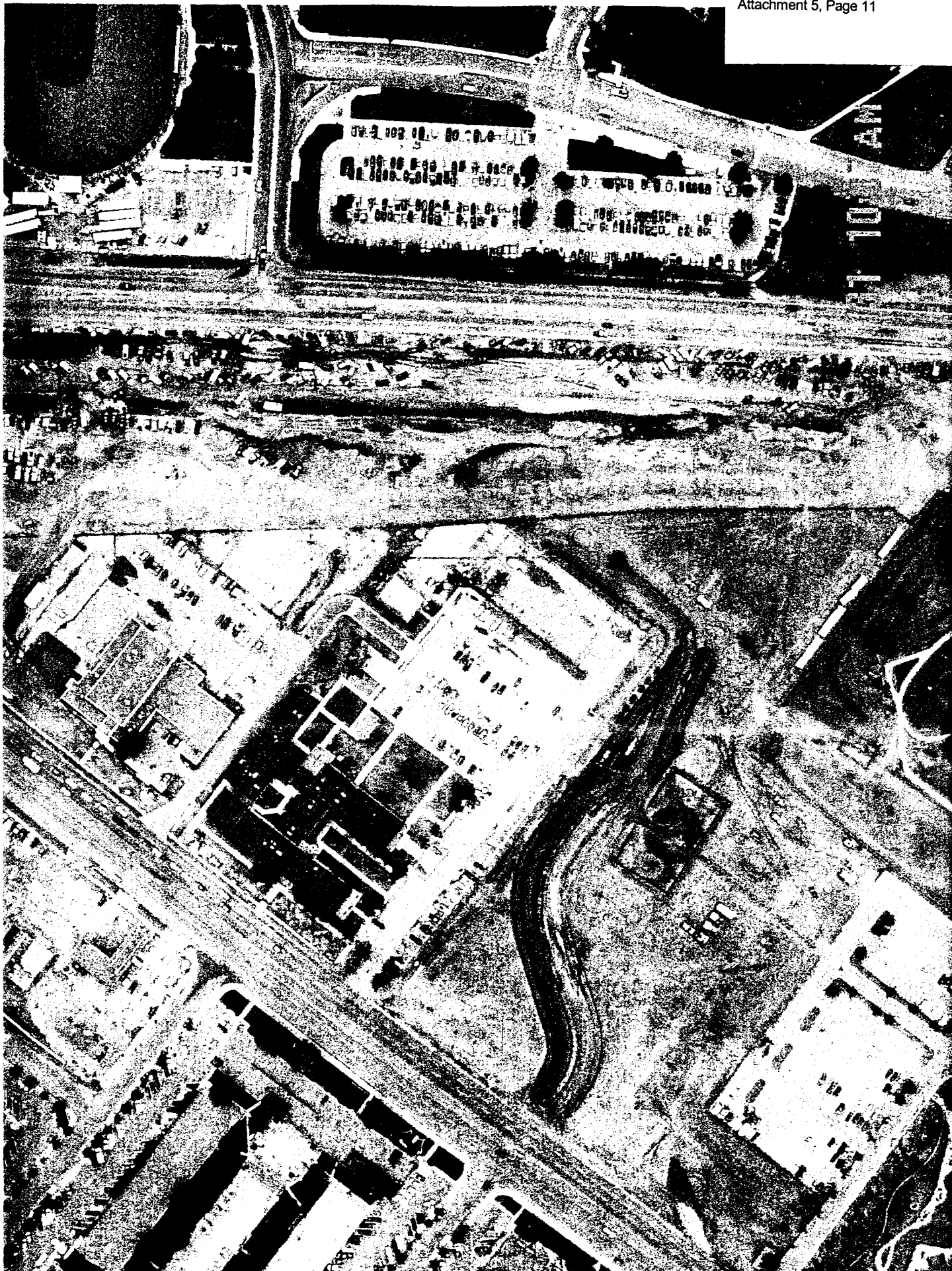- ADA permits — 412
- Free Visitor Permits — 53,763

AY 04-05

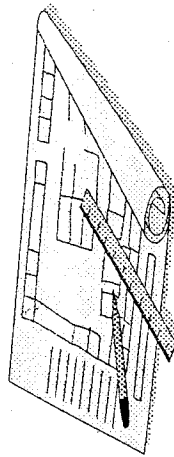NOTE: 1,200 permits fewer than past year…corresponds to increase in Citibus ridership

Temporary Satellite

Staff/Faculty

Residence Hall

Satellite

Commuter

FACILITIES PLANNING & CONSTRUCTION
TEXAS TECH UNIVERSITY SYSTEM

Bricks and Mortar Report
Projects Under Construction
December 2004
www.fpc.ttu.edu

As Of 12/01/2004

TTU

Project	Cost	Status	Completion Date
Experimental Sciences Building	$36,997,000	Under Construction	August 2005
Animal and Food Sciences Facility	$17,000,000	Under Construction	January 2005
Student Union Bldg. Expansion/Renov.	$38,085,814	Under Construction	October 2003/January 2005
Museum NSRL Addition	$4,100,000	Under Construction	February 2005
New Residence Hall Complex	$24,000,000	Under Construction	August 2005
Admin Building Stone Repair	$2,332,099	Under Construction	January 2005
English-Philosophy Demo	$1,050,000	Under Construction	April 2005
Combest Health & Wellness Center	$1,135,210	Contractor Selected	December 2005
TOTAL	**$124,700,123**		

HSC

Project	Cost	Status	Completion Date
HSC Clinical Tower Research Center	$35,792,550	GMP Signed	November 2006
HSC Campus Infrastructure Improvement	$5,000,000	Under Construction	December 2004
HSC El Paso Clinic Expansion/Renov	$9,780,000	Under Construction	February 2005
HSC El Paso Hydronic Pipe Replacement	$1,700,000	Under Construction	February 2005
HSC El Paso Medical Science Bldg. I	$38,890,868	Under Construction	November 2005
Texas Tech Parkway	$9,227,265	Under Construction	April 2005
TOTAL	**$100,390,683**		
GRAND TOTAL	**$225,090,806**		

Bricks and Mortar Report

Projects In Design
December 2004

FACILITIES PLANNING & CONSTRUCTION
TEXAS TECH UNIVERSITY SYSTEM

TTU
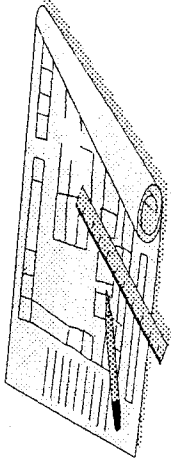
Project	Cost	Status	Completion Date
Art 3-D Annex	$6,000,000	Re-Evaluating Project	TBD
Student Union Building Phase II B	$6,000,000	Design in Progress	December 2005
NRHC - Christine DeVitt Wing	$3,700,000	Design in Progress	TBD
CDRC / CSAR	$8,000,000	Design in Progress	TBD
Rawls College of Business Administration	$50,000,000	Design in Progress	TBD
Student Health and Counseling Center	$8,500,000	Design in Progress	TBD
The Rawls Course Clubhouse Complex	$7,460,000	Design in Progress	TBD
Outreach & Extended Studies Building	$8,500,000	Design in Progress	August 2006
Engineering Expansion/Renovation	$10,000,000	Programming in Progress	TBD
Marsha Sharp Freeway [TxDOT Project]	TBD	Design in Progress	2009+
Walls/Gates Life Safety Upgrade	$4,200,000	Design in Progress	August 2005
Law School Courtroom 21	$12,000,000	DP Interviews Scheduled	TBD
TOTAL	**$124,360,000**		

HSC

Project	Cost	Status	Completion Date
International Pain Institute	$3,500,000	Design in Progress	December 2006
El Paso Medical Education Bldg.	$45,000,000	Design in Progress	August 2008
Amarillo Clinic Conversion / Renovation	TBD	Programming in Progress	TBD
HSC Roof Replacement	$2,000,000	Design in Progress	TBD
TOTAL	**$50,500,000**		
GRAND TOTAL	**$174,860,000**		

Revised 12/01/2004

Bricks and Mortar Report

Future Projects
December 2004

FACILITIES PLANNING & CONSTRUCTION
TEXAS TECH UNIVERSITY SYSTEM
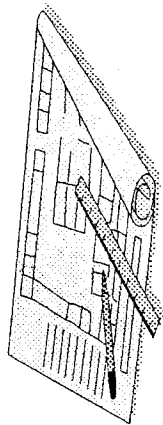
Project	Cost	Status	Completion Date
Texas Tech System			
TTU			
System Office Relocation	$3,000,000	Proposed	TBD
Sneed/Gordon/Bledsoe Improvements	$7,150,000	Proposed	August 2005
Experimental Science Lab Build Out	TBD	Proposed	TBD
Honors College	$8,000,000	Student Project	TBD
CoBA Building Renovations	$25,000,000	Study in Progress	TBD
Jones SBC Stadium Stage IV	TBD	On Hold	TBD
Utility Infrastructure Upgrade	TBD	DP RFQ Posted	TBD
Child Care Center	$2,000,000	On Hold	TBD
Dairy Barn Renovation	$2,000,000	Student Project	TBD
Retirement Village	TBD	On Hold	TBD
Vietnam Center	$35,000,000	Proposed	TBD
TOTAL	**$79,150,000**		
HSC			
El Paso Medical Science Building I Build Out	$9,000,000	Proposed	TBD
El Paso Medical Science Building II	TBD	Programming in Progress	TBD
Midland Medical Education Expansion	$13,500,000	Proposed	TBD
School of Pharmacy Expansion	$11,250,000	Proposed	TBD
TOTAL	**$33,750,000**		
GRAND TOTAL	**$115,900,000**		

Revised 12/01/2004

Bricks and Mortar Report
Projects Completed
December 2004

TTU

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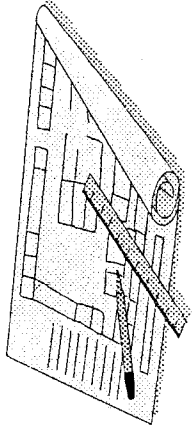
Project	Cost	Status	Completion Date
Jones SBC Stadium Stage IIA /IIB	$53,740,000	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	$3,623,110	Complete	August 2004
Football Training Facility	$11,000,000	Complete	May 2004
Marsha Sharp Center for Student Athletes	$3,850,266	Complete	January 2004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

Revised 12/01/2004

Project	Cost	Status	Completion Date
Marquee	$352,000	Complete	August 2001
Stangel/Murdough Fire Suppression	$1,704,000	Complete	August 2001
Chitwood/Weymouth Fire Suppression	$2,769,000	Complete	August 2000
TOTAL	$206,546,061		

HSC

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

Revised 12/01/2004

COLLEGE OF HUMAN SCIENCES
ORGANIZATIONAL EVALUATION

COLLEGE OF HUMAN SCIENCES

Focus · Strategic
EVALUATION OF ORGANIZATIONAL STRUCTURE

PROPOSE GUIDING PRINCIPLES FOR REORGANIZATION:

❖ To combine academic programs, to form a department, only in cases in which programs are based on the same root discipline.

❖ To take into consideration the number of students enrolled in and the number of faculty affiliated with an academic program.

COLLEGE OF HUMAN SCIENCES
EVALUATION OF ORGANIZATIONAL STRUCTURE

REORGANIZATION DECISION MAKING PROCESS:

Propose Guiding Principles - [Dean]

↓

Adopt Guiding Principles - [Executive Council] [Faculty Council]

PROPOSE GUIDING PRINCIPLES

To combine academic programs, to form a department, only in cases in which programs are based on the same root discipline.

To take into consideration the number of students enrolled in and the number of faculty affiliated with an academic program.

↓

Collect Input - [Faculty, Staff, Administrators, Students, & Advisory Council]

↓

Develop Feasible Models

[Associate Dean for Academics and Operations, Faculty Council Chair, MEDCE Representative, and Manager for Financial and Administrative Services]

↓

Rank Models & Make Recommendation - [Executive Council] [Faculty Council]

↓

Select Model - [Dean]

COLLEGE OF HUMAN SCIENCES

EVALUATION OF ORGANIZATIONAL STRUCTURE

CURRENT DEPARTMENTS AND PROGRAMS:

MEDCE = DEPARTMENT OF MERCHANDISING, ENVIRONMENTAL DESIGN, AND CONSUMER ECONOMIC

- INTERIOR DESIGN
- APPAREL DESIGN AND MANUFACTURING
- ENVIRONMENTAL DESIGN
- PERSONAL FINANCIAL PLANNING
- RETAILING

ENRHM = DEPARTMENT OF EDUCATION, NUTRITION, AND RESTAURANT/HOTEL MANAGEMENT

- RESTAURANT, HOTEL, AND INSTITUTIONAL MANAGEMENT
- FOOD AND NUTRITION
- FAMILY AND CONSUMER SCIENCE EDUCATION

HDFS = DEPARTMENT OF HUMAN DEVELOPMENT AND FAMILY STUDIES

- HUMAN DEVELOPMENT AND FAMILY STUDIES
- EARLY CHILDHOOD
- MARRIAGE AND FAMILY THERAPY
- SUBSTANCE ABUSE STUDY

COLLEGE OF HUMAN SCIENCES
EVALUATION OF ORGANIZATIONAL STRUCTURE

PROPOSED DEPARTMENTS AND PROGRAMS:

DOD = DEPARTMENT OF DESIGN
- INTERIOR DESIGN
- APPAREL DESIGN AND MANUFACTURING
- ENVIRONMENTAL DESIGN

NHR = DEPARTMENT OF NUTRITION, HOSPITALITY AND RETAILING
- RESTAURANT, HOTEL, AND INSTITUTIONAL MANAGEMENT
- RETAILING
- FOOD AND NUTRITION

HDFS = DEPARTMENT OF HUMAN DEVELOPMENT AND FAMILY STUDIES
- HUMAN DEVELOPMENT AND FAMILY STUDIES
- EARLY CHILDHOOD

APS = DEPARTMENT OF APPLIED PROFESSIONAL STUDIES
- MARRIAGE AND FAMILY THERAPY
- SUBSTANCE ABUSE STUDY
- FAMILY AND CONSUMER SCIENCE EDUCATION
- PERSONAL FINANCIAL PLANNING
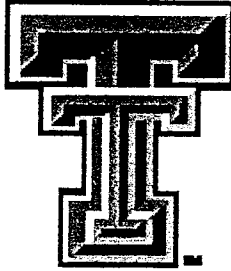
TEXAS TECH UNIVERSITY

REPORT ON RESEARCH

Board of Regents Meeting

December 16-17, 2004

TEXAS TECH UNIVERSITY

VICE PRESIDENT FOR RESEARCH

Texas Tech, a fast growing, comprehensive research University, seeks innovative and aggressive leadership for a bold research initiative that includes a dramatic increase of external funding, technology transfer, and research and scholarship opportunities throughout the campus.

The University is a Carnegie Doctoral/Research Extensive Institution with an enrollment of more than 28,000 students—including almost 5,000 graduate students—pursuing a rich combination of undergraduate, masters and doctoral programs. Texas Tech is the primary research institution in the western two-thirds of the state and is located in Lubbock, a growing metropolitan area, which functions as the regional center for education, agriculture, healthcare, banking, business and the arts.

Texas Tech University, with its neighboring partner, the Texas Tech University Health Science Center, offers a diverse educational opportunity with 11 Colleges, the School of Law, the Graduate School, and the Schools of Medicine, Nursing, Allied Health and Pharmacy.

Responsibilities: The Vice President for Research will be responsible for expanding the University's research capacity through pursuit of federal and state sponsored research initiatives; coordinating research programs with the Health Science Center, and inter-institutional research with other universities; and participating in the hiring of up to 100 new faculty including hiring for interdisciplinary research initiatives. In addition, the Vice President will create incentive and faculty development programs in grant proposal writing, private sector partnering, intellectual property management, and technology transfer.

The Vice President for Research reports directly to the President of Texas Tech University and works closely with the Provost, the Academic Deans, and the Associate Deans for Research to enhance and facilitate scholarship. This position also serves with other Vice Presidents as a member of the President's Administrative Cabinet.

Qualifications: A successful candidate must have: an earned doctoral degree; a personal record of distinguished scholarship; extensive administrative experience with funded research—including budget and staff oversight; and professional and/or academic experience that will merit a tenured appointment at the rank of Professor. We are looking for someone with the right combination of drive, vision and comprehensive communication skills. Candidates with governmental and/or industrial experience are encouraged to apply.

Extra consideration will be given for: a leadership record of advancing research in a research-extensive doctoral university and/or a record of participation with national research organizations; and experience with leadership in technology transfer and industrial relations.

Salary: Commensurate with the experience and qualifications of the successful candidate. Desired start date June 1, 2005.
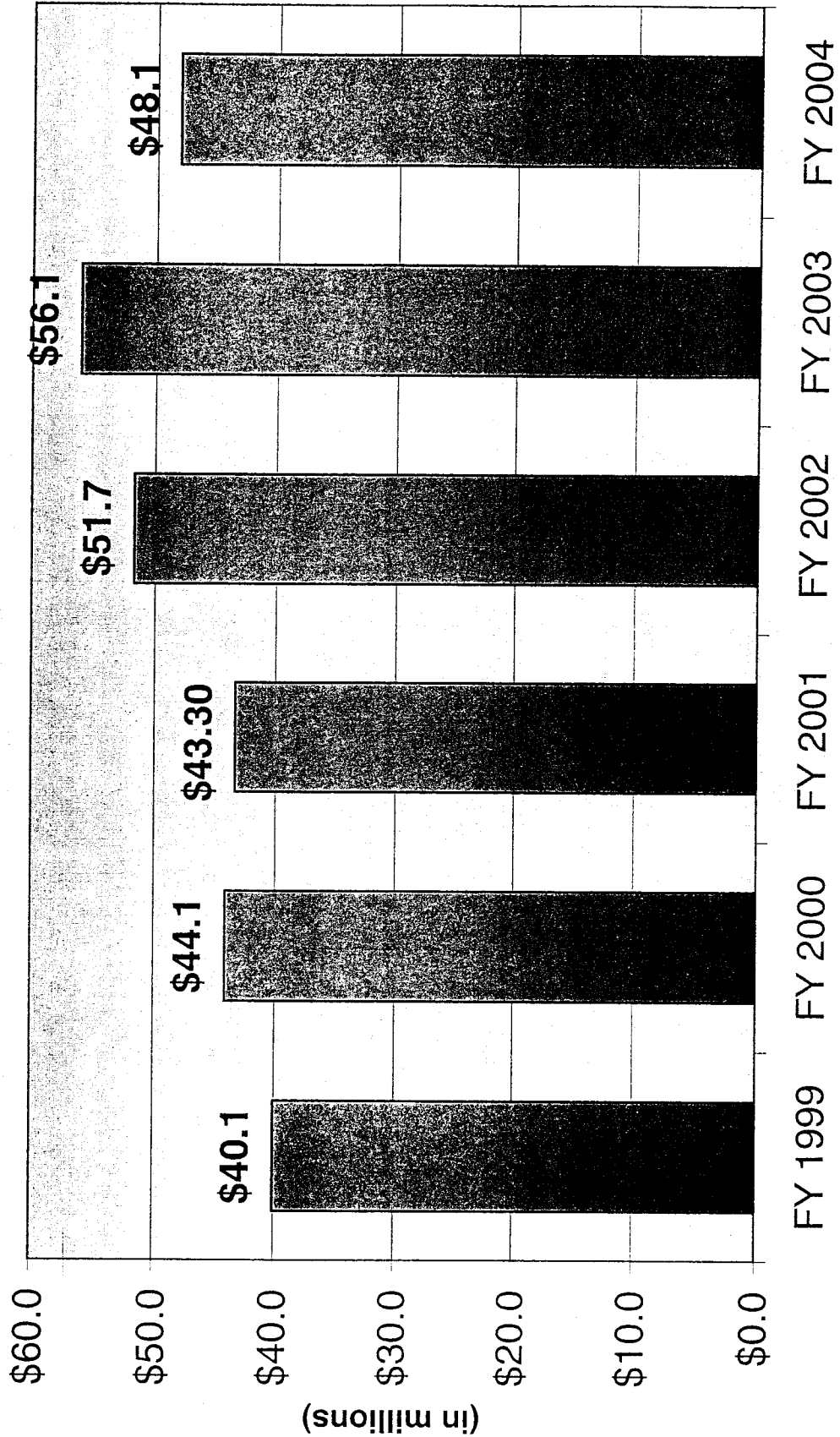
Nomination / Application Procedures: Nominations are encouraged and should include the candidate's contact data. Applicants must submit a letter of application addressing the qualifications above, a vita, and 5 references, including their names, addresses, email addresses and telephone numbers. Screening of applications will begin on February 1, 2005, and will continue until the position is filled. Inquiries and applications should be addressed to:

> Dean Andrew Vernooy, Chair
> Search Committee for Vice President for Research
> Office of the President
> Texas Tech University, Box 42005
> Lubbock, Texas 79409
>
> or electronically submitted to jessica.carrillo@ttu.edu

Texas Tech University is an equal opportunity employer and encourages nominations and applications from minority and female applicants. The University is sensitive to the need of dual career partners.

Texas Tech University Total Expenditures for Conduct of R&D Fiscal Years 1999 through 2004 Source - Coordinating Board Research Expenditures Report

(in millions)

FY 1999: $40.1
FY 2000: $44.1
FY 2001: $43.30
FY 2002: $51.7
FY 2003: $56.1
FY 2004: $48.1

TEXAS TECH UNIVERSITY
Sponsored Project Awards
Fiscal Years 1999 through 2004

(in millions)

Fiscal Year	Amount
FY 1999	$40.7
FY 2000	$37.2
FY 2001	$44.7
FY 2002	$53.6
FY 2003	$54.9
FY 2004	$45.8
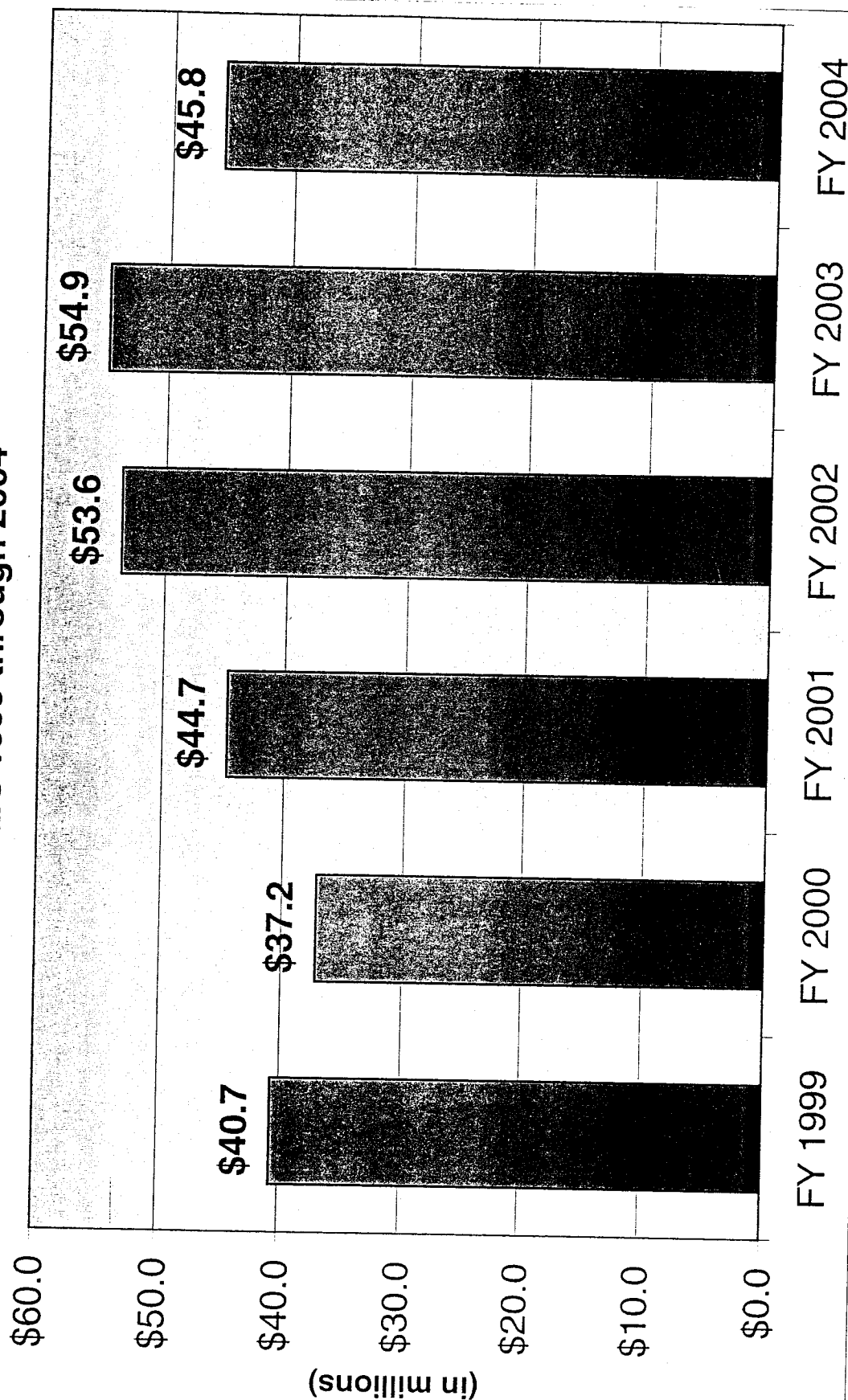
TEXAS TECH UNIVERSITY
Sponsored Project Awards
First Quarter FY 1999 through FY 2005

(in millions)

FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
$8.9	$9.9	$16.1	$16.4	$21.0	$14.9	$12.2
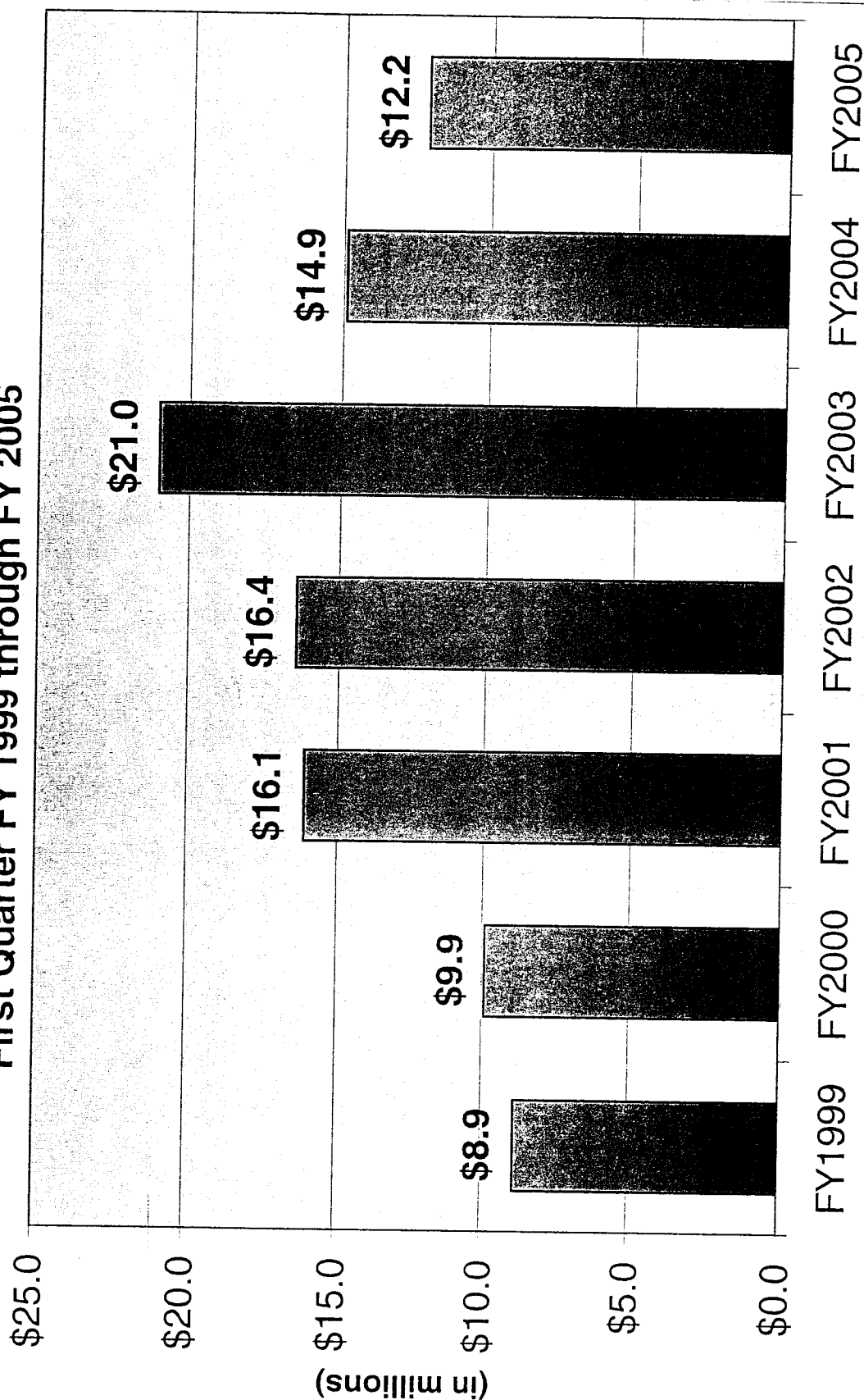
TEXAS TECH UNIVERSITY
Congressionally Directed Funding
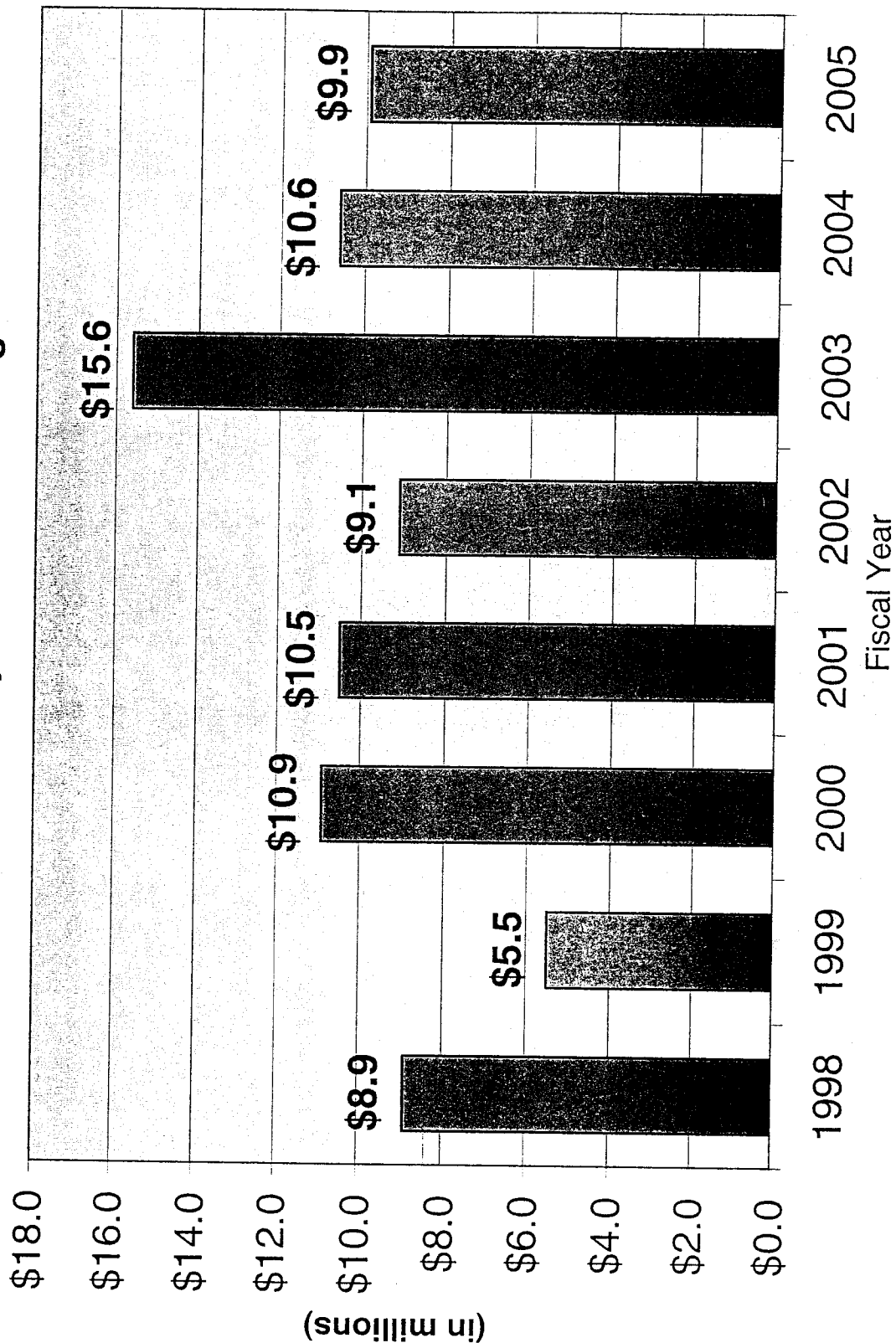
TEXAS TECH UNIVERSITY
FY2004-2005 Federal Initiatives
($ in Millions)

12/14/2004

	FY04	FY05
AGRICULTURE		
Cotton Research Center	2.237	2.500
Center for Food Industry Excellence	.222	.874
Ogallala Aquifer*	.371	.539
North America Studies**	.161	.180
Sub Total:	**2.991**	**4.093**
DEFENSE		
Zumwalt Program	1.750	2.000
Toxic Chemicals	1.000	1.000
Pulsed Power***	.000	1.000
Sub Total:	**2.750**	**4.000**
LABOR, HHS, EDU		
Vietnam Archive	.500	.500
Hill Country	.250	.100
Center for the Study of Addiction	.250	.250
Sub Total:	**1.000**	**.850**
COMMERCE, JUSTICE, STATE		
Wind Engineering	1.900	.000
Sub Total:	**1.900**	**.000**
VA, HUD		
Experimental Sciences Building	2.000	1.000
Sub Total:	**2.000**	**1.000**
TOTALS:	**10.641**	**9.943**

* Collaborative with TAMU, USDA, WTAMU and Kansas State U.   Total: $2.698M

** Collaborative with TAMU, et al.   Total: $1M

*** Collaborative with U. of Missouri and U. of New Mexico.   Total: $1M

HSC Research Expenditures
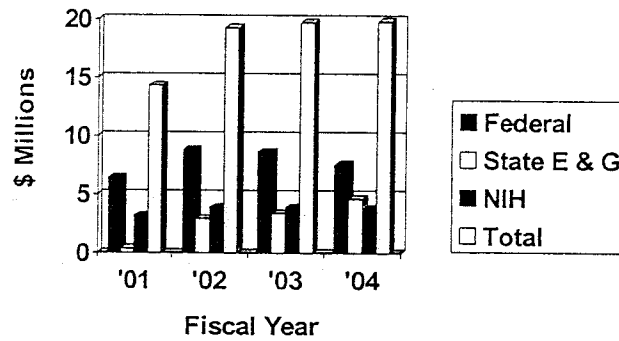
HSC Research Awards
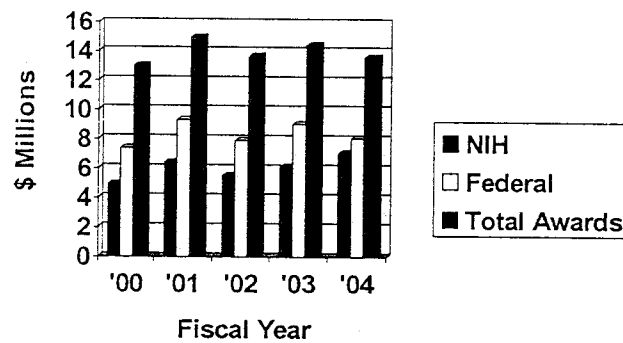
Research Awards by HSC School
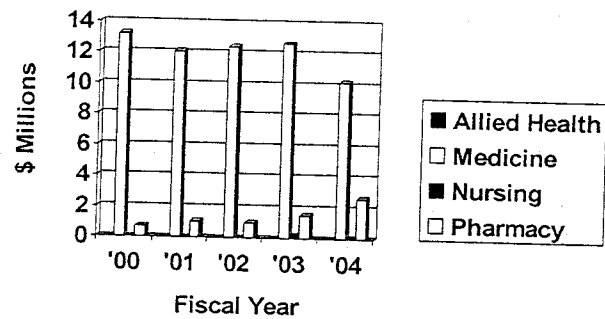
SOM Research Awards
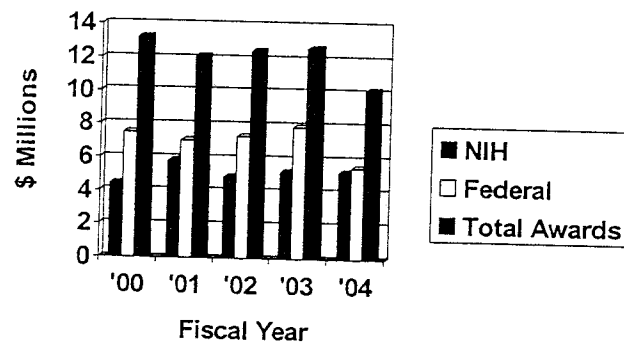
SOP Research Awards

5
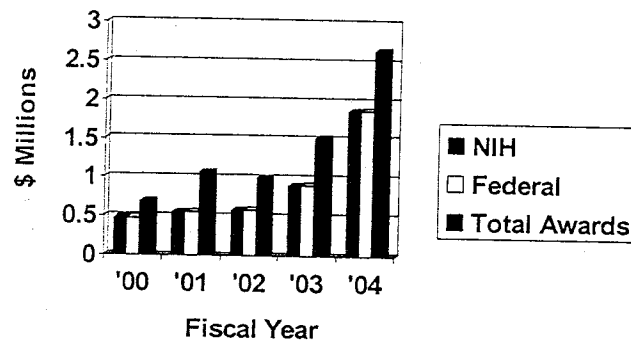
What is Differential Tuition?

Charging different tuition and or fees based on certain criteria.

1

Program Study/Cost

Certain programs cost more to deliver based on:
- market driven salaries
- equipment
- laboratory use
- high-end computing

2

Earning Power of Graduate

The "value" of the degree as measured by the starting salary of a graduate.

3

Residency Status

- In-state

- County/border state

- Out-of-state

4

Time-Specific Course/Costs

Reduced tuition rates for classes taken during off-peak periods.

5

Tuition Plateau

No tuition costs beyond a prescribed limit (usually 15 SCH).

6

Level of Instruction

Freshman/Sophomore – lower rate
Junior/Senior – higher rate

7

Resident Tuition
(Per SCH)

Level	State	Board*
Undergraduates	$48	-
Graduate students	$48	$ 46
Law students	$80	$160

* Additional tuition does <u>not</u> include designated tuition

8

Cost by Level and Discipline

Tuition/Fees Per Semester
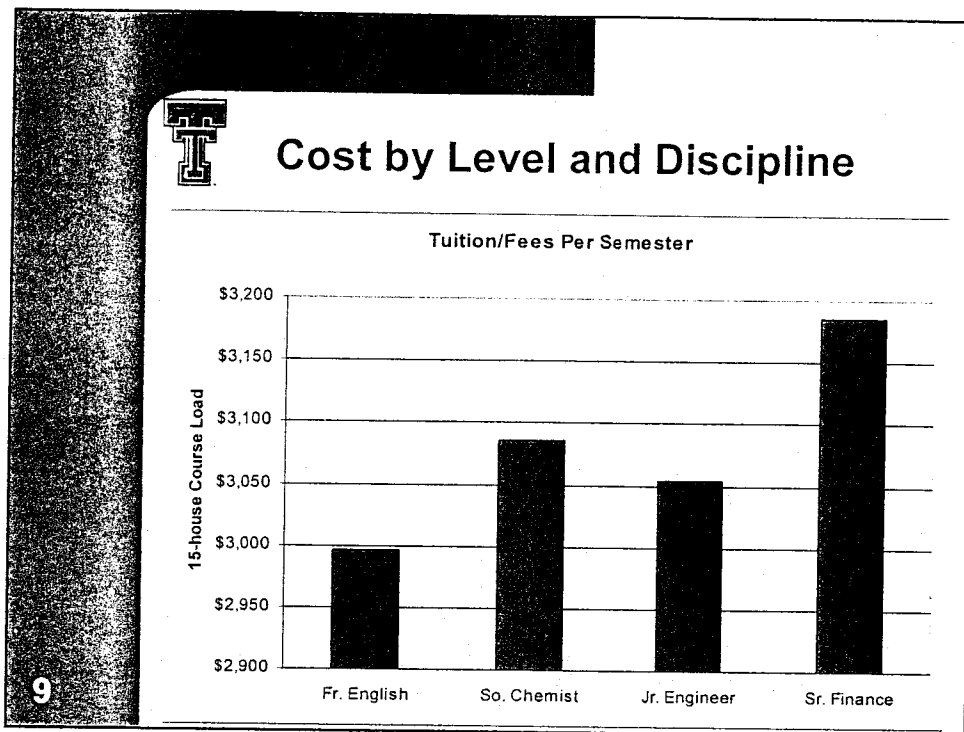
Flat Rate Tuition

Encourages students to take as many credits as possible at the full-time rate.

Semester Credit Hour

1-6   Cost per credit

7-11   % of full times rate

12-   Full-time student rate

This alternative also supports "Graduate On-Time".

University Planning

- University will prepare an elasticity study to avoid any unintended consequences in rate setting.

- Budget Advisory Council will offer recommendations to the President including consideration of differential options.

11

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

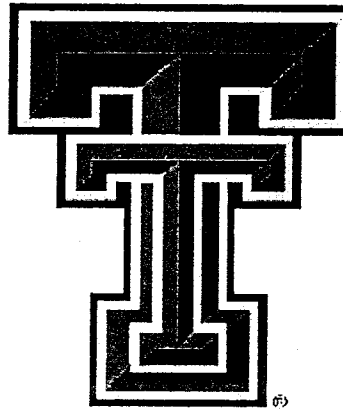| PRIORITY	ENTITY	AUDIT AREA		BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF DEC 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE		18,092					
		REQUIRED AUDITS							
Required	TTUS	Texas Tech University Foundation (assist)	Financial	120		In progress	2	118	0
Required	TTUS	Chancellor and Regent Travel (assist)	Compliance	20		In progress	4	16	0
Required	TTU & HSC	SAO Statewide CAFR audit (assist)	Financial	40	(40)	Cancelled			0
Required	TTU & HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	250		In progress	296	20	(66)
Required	TTU	SACS Financial Review (assist)	Financial	400		In progress	109	291	0
Required	TTU	NCAA Compliance	Compliance	280				280	0
Required	TTU	NCAA Compliance--Camps & Clinics	Compliance		38	In progress	4	46	(12)
Required	TTU	NCAA Financial Statements (assist)	Financial	240		Planning	6	234	0
Required	TTU	KOHM-FM (assist)	Financial	250		In progress	124	126	0
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	Compliance	240		In progress	122	80	38
Required	HSC	El Paso Family Medicine Contract	Compliance	90		Complete	85		5
		TOTALS FOR REQUIRED AUDITS		1,930	(2)		752	1,211	(35)
		AUDITS IN PROGRESS AT AUGUST 1, 2004							
Prior Year	TTU & HSC	SAO Procurement Card (assist)	Compliance	10		In progress	4	6	0
Prior Year	TTU	College of Agriculture	Operational	570		Complete	617		(47)
Prior Year	TTU	Travel Services	Operational	170		Complete	110		60
Prior Year	TTU	Financial Accounting & Reporting	Consulting	150		Complete	52		98
Prior Year	TTU	NCAA Compliance	Compliance	50	(38)	Complete	12		0
Prior Year	TTU	Student Union Building Risk Assessment	Risk Assessment	10		Complete	12		(2)
Prior Year	TTU	Research Compliance	Compliance	5		Complete	2		3
Prior Year	TTU	Post-Award Grant Administration	Controls/Compliance	2		Complete	3		(1)
Prior Year	HSC	MPIP Patient Financial Screening	Compliance/Financial	150		In progress	174	20	(44)
Prior Year	HSC	School of Pharmacy Cash & Inventory Controls	Controls	20		Complete	17		3
		TOTALS FOR AUDITS IN PROGRESS		1,137	(38)		1,003	26	70
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS							
		Total hours budgeted for Special Projects & Investigations		5,000	(1,610)			3,390	
		IN PROGRESS AT AUGUST 1, 2004							
Special	TTU	Athletic Department Fiscal Integrity	Special		57	Complete	57		0
Special	TTU	Student Financial Aid Investigation and Audit	Investigation/Controls		20	Complete	20		0
Special	TTU	Athletic Sports Nutrition Office Investigation and Audit	Investigation/Controls		62	Complete	62		0
Special	HSC	Graduate Medical Education Loan Fund Reconciliation	Financial		26	Complete	26		0
Special	HSC	Amarillo Cell Phone Special	Investigation		11	Complete	11		0
		BEGUN AFTER AUGUST 1, 2004							0
Special	HSC	SAO Special--Amarillo Physical Plant	Investigation/Controls		784	In progress	754	30	0
Special	TTU	Chemistry Special	Controls		29	Complete	29		0
Required	TTU	Joint Admission Medical Program Grant	Required		51	Complete	51		0
Required	HSC	Joint Admission Medical Program Grant	Required		52	Complete	52		0
Special	TTU	Hospitality Services--Sam's III Convenience Store	Investigation/Controls		246	Complete	246		0
Special	ALL	Governor's Fraud Initiative	Special		166	Complete	166		0
Required	TTU	Football Attendance Certification	Required		23	Complete	23		0
Special	TTU	Early Head Start Center Theft	Special		12	Complete	12		0
Special	HSC	Center for Tobacco Prevention and Control Theft	Special		24	Complete	24		0
Special	TTU	Student Affairs Risk Assessments	Risk Assessment		6	Complete	6		0
Special	HSC	El Paso Ob/Gyn Cash Controls	Special		41	Complete	41		0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS		5,000	1,610		1,580	30	0

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

PRIORITY	ENTITY	AUDIT AREA		BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF DEC 15	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		HIGHEST PRIORITY							
1	TTUS	Endowment Administration	Operational	500				500	0
1	TTUS	Fraud Risk Assessment	Risk Assessment	300		Stage 1 Complete		300	0
1	TTUS	Investments Risk Assessment (External Consulting Engagement)	Risk Assessment	120				120	0
1	ALL	Institutional Risk Assessments (External Consulting Engagement)	Risk Assessment	160		Planning	7	153	0
1	TTU & HSC	The Institute for Environmental & Human Health	Operational/Controls	400				400	0
1	TTU	Academic Advising	Consulting	240				240	0
1	TTU	Athletics	Operational/Controls	350				350	0
1	TTU	Athletic Ticket Office Follow-Up	Financial/Controls	85		In progress	24	61	0
1	TTU	Rawls Golf Course Follow-Up	Financial/Controls	200				200	0
1	HSC	Institutional Review Boards	Compliance	400				400	0
1	HSC	Research Compliance	Compliance	400				400	0
1	HSC	Amarillo Control Environment	Management Review	300				300	0
1	HSC	Billing Compliance Follow-Up	Compliance	200		In progress	31	169	0
		HIGHEST PRIORITY TOTALS		3,655			62	3,593	0
		MODERATE PRIORITY							
2	ALL	Information Technology	Controls	550	(300)			250	0
		Eraider System	Controls		300	In progress	12	288	0
2	TTU	Satellite Campus Operations	Operational/Controls	500				500	0
2	TTU	Student Mediation Center	Operational	350				350	0
2	TTU	College of Mass Communications	Operational/Controls	180		In progress	242	30	(92)
2	TTU	College of Visual & Performing Arts	Operational/Controls	250		In progress	345	40	(135)
2	TTU	Office of Senior Vice President for Administration and Finance	Operational/Controls	300				300	0
2	HSC	Medical Practice Income Plan (MPIP)	Financial/Operational	1,000				1,000	0
2	HSC	School of Nursing Billing Compliance	Compliance	200				200	0
2	HSC	El Paso Control Environment	Management Review	400				400	0
2	HSC	Texas Higher Education Coordinating Board Reporting Process	Compliance	300				300	0
		MODERATE PRIORITY TOTALS		4,030			599	3,658	(227)
		LOWER PRIORITY							
3	ALL	Continuous Monitoring of Procurement Card Usage	Compliance	250				250	0
3	ALL	Continuous Monitoring of Cellular Telephone Usage	Compliance	200				200	0
3	TTU	Human Resources	Operational	500				500	0
3	TTU	Cash Controls Follow-Up	Controls	120		In progress	10	110	0
3	TTU	Student Recruiting & Admissions Process	Operational	400				400	0
3	TTU	Small Business Development Center Follow-Up	Controls/Compliance	120	(120)	Cancelled			0
3	TTU	Physical Plant Follow-Up	Controls/Compliance	120				120	0
3	HSC	Safety Services	Compliance	300				300	0
3	HSC	KPMG Reportable Condition Follow-Up	Controls	80				80	0
3	HSC	Compliance Review of HIPAA / GLBA / FERPA	Compliance	250				250	0
		LOWEST PRIORITY TOTALS		2,340	(120)		10	2,210	0
		OTHER RELATED WORK							
Other	ALL	Cash Handling and Control Environment Classes					28		
Other	ALL	Other Miscellaneous Projects					45		
Other	ALL	Status Report Preparation--Various Engagements					13		
Other	TTU	Strategic Planning Council--Risk Assessment/Risk Management					29		
Other	HSC	HIPAA Security Committee					9		
Other	N/A	ACUA Conference Risk Assessment Presentation					18		
Other	N/A	Departmental Computer Support					201		
		OTHER RELATED WORK TOTALS			160		343		(183)
		TOTAL ENGAGEMENT HOURS		18,092	0		4,349	14,118	(375)
								0	18,092

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

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

Texas Tech University System
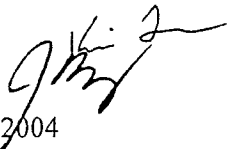
Risk Assessment Consulting Engagement
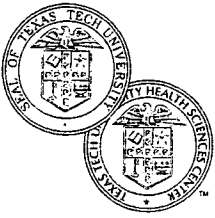
TEXAS TECH UNIVERSITY SYSTEM

Office of Audit Services

Box 41104
Lubbock, TX 79409-1104
(806) 742-3220
FAX (806) 742-3219

TO: Mr. E.R. "Dick" Brooks
           Chair, Audit Committee

FROM: Kim Turner
           Jim Brunjes

DATE: December 16, 2004

SUBJECT: Risk Assessment Consulting Engagement

At its August 2004 meeting, the audit committee approved a consulting engagement to perform focused risk assessments in selected areas. You will remember that the original bids from the firms of Grant Thornton and PricewaterhouseCoopers far exceeded the $75,000 budgeted for the engagement. The audit committee met via phone with Mr. Brunjes and me to pare down the list of potential areas for review to three: athletics, regional campuses, and business continuity planning. Mr. Brunjes and I then formed a steering committee including ourselves and the following individuals to continue discussions with the two firms and evaluate the proposals:

- Elmo Cavin, TTUHSC Executive Vice President for Finance and Administration
- Tom Anderes, TTU Senior Vice President of Administration and Finance
- Sandy Jansen, TTUS Associate Director of the Office of Audit Services
- Beverly Cotton, TTUS Assistant to the CFO

Based on our discussions with representatives of both firms, the steering committee recommends engaging **PricewaterhouseCoopers**. PwC will bring a breadth and depth of knowledge to the engagement as a result of the firm's and project manager's significant experience in higher education and in risk management. Some significant factors that resulted in our recommendation are as follows:

- The PwC project manager has 19 years combined experience with the firm and as a member of senior management at two academic medical centers, which will be of particular benefit during the regional campus portion of the engagement.
- PwC has provided risk management or internal audit services to a number of large higher education institutions including Texas Christian University, California Institute of Technology, Northeastern University, the University of Chicago, University of Missouri System, and Boise State University.
- PwC provides external audit services to a number of highly ranked medical schools and top 40 national universities, and thus will have a heightened awareness of issues currently facing higher education.
- PwC co-authored a white paper on implementing "the spirit of Sarbanes-Oxley" in higher education. This document addresses governance and risk management within higher education.
- PwC worked with COSO to author *Internal Control—Integrated Framework* in the 1990s, and in September 2004, issued COSO's *Enterprise Risk Management—Integrated Framework*. The latter document expands on the original to assist management with linking risk assessment and internal controls using a consolidated framework.

An EEO/Affirmative Action Institution

PRICEWATERHOUSECOOPERS 🔲

December 13, 2004

Mr. Jim Brunjes, Senior Vice Chancellor and Chief Financial Officer
Ms. Kim Turner, Managing Director, Office of Audit Services
Texas Tech University System
Box 42016
Lubbock, Texas 79409

Dear Jim and Kim:

PricewaterhouseCoopers LLP is pleased to provide this proposal for professional services to the Texas Tech University System. This proposal is being submitted as a follow-up to your Request for Proposal issued on September 28, 2004, for a risk assessment of seven to ten major functional areas of the Texas Tech University System.

We are anxious to work toward an approach that will help you best accomplish your objectives for this engagement. As you consider our credentials for serving Texas Tech, we believe you will agree that PricewaterhouseCoopers is the pre-eminent professional services firm serving educational organizations today. For example:

- We have provided specialized risk management and internal audit services to over 60 education and nonprofit organizations – including risk assessment engagements with California Institute of Technology, the University of Chicago, Northeastern University, Texas Christian University, University of Missouri System, and Boise State University.

- We provide external audit services to nearly one third of all private, well endowed universities including four of the eight Ivy League institutions. We audit more of the top 40 national universities than all of our competitors combined and more highly ranked medical schools than any other firm — PwC audits 14 of the most highly ranked medical schools.

- We are thought leaders in higher education industry matters including governance and risk management. Recent examples include a "white paper", co-authored with the National Association of College and University Business Officers, on enterprise-wide risk management in higher education, and two new white papers discussing the role of audit committees and the importance of attending to matters such as codes of conduct, conflict of interest and executive compensation in higher education as part of adopting "the spirit of Sarbanes-Oxley".

- When it comes to linking risk assessment and internal controls, PricewaterhouseCoopers "wrote the book" - literally. In the 1990s, we authored the groundbreaking study *Internal Control – Integrated Framework* for the Committee of Sponsoring Organizations (COSO). Since then, the COSO model of internal controls has become the unifying standard for understanding risk and controls throughout the world – across all industries and economies. In September 2004, again working with COSO, PwC released *Enterprise Risk Management –*

Texas Tech University System

Integrated Framework. Expanding on the earlier work, this document provides a robust yet practical framework that management may use to evaluate and manage its risk management processes. As a result, this new risk management framework satisfies organization's needs for effective internal controls as well as effective risk management.

The timing of your request for assistance could not be better. This new framework is truly the cutting edge of thinking about linking risk assessment and internal controls...and no other firm can come close to matching the ability of PricewaterhouseCoopers to bring this best of breed thinking into action at the Texas Tech University System.

We appreciate this opportunity to present our proposal to TTU and are enthusiastic about working with you on this risk assessment and controls alignment initiative. We trust that you will find our proposal responsive to the issues as you have clarified them based on our inquiries. We intend to dedicate our most experienced staff to this engagement and are prepared to commence shortly after notice of award and to fully meet your timeline. Should you have any questions about this proposal, you can contact me at (214) 754-7919 or Michael McGuire at (617) 530-4083.

Sincerely,

Phil Bloodworth
Engagement Partner

I. Proposal

A. OUR UNDERSTANDING

We understand that the Texas Tech University System ("Texas Tech") has the following components:
- The System Office;
- Texas Tech University (TTU); and
- Texas Tech University Health Science Center (TTUHSC).

Both TTU and TTUHSC have their primary campus in Lubbock with regional centers/campuses throughout central/western Texas. TTU is a statewide comprehensive university with more than 28,000 students pursuing undergraduate, graduate, or professional degrees in 11 different instructional schools and colleges. According to its website, TTUHSC has as its major objectives the provision of quality education and the development of academic, research, patient care, and community service programs to meet the health care needs of the 108 counties of West Texas, which comprise 48% of the land mass and 12.5% of the population of the total state.

The Texas Tech University System Office of Audit Services (OAS) is requesting a proposal for assessing the risks associated with several major functional areas of the Texas Tech University System. The purpose of the risk assessment is to identify and prioritize risks and understand the control structure in place to mitigate these risks.

B. SCOPE AND DELIVERABLES

Scope
Our project will result in identifying areas where Texas should focus attention in order to avoid, share, or reduce risks, or should determine to accept the risk. The outcome should help Texas Tech in determining a course of action to manage the risks. The course of action to manage risk to an acceptable level may include enhancement of controls, consideration of organizational changes, independent internal or external reviews, or other actions as considered necessary.

Texas Tech developed a listing for major functions that may be included in the study. The list was developed by the administration and OAS with input from the Board of Regents. The list was based on institutional risk assessments performed by management at the Systems Office, TTU and TTUHSC. Major functions for the study from the original listing that have been selected are::

- Business Continuity Planning: emergency preparedness plan for non-IT functions;

- Athletics: non-NCAA compliance issues, such as budgeting and financial controls, Title IX, etc; and

- Regional Campuses: focus primarily on HSC, with Amarillo or El Paso being the case study:
    - Organizational structure,

Texas Tech University System

- Funding structure, and
- Risk mitigation responsibility.

Deliverables

Based on the scope of work described above, we will provide Texas Tech management with the following work products:

- ♦ Progress reports to the Texas Tech Steering Committee.
- ♦ A report summarizing findings and recommendations to be provided to Texas Tech management. The report will provide:
  - Observations on internal controls from a COSO perspective (e.g., such as might relate to governance, reporting structure and culture)
  - Observations on the investment that may be needed to implement changes in areas such as training, systems, technology, and people resources
  - A prioritized action plan for recommended enhancements to the controls structure and procedures in areas where our risk assessment activities included a moderate level of internal control review. The list will be time phased into recommendations that could be accomplished over three month, six month, and one year (plus) time frames
- ♦ Oral presentation of our report to senior management and the Texas Tech University System's Board of Regents at its May 2005 meeting, as appropriate.

C.   OUR APPROACH

Controls and Enterprise Risk Framework

We will apply the COSO frameworks as the standard for assessing risk management and internal control in performing our assessment. Enterprise Risk Management is defined as a process, effected by an entity's board of trustees, management and other personnel, applied in strategy setting and across the enterprise designed to identify potential events that may affect the entity, and manage risk within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

COSO defines internal control as a process enacted by an entity's board of trustees, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- ♦ Reliability of internal and external financial reporting.
- ♦ Compliance with applicable laws and regulation.
- ♦ Effectiveness and efficiency of operations (Our work will not be focused on a review of operational efficiency. However, we will both consider other University-wide efficiency initiatives, and their impact on controls, in performing our assessment, and give consideration as to how the University can achieve both effective controls with efficient use of resources in making our recommendations.)

The newly introduced COSO framework is comprised of eight components - control environment, objective setting, event identification, risk assessment, risk response, control activities, information and

Texas Tech University System

---

communication and monitoring - each of which must operate effectively in coordination with the others to ensure an effective risk management and control structure.

Our understanding is that the areas you have identified for this project are the result from TTU'S objective setting and risk assessment processes and it will be our task to help you build an appropriate risk response plan.

For risks we assess as requiring attention our detailed focus will be on the improvement of *control activities* which are the tasks, policies and procedures that help mitigate *financial and compliance* risks. A detailed presentation of COSO and the control activities component – as well as the newly released COSO enterprise risk framework - was provided previously in Attachment I of our original proposal.

Not withstanding the controls activities focus, we will consider each of the elements of the model in our overall analysis. We will also evaluate controls on the basis of our Internal Control Maturity Framework which ranks controls at the following levels: unreliable, informal, standardized, monitored, and optimized. See Attachment II of our original proposal for a description of each level in the framework.

Work Plan

Working with the Project Team, the risk assessment for each of selected functional areas will involve the following key tasks:

- **Review Available Information**
  - Review the Mission Statement, strategic business and operating plans and budgets, capital plans, organization chart and management reports.
  - Review the risk assessments performed in the past by Texas Tech management, prior years' internal audit plans and reports.
  - Review applicable reports issued by third parties (e.g., State Auditors, sponsoring agencies, federal cognizant agency, etc.).
  - Review applicable laws, regulations, policies and procedures.

- **Consider Risk Factors**
  - The following risk factors will be considered throughout the assessment process.

- Size and complexity of operations	- Financial incentives
- New systems and changing technology	- Economic conditions
- Control maturity	- Industry drivers
- Regulatory compliance / penalties	- Changes in management
- Rapid growth	- Reputation impact
- Degree of decentralization	- Integrity of management
- Management concerns	- Geographical dispersion

- **Interview Process / Detail Risk Identification/ Develop Overview Controls Understanding**
  - Meet with selected senior management for each of functional areas and selected campus locations. Interviews are generally done individually but could be accomplished through group-facilitated sessions, if appropriate.

PricewaterhouseCoopers - 5

Texas Tech University System

- Discuss the objectives of the departments, their risks, and current changes in operations.
- Understand the overall control structure within the departments and categorize based on the Internal Controls Maturity Framework

◆ **Review Controls at a Deeper Level as appropriate**
- We will work with you to identify areas within selected departments where a moderate level of further inquiry regarding control activities makes sense within the overall context and scope of the project
- We generally anticipate that areas for further inquiry will be at a level of control maturity that will allow proposed enhancements to be designed, implemented and communicated to employees and reliably placed into an existing documented control framework
- Our planned procedures regarding controls will be limited to inquiry and observation. Testing to confirm the existence of controls that have been described to us and that we have observed in operation is not within the scope of this engagement.

◆ **Prepare Risk Assessment and Controls Enhancement Report**
- Prepare a report for the areas studied that:
  - summarizes key business processes and issues;
  - discusses key objectives, related business risks, and options for addressing the risks;
  - details risk assessment findings; and
  - proposes enhancements to internal control activities or other elements of control that will improve the control maturity within the areas studied.
- Assist in presenting the report and related action plan to senior management and the Board of Regents.

D.   YOUR SERVICE TEAM

Key Team Members:

Phil Bloodworth will be the partner on the engagement and will be responsible for our work with you. Phil will ensure quality assurance at the highest level. He will consult with you on significant issues and will assist in final presentations, as appropriate. He will also be available to discuss any areas of concern or to answer any questions you may have regarding the engagement.

Michael McGuire will be the advisory principal who is responsible for the overall coordination of the broad range of financial accounting and regulatory services that PricewaterhouseCoopers provides to research institutes, universities and other federally sponsored not-for-profits. He takes an active role in consulting on risk assessment and other strategic costing matters with his clients, which include Stanford University, University of California at San Diego, Columbia University, Dartmouth Medical School, Boston University, Cornell University Medical College, New York University School of Medicine, the Mayo Foundation (clinic), New England Medical Center Hospitals, the University of Florida, St. Jude Children's Hospital, the University of Minnesota, Yale University, and Georgetown University, among others.

Texas Tech University System

Dale Cassidy, as project manager, will be the primary day-to-day interface with you and your staff for completing the project. He will keep you informed of the project status and of any issues or problems that arise. At the start of the engagement, he will meet with you to work out a schedule for regular update meetings at which Texas Tech and PwC can discuss project-related issues. Dale has over 19 years combined experience with the firm and as a member of senior management of two academic medical centers. His areas of specialization include strategic planning, risk assessment, and financial, compliance, and operational effectiveness and efficiency within higher education institutions and academic medical centers.

Stefanie McCubbins will serve as a technical lead for research compliance and other higher-education industry issues. Stefanie has extensive experience in cost and financial accounting. Her broad experience includes grant management, analyzing cost and budget data, negotiating F&A rates, and conducting diagnostic reviews of information systems. Prior to joining PricewaterhouseCoopers, she worked as Associate Director for Grants & Contracts at Oklahoma State University and in the tax department of a Big-Four accounting firm.

Scott Christian will serve as a technical lead for the risk assessment of IT disaster preparedness/recovery and business continuity planning. Scott has worked with financial and operational management on business risks, security, process improvement and business continuity. He has performed process identification, business impact analysis, strategy selection, business continuity plan development, and testing for both national and multi-national clients.

Michael Barone will serve as a project advisor for overall risk assessment methodology and control assessment analysis. Mike Barone is a Managing Director in PricewaterhouseCoopers' Internal Audit Services practice primarily serving the higher education and other not-for-profit industries. He has over 20 years of auditing and financial management experience. Prior to joining PricewaterhouseCoopers in 1998, Mike was Director of Internal Audit at Harvard University for twelve years. Before that, he served as Harvard's Director of Financial Services for sponsored research administration and he was an assistant controller at Rensselaer Polytechnic Institute. Mike has previously provided services to Texas Tech having participated on a team that reviewed the Internal Audit Function in 2003.

Additional Resources: We intend to use subject matter experts and additional staff as necessary in order to assure the highest value and efficiency for the project.

E.   Communications

In order to effectively meet the objectives of this engagement, it will be critical to maintain on-going communication between the PwC team and key Texas Tech personnel. At the beginning of the engagement, we will develop a communication plan with you so that you and your team are kept current on the progress of the assessment, key observations and conclusions, and any problems that are being encountered. This will also give you the opportunity to discuss with us any questions or concerns you might have. In this manner, problems that could impact the engagement work can be resolved promptly and effectively.

Texas Tech University System

We have met with and look forward to working with the individuals you have identified to comprise the steering committee of key Texas Tech. We will agree with the committee on a schedule of update meetings that can be held in-person or via conference call. We will also participate in briefings of upper management to the extent such meetings are deemed appropriate by the Texas Tech steering committee.

F.   ASSISTANCE REQUIRED FROM THE TEXAS TECH UNIVERSITY SYSTEM

In order to provide a productive effort in performing the risk assessment, a significant level of Texas Tech involvement will be required. This proposal assumes that Texas Tech will provide that required level of effort. The following assistance will be required for the PwC team to meet its deliverables.

- The Texas Tech project team will have primary responsibility for the integrity of source data and making decisions regarding the cost allocation methodology.
- Assignment of a Texas Tech Project Manager who will have primary responsibility for completing the engagement and will serve as the primary contact for PwC in the administration of the engagement, including scheduling meetings and obtaining necessary information.

The staff will need to be knowledgeable about Texas Tech cost/financial accounting practices, applicable federal regulations, policies, and the system environment. The staff should also be readily available for responding to requests.

In the event that Texas Tech should not be able to meet these requirements, we will work with Texas Tech management to determine how best to proceed and potentially revise the project timeline and/or scope of work with a mutually agreed upon amendment to our engagement agreement.

Texas Tech University System

II.   Engagement Timing and Fee Structure

Timing

According to the RFP, we are prepared to commence this engagement in January 2005. We estimate a period of three to four weeks for the assessment of each major function. Some of reviews can be conducted concurrently. Timing on this engagement will be dependent on:

1. A number of major functional areas and their complexity;

2. Texas Tech's taking responsibility for scheduling interviews and communicating to interviewees the objectives of the engagement;

3. The availability of Texas Tech personnel for interviews – both at TTU and TTUHSC – and the intensity of the interview schedule; and

4. The availability of information (analysis, reports, etc.) that Texas Tech has previously performed or prepared by third parties.

A preliminary timetable for completion is as follows:

Milestone	January	February	March	April	May
Preliminary planning discussions	X				
Review available information	X				
Interview process/detail risk identification		X	X		
Controls evaluations		X	X		
Issue a progress report			X		
Meet to discuss preliminary observations				X	
Submit initial draft report				X	
Obtain feedback and revise report				X	
Issue a final report					X
Present report to Board					X

Fees

PricewaterhouseCoopers' policy is to charge for professional services at hourly rates for staff working on projects, plus actual expenses incurred for the project. A schedule below provides hourly rates and estimated total hours by position. Our hourly rates for professional fees are revised from time to time, but we will use the rates shown above for this project provided that we are engaged not later than December 31, 2004.

Texas Tech University System

	Rate	Projected Hours	Estimated Fee
Risk Assessment for 3 Functional Areas			
Partner	$450	16	$ 7,200
Director	$380	118	44,900
Manager	$320	15	4,800
Senior Associate	$210	86	18,100
Associate	$170		
Total Fee		235	$75,000
Total Expense			16,500
Grand Total Fee and Expense			$91,500

PwC will bill the Texas Tech University System based on actual hours incurred for the project up to the not to exceed limitations outlined above. Expenses are billed based on costs, principally travel, actually incurred by participating staff during the project. Amounts included in our invoices for expenses will include our reasonable out-of-pocket expenses and our internal per ticket charges for booking travel. Our internal per ticket travel charge is an allocation of estimated costs of running our travel department in a manner to maximize cost savings and minimize total costs. Expenses for a project of this size and scope normally range from 18 to 24% of personnel costs. Incurred expenses will be largely dependent on the number of trips, and days on-site in Lubbock or other cities to effectively coordinate our work. We commit to a not to exceed a limit of 22% of personnel costs as cited above.

An estimate of these expenses by category for the defined project covering 3 areas follows:

Actual travel and out-of pocket related costs:	$14,600
Administrative support charge based on professional hours:	1,900
Total	$16,500

Texas Tech University System

III. Additional Specific Proposal Requirements

We have read the "Proposer Affirmation" document included in the RFP and are prepared to make the necessary certifications upon being engaged for this project.

We will work with TTU's purchasing and legal departments to develop a mutually agreed upon set of Terms and Conditions to be incorporated into a formal written engagement letter to be signed by both parties prior to the commencement of our field work on this project.

Grant Thornton ⛋

Accountants and Business Advisors

December 14, 2004

Ms. Kim Turner
Managing Director
Office of Audit Services
Texas Tech University
P. O. Box 41104
Lubbock, TX 79409-1104
Kim.Turner@ttu.edu

Kim:

Thank you very much for allowing me the opportunity to discuss with you and other key leaders of the University our firm's anticipated involvement in the System's continuing risk assessment process. Upon further discussion with you, Jim, and others over the past week and per your request, I've prepared the following addendum to our original proposal which describes what I believe to be the most effective and efficient means to accomplish the System's specified goals and objectives.

Scope of Engagement

The scope of this project will be limited to:

- Athletics (other than NCAA compliance issues)
- Business continuity planning, and
- Regional campuses (Focusing primarily on HSC)

Teamwork/Collaboration

We will work collaboratively with your team to take advantage of Audit Services collective knowledge of the University and its risks, specifically as it relates to the three focus areas identified above. We will then bring our experience and knowledge obtained in working with similar organizations to bear through a comprehensive approach which obtains input from significant stakeholders of each functional area to reach consensus regarding not only the identification but also the prioritization of the more significant risks.

Grant Thornton 🏛

Replicable Strategy

Although our desire is to establish a long-term mutually-beneficial working relationship with the University, we realize that "continuous" positive change can only truly be realized through active, continuous involvement by management and its employees after the completion of this phase of the project. With this in mind, and realizing that the System is much broader than the key functional areas that are the focus of this particular project, our goal is to familiarize your group with a methodology that can be replicated in other key functional areas to maximize value to the entire System over time.

Effective/Efficient Reporting

Our goal is to work with Audit Services to provide the System with a functional, comprehensive, yet concise report. This will allow our team to spend more time conducting the risk assessment and less time in report preparation. I believe this can most efficiently be accomplished through plotting the specific risks identified through the risk assessment process in terms of both likelihood and significance on separate risk maps for each key functional area. The accompanying pages will include definitions of the identified risks as well as "common themes" expressed by the key stakeholders participating in the process.

Anticipated Task/Timeline

Task	Timeline
1. Conduct a kick off meeting with Audit Services and Grant Thornton professionals to discuss the potential business risks of each key functional area and to identify the key stakeholders that should participate in the risk assessment process by key functional area.	mid January
2. Conduct individual/small group interviews with key stakeholders in each of the key functional areas to identify and define the more significant business risks.	late January to mid February
3. Develop a survey based on the interviews described above to be completed by a comprehensive, yet diverse group of stakeholders to begin to determine the likelihood and significance of each defined business risk.	mid-late February
4. Tabulate the results of the survey. The results will determine the more significant business risks facing each key functional area to be voted anonymously by the more significant stakeholders at the facilitated session described below.	mid March

Grant Thornton

Task	Timeline
5. Conduct a facilitated session using anonymous voting techniques to prioritize, using a risk map, the more significant risks facing each functional area in terms of both likelihood and significance.	late March
6. Prepare the report.	early April
7. Discuss the report with key members of management and prepare for the Board of Regents meeting.	mid April
8. Present results of risk assessment to Board of Regents.	May

Fees

Our estimated fees to perform this work will be $75,000 plus an administrative charge of 3% as well as actual out-of-pocket expenses. We will work closely with you to coordinate calendars in advance in an attempt to take full advantage of travel discounts.

Kim, thanks again for the opportunity to work collaboratively with Audit Services in an exciting, yet important risk assessment project for the University. If you have further questions or need any additional information, please feel free to contact me at (214) 561-2260 (office) or (214) 536-8846 (cell). I look forward to talking with you soon!

Sincerely,

Ben D. Kohnle

UNIVERSITY	Q1: Do you have a hotline?	Q2: Is your hotline internally or externally administered?	Q3: If externally administered, which company administers your hotline?	Q4: If externally administered, what is the approximate cost per year per employee?	Q5: If externally administered, to whom are reports sent? How often and by what means are they sent? Once received, who decides how to handle each complaint/report?
Texas Tech University	Yes, 2 internal hotlines: HSC Billing Compliance, Office of Audit Services. Also covered by State Auditor's Office hotline	Internally administered.	N/A	N/A	N/A
Texas A&M	Yes.	Internally administered, with reports received via both phone and email. An "anonymous email" can be sent, coming only to the Manager of Investigative Services. Emails arrive from an administrator address, and the Manager is unable to reply to these emails. They receive about an equal distribution of information coming in through the phone hotline and the email service.	N/A	N/A	N/A
University of Texas	Yes, UT Austin and UT System Compliance Office maintain Compliance Hotlines (separate phone numbers)	External	The Network, Inc. for UT Austin and UT System	UT Austin only: 25 cents per employee (annual contract cost is $5,000, with approximately 20,000 employees at UT Austin)	The information gathered in each call is compiled into an Incident Report detailing the who, what, when, where, and how of the incident. This report is then disseminated to the compliance officer and other members of the compliance hotline triage team. Anonymous callers are asked to call back two weeks from the date of the original Incident Report, which provides an opportunity for the compliance officer to ask additional questions during the investigation, if necessary.

UNIVERSITY	Q6: If internally administered, what individual/office initially receives reports? Once a complaint/report is received, who decides how to handle it?	Q7: What broad areas does your hotline cover? (E.g., financial, HR, athletics, research, safety, etc.)	Q8: Before implementing your hotline, did you have to make policy or procedural changes/decisions?	Q9: Is there any additional information that is important to be aware of?
Texas Tech University	Billing Compliance and Audit Services, respectively	Fraud, waste, and abuse	Fraud policy preceded establishment of either hotline.	N/A
Texas A&M	The reports come directly to the office of internal audit, which has 3 staff members that are specifically in charge of investigative audit services. The chief auditor and the Manager of Investigative Services decide what to do after a report comes in.	The hotline is advertised as being available to report fraud, waste, and abuse, therefore, all kinds of calls are received depending on what the caller determines to fall within those catgories. Includes such issues as HR, ethics, waste & inefficiencies, financials, and theft.	The general fraud policy preceded the hotline, which has been in place 7-8 years. Fraud policy states an employee's responsibility to report things to their supervisor.	At this year's annual ACUA conference, they talked with other universities around the country that outsource their hotline and the feedback was very positive about these outsourced services (professionalism, detailed reports, a higher call rate because people felt better protected filing complaints with an external entity, etc). In Spring 2005, A&M intends to evaluate some of these providers, such as EthicsPoint, for possible outsourcing of their hotline.
University of Texas	N/A	To report suspected compliance violations of any kind, including violations related to the ethics policy, financial reporting, internal accounting controls, or audit matters.	No campus-wide policy changes.	The audit website is http://www.utexas.edu/admin/audit/ ;The hotline websites explaining procedures are: http://www.utsystem.edu/compliance/about/hotline.htm and http://www.utsystem.edu/systemcompliance/hotlinewhathappens.pdf

UNIVERSITY	Q1: Do you have a hotline?	Q2: Is your hotline internally or externally administered?	Q3: If externally administered, which company administers your hotline?	Q4: If externally administered, what is the approximate cost per year per employee?	Q5: If externally administered, to whom are reports sent? How often and by what means are they sent? Once received, who decides how to handle each complaint/report?
Baylor	Yes	Externally administered, but individuals can still contact Internal Audit if they prefer to deal with them directly.	EthicsPoint, Inc.	The cost per employee will most likely vary for every university because it depends on the negotiated contract price with EthicsPoint,Inc. Baylor was the first university in Texas to contract with this vendor so they may have had a slight advantage. However, Baylor does not release contract information because they are a private organization.	Internal Audit immediately receives an e-mail notice from EthicsPoint that a report has been received. Internal Audit log onto a secure website via a user id and password to view the report(s). IA determines whether to handle issues or to pass along to another department such as HR or student services. Complainants can also call a toll-free number to reach EP and file a report with a live trained person, who walks through the online questionnaire with the complainant.
University of Oklahoma	Currently have several different types of internally administered hotlines that basically are voicemail systems; in the process of looking at combining all of these different hotline-type services into an externally administered type of hotline (such as EthicsPoint).	Currently internally administered.	N/A	N/A	N/A
University of Colorado	Yes	External to the University, Internal to the State of Colorado	State of Colorado Comptroller's Office	Unknown	No reports--see Q6.
Iowa State University	In the process of implementation	The hotline will be internally administered.	N/A	N/A	N/A
University of Kansas	No, although their office does receive calls from whistleblowers periodically.	N/A	N/A	N/A	N/A
Oklahoma State University	No	N/A	N/A	N/A	N/A

UNIVERSITY	Q6: If internally administered, what individual/office initially receives reports? Once a complaint/report is received, who decides how to handle it?	Q7: What broad areas does your hotline cover? (E.g., financial, HR, athletics, research, safety, etc.)	Q8: Before implementing your hotline, did you have to make policy or procedural changes/decisions?	Q9: Is there any additional information that is important to be aware of?
Baylor	N/A	There is a list of areas that are covered — financial, HR, athletics, research, risk management, fraud, conflicts of interest. Employees can reach EthicsPoint Landing page from HR, Audit, Athletics, Research, and Purchasing websites. If go from Athletics, go straight to Athletics section of EP page.	Previously had an internally administered hotline that was addressed in the university's fraud policy. The fraud policy has now been revised to address the new anonymous reporting mechanism.	The hotline has been active for a month, resulting in a couple of legitimate reports. Both dealt with control weaknesses that were fixed to prevent problems.
University of Oklahoma	The internal audit department receives reports based on financials and fraud, and their Compliance Office receives reports that deal with Compliance issues. Sometimes the two offices receive reports that would better be handled by the other office, in which case they transfer responsibility to the other office.	The various hotline-type services cover many broad areas, including fraud and abuse.	No.	N/A
University of Colorado	State Comptroller refers to Internal Audit at CU or the State Auditor's Office	Fraud, waste, and abuse of all kinds	N/A--established by the State.	N/A
Iowa State University	As yet undecided	Probably most of the topics mentioned above, except research compliance has its own hotline.	As yet undecided	N/A
University of Kansas	N/A	N/A	N/A	N/A
Oklahoma State University	N/A	N/A	N/A	N/A

UNIVERSITY	Q1: Do you have a hotline?	Q2: Is your hotline internally or externally administered?	Q3: If externally administered, which company administers your hotline?	Q4: If externally administered, what is the approximate cost per year per employee?	Q5: If externally administered, to whom are reports sent? How often and by what means are they sent? Once received, who decides how to handle each complaint/report?
Kansas State University	No	N/A	N/A	N/A	N/A
University of Nebraska	No	N/A	N/A	N/A	N/A
University of Missouri	No information available	N/A	N/A	N/A	N/A

UNIVERSITY	Q6: If internally administered, what individual/office initially receives reports? Once a complaint/report is received, who decides how to handle it?	Q7: What broad areas does your hotline cover? (E.g., financial, HR, athletics, research, safety, etc.)	Q8: Before implementing your hotline, did you have to make policy or procedural changes/decisions?	Q9: Is there any additional information that is important to be aware of?
Kansas State University	N/A	N/A	N/A	N/A
University of Nebraska	N/A	N/A	N/A	N/A
University of Missouri	N/A	N/A	N/A	N/A

'04 - '05 Fundraising Goals

Area	University	HSC
☐ Chairs/Professorships	$5.5 Mil	$8 Mil
☐ Capital/Buildings	$21.5	$16.4
☐ Special Projects	$3.4	$5.6
☐ Other Endowments	$4.9	$ -0-
Academic Quality Totals	$35.3 Mil	$30 Mil
▷ Scholarships/Fellowships	$13.6 Mil	$1 Mil
▷ Technology Investment	$4.7	$ 5.0
▷ Other - Athletics, Public TV Ranching Heritage	$6.8	$ -0-
Totals	$60.4 Mil	$36 Mil

Advancement Status

☐ Focused for '05

☐ Learning to Set Goals & Track

☐ Finalizing PTP & Integrating Within Overall Marketing Approach

☐ Defining & Building Database Accuracy and Reporting

Fundraising Update

Texas Tech Board of Regents
Dec. 17, 2004

TEXAS TECH

Fundraising Progress

'05 Year-to-Date (Dec. 15) $21,725,348
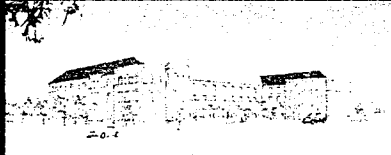   (3% YTD Increase)

Last Year (Through Dec. 31) $21,039,682

TEXAS TECH

Rawls College of Business

Vision:

The Rawls College of Business will be among the top business schools of choice in Texas for prospective students, employers, faculty, business community, and the public at large.

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

The Rawls College Generates

About 1/4th of the undergraduate

and

about 1/4th of the masters degrees

of Texas Tech University

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Current Objectives Include:

- Improve undergraduate program
  Undergraduate students who graduate on time
- Qualified faculty
- Business community engagement

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Current Objectives (Cont.):

- Career management center
- A minor's program
- Fill faculty chairs and professorships
  Faculty
- Learning goals and direct assessment for each degree
- Focused executive education program

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

CONSTRAINTS

- Accreditation
- State funding
- Geographic Location
- Faculty Composition
- Existing Facility

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

ACCREDITATION

- Under Continuing Review
  - Clarify Organization
  - Decrease enrollment
  - Increase faculty
    - Added 3 Senior positions 2004
- Additional recommendations

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

ACCREDITATION INITIATIVES

- Reorganized immediately
- Capped enrollment
- Increased admissions standards

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Additional Initiatives

- Increased faculty size, tenure-track
- Increased graduate programs
- Added career management center
- Increased undergraduate advisors

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Initiatives (Cont.)

- Increased undergrad classes taught by professorial rank faculty
- Reduced undergrad class sizes
- Developed single minor
- Reviewed all programs for discontinuation

RAWLS COLLEGE OF BUSINESS
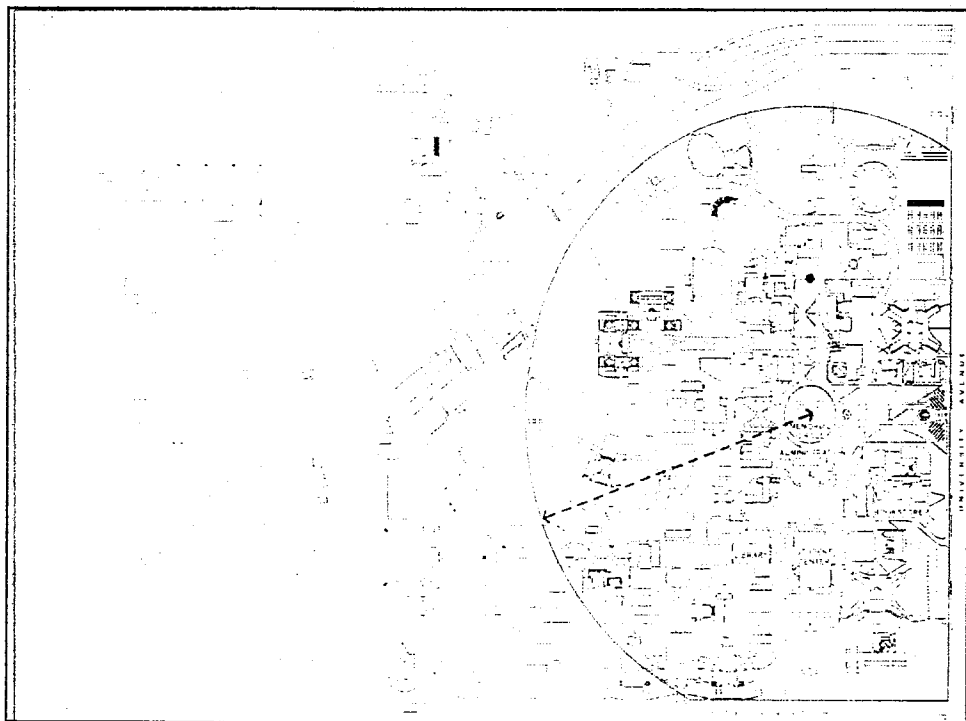TEXAS TECH UNIVERSITY
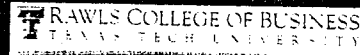
Academic Considerations

- Existing facility has limitations
- Strong joint summer programs with Law, Medicine and Architecture
- Business minor supports other academic programs
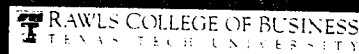
RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Prospectus

- Program prospectus
  many Iterations
  - <u>Program Analysis, June 16, 2004</u>

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Activities Timeline

2002	Selected Architect from 15 proposed
	Studied the programs of the college
2003	5 committees--faculty and staff
2004	Program iterations with Architects
	Presented to advisory council, alumni groups
	Site selected
	Iterations on general floor plans (6 sets so far)
	Fund raising efforts Started

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Proposed Rawls CoBA Sites

RAWLS COLLEGE OF BUSINESS PROPOSED SITES

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Rawls CoBA Site Analysis

Factors	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7
Prominent Interior Location	No	Yes	No	Yes	Yes	Yes	Yes
Prominent Exterior Location	Yes	Yes	Yes	No	No	No	Yes
Inside 10 Minute Circle	No	No	No	Close	Yes	Yes	Yes
Within Campus Community	No	No	No	Yes	Yes	Yes	Yes
Future Expansion Possible	Yes	Yes	No	Yes	Yes	No	No
Located on a Bus Route	No	Yes	Yes	Yes	Yes	Yes	Yes
Access to Utilities	No	No	Yes	Yes	Yes	Yes	No
Parking	Required	Available	Required (Deck?)	Required	Required	Required	Required (Deck?)
Issues/Comments	Remote/ Isolated	Reduces commuter parking	Reduced Arch detailing required	Requires Rec Fields replacement	Requires Demo of the Fisheries and Wildlife Bldg	Life Sciences Building Site	Band noise
	Easy access from off-campus	Easy access from off-campus	Limited access from 19th Street	Defines Urbanovsky Park	Defines future pedestrian mall	Defines future pedestrian mall	Utilities, parking limited
	Pedestrian traffic must cross TT Parkway	May conflict with USA events					May require demolition of Women's Gym

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Planning & Construction Schedule

- Assumes Funding is Available to Meet Expenses
- Complete Programming   Mar 2005
- Funding/Budget Approval   May 2005
- Schematic Design   Sep 2005
- Design Development   Mar 2006
- Construction Documents I   Aug 2006
- Start Construction   Nov 2006
- Construction Documents II Jan 2007
- Complete Construction   May 2009

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Budget Considerations

Currently a $56 million building
- TTU Matching of $25 million
- Development plan for external funds

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY
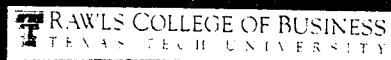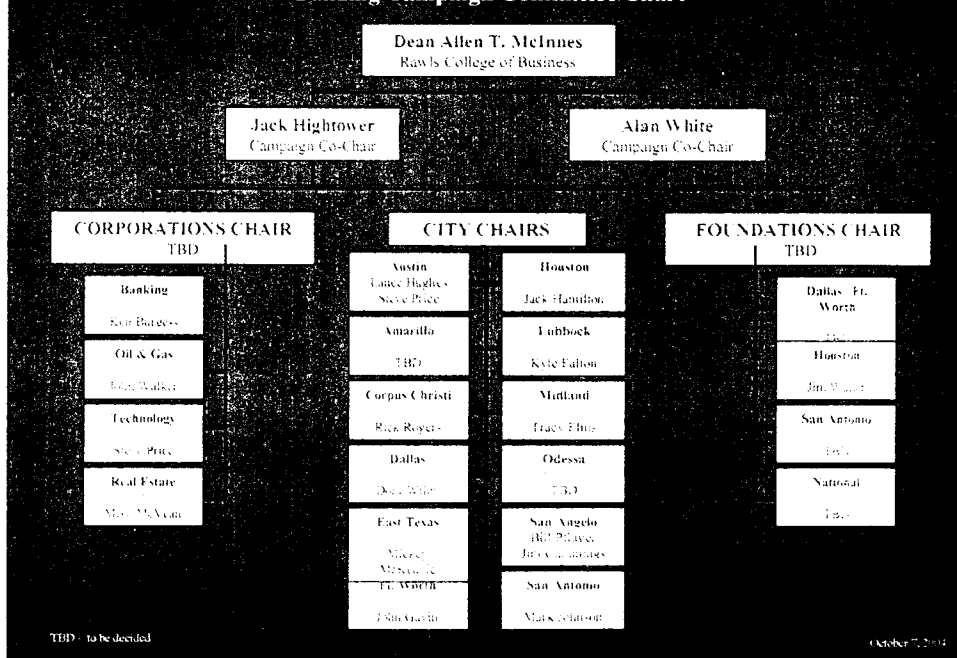
Silent Phase Development

- Campaign vision
- Currently in silent phase
- Organization of Campaign
  - Alumni/friends – 12 city Committees
  - Industry Committees
  - Foundations by region

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Rawls College of Business
Building Campaign Committee Chart

Dean Allen T. McInnes
Rawls College of Business

Jack Hightower
Campaign Co-Chair

Alan White
Campaign Co-Chair

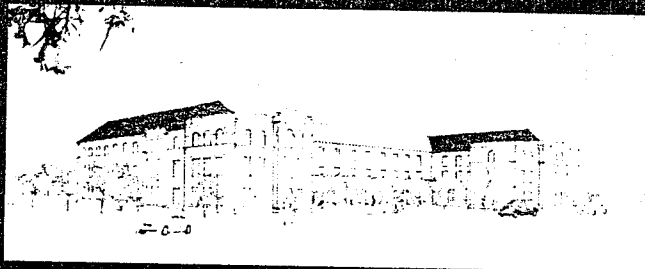| CORPORATIONS CHAIR TBD	CITY CHAIRS		FOUNDATIONS CHAIR TBD
Banking	Austin	Houston	Dallas - Ft. Worth
Oil & Gas	Amarillo	Lubbock	Houston
Technology	Corpus Christi	Midland	San Antonio
Real Estate	Dallas	Odessa	National
	East Texas	San Angelo	
	Ft. Worth	San Antonio	

TBD - to be decided

October 7, 2004

Public Phase Development

- Rolled out in 2005
  - Initial in 2004 magazine
  - Full public effort starts in 2005 while continuing the larger donor efforts started in silent phase

RAWLS COLLEGE OF BUSINESS
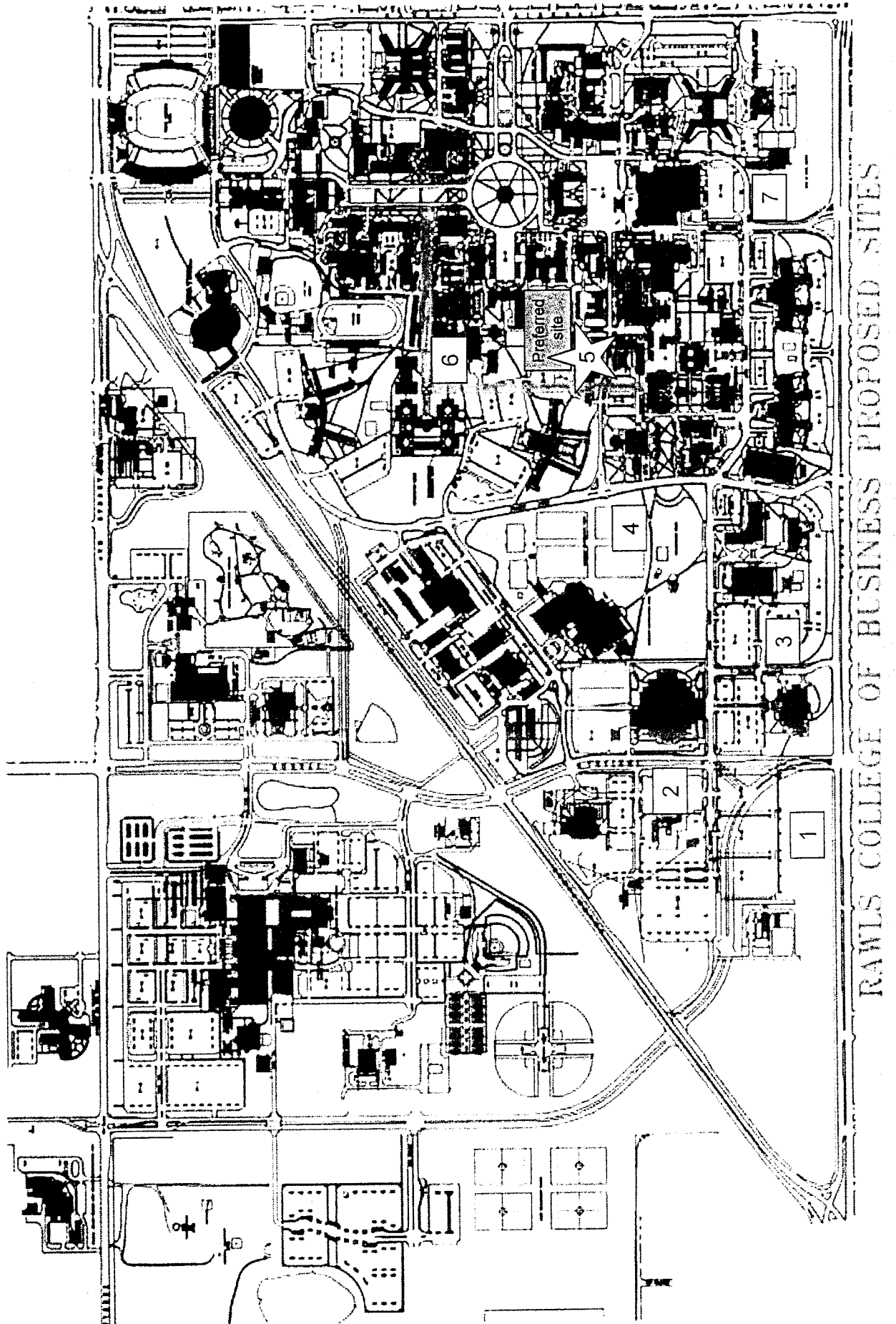TEXAS TECH UNIVERSITY

Questions?

RAWLS COLLEGE OF BUSINESS
TEXAS TECH UNIVERSITY

Rawls CoBA Site Analysis

Factors	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7
Prominent Interior Location	No	Yes	No	Yes	Yes	Yes	Yes
Prominent Exterior Location	Yes	Yes	Yes	No	No	No	Yes
Inside 10 Minute Circle	No	No	No	Close	Yes	Yes	Yes
Within Campus Community	No	No	No	Yes	Yes	Yes	Yes
Future Expansion Possible	Yes	Yes	No	Yes	Yes	No	No
Located on a Bus Route	No	Yes	Yes	Yes	Yes	Yes	Yes
Access to Utilities	No	No	Yes	Yes	Yes	Yes	No
Parking	Required	Available	Required (Deck?)	Required	Required	Required	Required (Deck?)
Issues/Comments	Remote/ Isolated	Reduces commuter parking	Reduced Arch detailing required	Requires Rec Fields replacement	Requires Demo of the Fisheries and Wildlife Bldg	Life Sciences Building Site	Band noise
	Easy access from off-campus	Easy access from off-campus	Limited access from 19th Street	Defines Urbanovsky Park	Defines future pedestrian mall	Defines future pedestrian mall	Utilities, parking limited
	Pedestrian traffic must cross TT Parkway	May conflict with USA events					May require demolition of Women's Gym

RAWLS COLLEGE OF BUSINESS PROPOSED SITES

Board of Regents of the Texas Tech University System

BOARD WORKING GROUP ON BETTER BOARD MEETINGS AND COMMITTEES

<u>Progress Report to the Board – by Regent Frank Miller</u>

Charge: Act as an advisory body to the Board of Regents in investigating
alternatives to the manner in which the Board meetings are planned and
conducted and Board committees function so that the Board may
determine which alternatives, if any, provide processes that better
maximize the Board's effectiveness as a governing board.

The following are suggestions for better and more effective Board and committee
meetings. These suggestions were compiled from a meeting involving Frank Miller,
Brian Newby and Ben Lock on December 7, 2004. Ben Lock also has been asked to
hand out a comparative analysis of governing board organization, structure and processes
for the Texas Tech University System and three other higher education governing boards:
the Texas A&M University System, the University of Texas System, and the University
of Missouri System, respectively.

The suggestions developed by this Board working group fall into two general categories:
(1) Board/Committee organization, structure and processes; and
(2) Enhanced communications.

<u>Board/Committee organization, structure and meeting processes</u>

1. To make sure that Board meetings focus on key strategic policy issues, the Chairman of the
   Board and the Chancellor should develop a work plan for a set of strategic issues that should
   be addressed at Board meetings over the course of a year (and thereby make sure Board
   meeting agendas do not focus only on "management" items).

2. To translate strategic priorities into Board activities, the Board should consider bringing in
   internal and external subject matter experts to lead discussions on strategic issues. For
   example, at least one Board or committee meeting each year should include faculty members
   leading a discussion about a curriculum issue that is a high priority for the University and the
   Health Sciences Center.

3. At least during 2005, the Board's standing committees should meet on the first day of a two-
   day Board of Regents meeting. The committees should meet sequentially, not concurrently,
   so all Board members can attend each committee meeting, either as a voting member or in an
   ex-officio capacity. (Note: We have five Board members who have been on the Board one
   year or less, and three new Board members to be appointed in 2005.)

4. The Chairman should open each Board meeting with an overview of the key objectives for that meeting and conclude each meeting with a "de-brief" session to review whether those objectives were achieved, along with identification of any "Parking Lot" items which need staff follow-up and a deadline for doing so.

5. We strongly recommend that new regents attend Association of Governing Board conferences and take advantage of other opportunities to learn about the critical issues facing higher education, both in Texas and beyond.

6. We further recommend that orientation for new members to the Board of Regents be accomplished as soon as possible and that they become actively involved in Board matters during their first year.

7. Each Board member should be involved in a specific committee relative to their experience, but also rotate through other committees during their term if Chairman deems that to be appropriate.

8. In addition to a long-term strategic focus and plan, one- and two-year goals should be set by the Board and the Chancellor. Examples of such goals that could be discussed are:
   • Fund and start construction on the University's business school by December 2005; and
   • Plan and begin implementation of an enhanced/expanded Honors College by mid-2006.

Enhanced communications

1. Prior to each Board meeting, the Chairman of the Board and the Chancellor should discuss the setting of an agenda for the Board meeting. Then, the Chairman should contact and brief each Board member and discuss agenda scope and suggestions for additions or revisions to the agenda.

2. Prior to each committee meeting, the Chairman of each committee should discuss with the appropriate staff member(s) the agenda items for that committee meeting. Then, prior to the committee meeting, committee chairs should communicate with each member of his/her committee and with the Board Chairman as to major issues and status.

3. After each Board meeting, the Chairman and the Chancellor should have a follow-up discussion for feedback as to specific issues that arose from the meeting as well as meeting effectiveness, with each Board member then being contacted by the Chairman for this same purpose.

4. After each Board meeting, the Chairman of each Board committee should do a follow-up with staff, and in turn with the members of his/her committee, on "Parking Lot" issues from the previous meeting.

5. On a regular basis, the Chancellor should provide a "Flash Report" to the Chairman (typically, a verbal report so as to avoid potentially sensitive information being subject to "open records" discovery), identifying his most current critical items of focus or concern. Then, the Chairman should follow-up with phone communications to each Board member to keep all of the Board informed.

GOVERNING BOARD STRUCTURE AND ORGANIZATION

Comparison of the Board of Regents of the Texas Tech University System to the governing boards of three other higher education systems

- Texas Tech University System
- Texas A&M University System
- University of Texas System
- University of Missouri System

INFORMATION ABOUT THE SYSTEMS

	Texas Tech	Texas A&M	Texas	Missouri
# of component institutions	2	10	15	4
# of campuses	5 ‡	12 †	18	4
student enrollment (system-wide ... approximate)	30,600	98,000	178,000	62,000

‡ does not include academic centers in the Hill Country, Abilene, Amarillo or Dallas

† does not include the many A&M agricultural & engineering experiment stations and centers throughout Texas

COMPOSITION OF THE GOVERNING BOARDS

	Texas Tech	Texas A&M	Texas	Missouri
# of Board members	9	9	9	9 *
Method of selection	Appointed by governor	Appointed by governor	Appointed by governor	Appointed by governor ... from distinct regions of the state
Board member terms	6 years staggered terms – 3 every 2 years	6 years staggered terms – 3 every 2 years	6 years staggered terms – 3 every 2 years	6 years staggered terms – 3 every 2 years
Board chairman	Elected by board to a 2-year term	Elected by board to a 2-year term	Elected by board to a 2-year term	Elected by board to a 1-year term

* Board also has a non-voting student representative appointed by the governor for a 2-year term

STANDING COMMITTEES

Texas Tech = 4	Texas A&M = 4	Texas = 5	Missouri = 3
Academic, Clinical & Student Affairs	Academic & Student Affairs	Academic Affairs	Academic & Student Affairs
- - - - - - -	- - - - - -	Health Affairs	- - - - - - -
Finance & Administration	Finance	Finance & Planning	Finance & Human Resources
Audit	Audit	Audit, Compliance & Management Review	- - - - - - -
Facilities	Buildings & Physical Plant	Facilities Planning & Construction	Physical Facilities & Management Serv.

Executive Cmte -- ✓	Executive Cmte -- ✗	Executive Cmte -- ✗	Executive Cmte -- ✓

Special provisions related to committee composition

Texas Tech:
- Board chair appoints all committee members and designates committee chairs.
- ACS, Facilities, and Finance & Administration each to have three members ... Audit to have five members (i.e., a quorum of the board).
- All board members not assigned to a given committee are non-voting *ex officio* members of that committee.
- Executive Committee consists of the board chair, board vice chair and the chairs of the standing committees ... now at 4 members, as the board vice chair also chairs the ACS Committee and the Facilities Committee chair also chairs the Audit Committee ... but potentially can be up to 6 members.

Texas A&M:
- Board chair appoints all committee members and designates committee chairs.
- A standing committee must have no fewer than four members.
- Members may serve on no more than two standing committees at a time.
- A member of a standing committee shall serve on that committee for a period not to exceed two years.
- The board chair serves as a non-voting *ex officio* member of all committees.

(Special provisions related to committee composition, continued)

Texas:
- Board chair appoints all committee members. Board chair also designates committee chairs but "by and with the consent of the Board."

- A standing committee must have no fewer than four members. Current practice is to have <u>five</u> members per committee, not including the board chair (who serves as a non-voting *ex officio* member of all standing committees). As a result, every committee constitutes a quorum of the board.

- The breakdown of committee assignments per member is as follows:
  -- <u>no</u> committee assignments ... board chair (but is an *ex officio* member of all)
  -- assigned to <u>2</u> committees ... 1 member (who also is a committee chair)
  -- assigned to <u>3</u> committees ... 5 members
  -- assigned to <u>4</u> committees ... 2 members

- *Note: Use of the Executive Committee has been abandoned during the past year. All actions previously handled by the Executive Committee must now be addressed by the full board.*

Missouri:
- Board chair appoints all committee members, subject to the approval of the Board. From the members of each committee, the board chair then designates committee chairs.

- In making committee appointments, board chair shall consider "that it is desirable for each Board member to serve on as many committees as possible during his/her term, but that no committee should be left without continuity."

- Board bylaws do not provide for a set number of members on the standing committees. Typically, there are three members per standing committee, with the student representative on the board serving as a non-voting *ex officio* member of the Academic & Student Affairs Committee.

- Designated <u>staff</u> are non-voting *ex officio* members of the standing committees. For example:
  -- FINANCE & HUMAN RESOURCES ... vice chancellor for finance & administration --plus-- vice chancellor for human resources (or some other person or persons designated by the chancellor in place of either or both of them)
  -- PHYSICAL FACILITIES & MANAGEMENT SERVICES ... vice chancellor for finance & administration (or some other person designated by the chancellor)
  -- ACADEMIC & STUDENT AFFAIRS ... vice chancellor for academic affairs (or some other person designated by the chancellor)

Areas of responsibilities for the committees

Subject areas: ACADEMIC AFFAIRS ... HEALTH AFFAIRS ... STUDENT AFFAIRS

Texas Tech	Texas A&M	Texas	Missouri
Academic, Clinical & Student Affairs: • Educational mission & academic programs of components • Student affairs • Faculty affairs • Research programs, including: relationship to graduate programs; policies that foster growth of research; & research incentives for faculty • Fund raising for research • Contracts relating to all of the above • Government relations • Clinical programs ... patient care & clinical investigations at HSC • Relationship of clinical programs at health-related units to the educational mission & academic programs of those units	**Academic & Student Affairs:** • Matters relating to the academic institutions & service units system-wide • Student life at the academic institutions • All programs & activities of the academic institutions & service units, including: long range academic plan approval; curriculum; existing & emerging academic programs; mission statements; programmatic planning for new facilities; & specialized centers or institutes	**1) Academic Affairs:** • For general academic units: instructional, research & professional service programs & activities ↓ → also at Texas: • For general academic units, matters relating to: degree program inventory & academic administrative structure; personnel matters of institutional officers; libraries; & any other matters related to education in the general academic institutions • Matters relating to research, training & community service activities at the general academic institutions • Policies for securing gifts for the general academic institutions • Capital improvement priorities related to the academic missions of the general academic institutions	**Academic & Student Affairs:** • All matters relating to: -- cirricula, -- faculty, & -- student affairs **2) Health Affairs:** • For health-related institutions, all matters relating to: academic philosophy & objectives; academic planning, instruction & research; personnel matters of institutional officers; libraries; & any other matters relating to education in the health-related institutions • Professional practices in & at the hospital, clinic & patient-care facilities system-wide • Policies for securing gifts for the health-related institutions • Capital improvement priorities related to the academic missions of the health-related institutions

(Areas of committee responsibilities, continued)

Subject areas: FINANCE … ADMINISTRATION … PLANNING

Texas Tech	Texas A&M	Texas	Missouri
Finance & Administration: • Budgeting & accounting • Cash management & handling of funds; investments • Issuance of debt • Contracting for business or administrative functions • Expenditure review • Oversight for private fund raising activities • Administrative matters re: telecommunications & I.T. services; human resources; purchasing & contracting; physical plant operations; police operations; traffic & parking; etc.	**Finance:** • Budgeting & accounting • Cash & investment management; investments & trusts • Issuance of debt • Studies of organization efficiency • Oversight for private fund raising activities • Other related financial & business activities	**Finance & Planning:** • Budgeting & accounting • Investments (e.g., UTIMCO) & management of resources (e.g., University Lands) • Issuance of debt • Long range planning activities • Any other business affairs (e.g.: self-insurance programs)	**Finance & Human Resources:** • All fiscal & accounting functions • Investments • Personnel matters & employee benefit programs • All <u>audit</u> functions, including ensuring the integrity of financial statements, internal controls, internal & external auditors, & compliance with legal & regulatory requirements

Subject area: AUDIT

Texas Tech	Texas A&M	Texas	Missouri
Audit: • Oversight of all audit functions system-wide • Selection of auditors • Scope of audits • Risk assessment evaluations & plans • Review findings of audits • Approval of audit plans	**Audit:** • Oversight of all audit functions system-wide • Selection of auditors • Scope of audits • Review findings of audits • Approval of audit plans	**Audit, Compliance & Management Review:** • Oversight of all audit functions system-wide • Selection of auditors • Scope of audits • Risk assessment evaluations & plans • Review findings of audits • Approval of audit plans	*not applicable* *all audit functions are under the purview of the Finance & Human Resources Committee*

(Areas of committee responsibilities, continued)

Subject areas: FACILITIES ... CONSTRUCTION ... PHYSICAL PLANT

Texas Tech	Texas A&M	Texas	Missouri
Facilities: • Oversight for use & occupancy of all Texas Tech property • Planning & location of and bidding, proposals & awarding contracts for construction, maintenance & repair of physical facilities system-wide	**Buildings & Physical Plant:** • Oversight of administration of all real property system-wide • Oversight of all construction, major repair & rehabilitation of all buildings system-wide, including related contracts & expenditures • Long range facilities planning • Naming of buildings & other major facilities • Comprehensive land management program	**Facilities Planning & Construction:** • Oversight of acquisition & use of grounds & buildings on- & off-campus system-wide • Review construction projects & selection of contractors & service providers • Naming of buildings & other major facilities	**Physical Facilities & Management Serv.:** • All matters relating to the planning, building, maintenance & operation of physical facilities system-wide, including the purchasing of equipment & supplies

MEETINGS OF THE GOVERNING BOARDS

Board meetings

TEXAS TECH:

- The board bylaws require a minimum of four (4) board meetings be held each year. By practice, the board schedules <u>five (5)</u> regular meetings per year. All regular board meetings currently are held in Lubbock.

- Special called meetings of the board do not occur often, as the Executive Committee is empowered to "*consider items requiring action at such times as board action is not possible.*"

- One board meeting each year is conducted as a strategic planning retreat.

- The Executive Committee met only one time in 2004 ... a telephonic meeting for which all board members were allowed (and encouraged) to participate, with the one agenda item being consideration of and action on a contract extension for the chancellor. Other Executive Committee actions during the year resulted from Executive Committee members being contacted individually to determine their position on proposed actions (such as consulting contracts). Executive committee actions then are presented to the full board for ratification at the next board meeting.

- Current practice is for board meetings to be scheduled as 2-day meetings, but depending on the nature of the agenda, a meeting may be only a 1-day meeting.

TEXAS A&M:

- Board bylaws stipulate that <u>six (6)</u> board meetings be held each year, although in 2004, one meeting was cancelled so there were only five regular meetings this year.

- As there is no Executive Committee, all business must be handled by the full board, which results in several special called or telephonic board meetings being held.

  <u>In 2004</u>, there have been no special called meetings, although there have been two telephonic meetings on matters such as their chancellor and presidential searches, a gift acceptance, and authorization of a ground lease for on-campus housing. The total for regular plus special/telephonic meetings in 2004 = seven (7).

  <u>In 2003</u>, there were two special called meetings and three telephonic meetings. The total for regular plus special/telephonic meetings in 2003 = eleven (11).

- This board also does not use a Consent Agenda, meaning that every board action (regardless of how routine or non-substantive an item may be) must be presented for discussion and approval at a board meeting.

- By practice, all regular board meetings are held in College Station, except that the board usually schedules one regular meeting a year at a non-College Station campus. All of the special called board meetings have been held in College Station.

- Typically, this board does not engage in retreats.

- Board meetings typically are scheduled as 2-day meetings.

(Board meetings, continued)

TEXAS:

- Board bylaws do not prescribe when, where or how often the board must meet ... instead, the bylaws allow the board chair to designate dates/locations. Current practice is for the board to hold <u>four (4)</u> regular meetings per year ... i.e., quarterly meetings.

- Beginning in 2004, the Executive Committee is no longer in use and all business must be conducted by the full board, which has resulted in several special called or telephonic board meetings being held.

  <u>In 2004</u>, in addition to the four regular board meetings, there have been six special called meetings plus two telephonic meetings on matters such as presidential searches and other personnel matters, investment management and other UTIMCO matters, issuance of bonds, performance and capital planning reports, election of board officers, approval of committee chair designations, and several other miscellaneous matters. The total for regular plus special/telephonic meetings in 2004 = twelve (12).

- By practice, two of the four regular board meetings each year are held in Austin, with the other two regular meetings at component campuses outside of Austin. During 2004, all but one of the six special called board meetings were held in Austin. (One special called meeting was combined with a previously scheduled academic retreat in Dallas.)

- During 2004, the board conducted two retreats. One was an "academic retreat" over a 2-day span surrounding a board black-tie awards function in Dallas – the Santa Rita Award dinner – with the retreat having a special called meeting of the board thrown in. A "health retreat" is scheduled to take place on Dec. 9-10 (also in Dallas).

- Regular meetings of the board are scheduled as 2-day meetings. Special called meetings are nearly always 1-day meetings.

MISSOURI:

- Board bylaws require an annual meeting of the board to be held in June each year, and other regular board meetings may be held "at a time and place to be fixed by the Board." By practice, the board schedules <u>six (6)</u> regular board meetings each year.

- During 2004, there were an additional three (3) special called or telephonic meetings of the board to address either personnel matters (primarily related to searches and hirings) or for a joint meeting with the governing board of a small Missouri university. The total for regular plus special/telephonic meetings in 2004 = nine (9).

- The Executive Committee met only one time in 2004 ... to approve the issuance of debt.

- The board rotates the location of its regular meetings, with each of the three non-flagship component campuses hosting one meeting a year and with two to three of the meetings held at the flagship campus in Columbus.

- The board conducted one retreat in 2004. The second day of a regularly scheduled 2-day board meeting was used for briefings and tours of a research center located away from the flagship campus.

- Board meetings are scheduled as 2-day meetings ... but in 2004, four of the six meetings ended up as 1-day meetings.

Committee meetings

TEXAS TECH:

- Per the board bylaws, "The committee chair shall set the times and places of each special meeting of a standing or special committee."

- Current practice is for committee meetings to be held while the board is gathered for a board meeting. Typically, the board meetings are scheduled as 2-day meetings, with Day 1 being reserved for committee meetings and Day 2 being the board meeting (although sometimes on Day 2, a committee meeting may precede the start of the board meeting).

- Beginning in September of 2004, one standing committee – the Finance & Administration Committee – began conducting its meetings separate from and in advance of scheduled board meetings and at locations other than Lubbock ... i.e., the "corporate board committee" approach. Other committee chairs and committee members have indicated a willingness to follow suit, but for the board meetings in October and December of 2004, no other standing committees have chosen to meet at a date/location other than when the full board congregates for a board meeting.

- Current practice is for committee meetings to be conducted in sequential order, so that all board members may participate in the consideration and discussion of all committee agenda items (even though only the members of a standing committee may vote on items before the committee).

TEXAS A&M:

- Board bylaws are silent with respect to dates and locations for meetings of standing committees.

- By practice, board meetings typically are scheduled as 2-day meetings, with committee meetings conducted only when the full board gathers for a board meeting.

- In the past, this board tried the "corporate board committee" approach ... scheduling committee meetings in advance of full board meetings and holding committee meetings at varying locations ... but changed to their current practice because they believed the corporate board committee approach did not serve them well. Both board members and senior management found there were too many board and committee meetings in too many different locations and that it had become too time consuming and difficult on all their schedules.

- Current practice is for committee meetings to be conducted in sequential order, so that all board members may participate in the consideration and discussion of all committee agenda items.

(Committee meetings, continued)

TEXAS:

- Board bylaws stipulate that, "Regular meetings of standing committees of the Board shall be held in conjunction with regular meetings of the Board." However, special meetings of a standing committee can be held at the call of the committee chair or the board chair or upon the written request of two members of that standing committee.

- By practice (effective in August 2003), committee meetings and regular board meetings are combined in a 2-day period, with committee meetings on Day 1 and board meetings on Day 2.

- The move away from the "corporate board committee" approach in 2003 came as the result of:

  -- Their board members found they were meeting "all the time and in too many different locations;" and

  -- It was too difficult for their executive management to make all of the many committee meetings that were scattered around the state (particularly during legislative sessions) ... and not attending those meetings meant that senior management would be cut out of participating in a number of strategic policy issue discussions and decisions.

  [Recall that the UT System board has five standing committees, with five board members on each committee. Thus, under their previous procedures, prior to each board meeting there could be as many as five separate committee meetings in five separate locations ... resulting in as many as six meetings for every scheduled board meeting.]

- Current practice is for committee meetings to be conducted in sequential order, so that all board members may participate in the consideration and discussion of all committee agenda items.

MISSOURI:

- Board bylaws stipulate that each of the standing committees "shall meet as business requires and upon the call of the Chairman of the Committee."

- By practice, committee meetings typically are scheduled only when the full board gathers for a board meeting.

- Current practice is for committee meetings to be conducted in sequential order, so that all board members may participate in the consideration and discussion of all committee agenda items.

[as of 10-22-04]

Committee assignments for Board members ... by committee

Standing Committees

FINANCE & ADMINISTRATION:
Carin Barth – chair
Scott Dueser
Rick Francis

ACADEMIC, CLINICAL & STUDENT AFFAIRS:
Brian Newby – chair
Windy Sitton
Bob Stafford

FACILITIES:
Dick Brooks – chair
Bob Black
Frank Miller

AUDIT:
Dick Brooks – chair
Carin Barth
Bob Black
Brian Newby
Windy Sitton

EXECUTIVE COMMITTEE:
Bob Black
Brian Newby
Carin Barth
Dick Brooks
(*Note: Board chair and vice chair
plus the chairs of standing cmtes*)

Special Committees

INVESTMENT ADVISORY:
Carin Barth – chair
Scott Dueser
Frank Miller

NOMINATING:
Brian Newby
Carin Barth
Dick Brooks

*Note: The Investment Advisory Committee is a "special
committee of indefinite duration" established in the Board's
bylaws, but it is not a "standing committee" due to the
inclusion of non-Board members on the committee.*

*Note: The Nominating Committee is an ad hoc committee
appointed on 10-22-04 to advise the Board on nominations
for Board officer elections scheduled to occur at the Board
meeting in December 2004.*

Board Working Groups

ACADEMIC AFFAIRS:
Brian Newby
Frank Miller

RISK MANAGEMENT:
Audit Committee members:
Dick Brooks – chair
Carin Barth
Bob Black
Brian Newby
Windy Sitton

LAND DEVELOPMENT POLICY:
Frank Miller
Rick Francis
Dick Brooks

BETTER BOARD / COMMITTEES:
Frank Miller

STRATEGIC PLANNING:
Scott Dueser
Windy Sitton

COMMUNICATIONS & MARKETING:
Bob Black
Scott Dueser
Windy Sitton

JONES SBC STADIUM – EAST SIDE PROJECT:
Frank Miller
Rick Francis
Bob Black
Scott Dueser

*Note: With only the exception noted herein, these are ad hoc working groups established by the Board
to study a particular issue and report back to the full Board, with no delegation of authority to take
actions on behalf of the Board. (Risk Management is a special case, since the Board working group for
this issue is the Audit Committee, which is a standing committee of the Board.)*

REGENTS' RULES
(w/ amendments thru Aug. 17, 2004)

Chapter 01 – Bylaws

01.01 <u>Governance</u>

01.01.1 AUTHORITY

a. The Legislature, in Chapters 109, 110, and in Section 51.352, *Texas Education Code*, has delegated to the Board of Regents of the Texas Tech University System the power and authority to govern, control, and direct the policies of the Texas Tech University System.

b. Section 109.001, *Texas Education Code*, states that the board "by rule may delegate a power or duty of the board to an officer, employee, or other agent of the board."

c. Section 109.23, *Texas Education Code*, directs the board to "provide a chief executive officer, who shall devote his attention to the executive management of the university and who shall be directly accountable to the board for the conduct of the university." The board, when required by law to be the governing body of any other state educational institution or facility, shall also direct the chief executive officer to be directly responsible for the executive management of that other institution or facility." The board has determined that the chief executive officer of the TTU system (who, under the cited provision of the law, is the chief executive officer of all institutions the board governs) is the chancellor.

d. Section 110.01, *Texas Education Code*, states that "Texas Tech University Health Sciences Center is a separate institution and not a department, school, or branch of Texas Tech University but is under the direction, management, and control of the Texas Tech University Board of Regents."

e. Section 110.02, *Texas Education Code*, states that "The board of regents has the same powers of direction, management, and control over the Health Sciences Center as they exercise over Texas Tech University. However, the board shall act separately and independently on all matters affecting the Health Sciences Center as a separate institution."

01.01.2 COMPOSITION. The board is composed of nine members appointed by the governor with the advice and consent of the senate for staggered terms of six years each, the term of three members expiring on January 31 of odd-numbered years.

01.01.3 CHAIR OF THE BOARD

a. **Election of the chair.** From its number, the board shall elect the chair of the board (the "chair") for a two-year term at the regular November or December

meeting of even-numbered years. The chair shall report to and be responsible to the board. In case of the chair's death, resignation, disability, removal, or disqualification, the board shall elect a successor as soon as practicable. No member shall serve more than one term as chair unless the members shall reelect such person for each additional term by unanimous vote at a meeting at which at least six members are present.

b. **Duties.** Duties and responsibilities of the chair include:

(1) being responsible for board meeting agendas;

(2) presiding over the board meetings;

(3) having authority to call special board meetings;

(4) appointing the board's standing and special committees; and

(5) conducting or causing to be conducted an appropriate orientation for new board members as soon as possible after appointment and deliver to each a copy of the current *Regents' Rules*, annual financial reports, and organization charts of the TTU system.

01.01.4   VICE CHAIR OF THE BOARD. From its number, the board shall elect the vice chair of the board (the "vice chair") when the chair is elected. In case of the chair's absence, death, resignation, disability, removal, or disqualification, the vice chair shall perform the chair's duties until the chair shall resume such office or a successor shall have been elected as herein provided. Upon the vice chair's death, resignation, disability, or removal, the board shall elect a successor as soon as practicable.

01.01.5   TAKING OFFICE. The chair and the vice chair shall take office on January 1 following the meeting at which they are elected.

01.01.6   SECRETARY OF THE BOARD

a. **Appointment of the secretary.** The board shall appoint a secretary of the board (the "secretary") who is not a member of the board and who shall receive such compensation as the board may fix. The secretary shall report to and be responsible to the board and serve at its pleasure. Upon the secretary's death, resignation, disability, removal, or disqualification, the board shall appoint a successor as soon as practicable. The board also may appoint an assistant secretary who shall routinely perform duties as delegated by the secretary and who, when the secretary's office is vacant, or if the secretary is absent, incapacitated, or for any reason unable to perform the duties of the office, shall have the same duties and authority as the secretary. If the secretary is absent, incapacitated, or for any reason unable to perform the duties of the office and an assistant secretary has not been appointed previously, the chair may appoint an assistant secretary who shall have the same duties and authority as the secretary.

b. **Duties and functions of the secretary**

(1) <u>Meetings.</u> The secretary shall make preparations for all board and committee meetings including such notices as law requires including executive sessions.

(2) <u>Agendas.</u> Under the direction of and upon approval by the chair of the board, the secretary shall, with the cooperation of the principal officers of the TTU system, distribute the agenda for all board and committee meetings. Where funds are necessary, a statement by the appropriate chief fiscal officer should be included within the item indicating the source and availability of funds. Not less than two weeks prior to the day of regular meetings, the secretary of the board shall mail to each member copies of all proposed items for board consideration, including an agenda table of contents ("the regular agenda"). Urgent and emergency items may be added after this time but are subject to the chair's approval. Such items shall be added to the regular agenda and appropriate notification given to the Office of the Secretary of State as required by law. Items to be brought before the board will be separated into three categories:

    (a) items deemed to require individual consideration and by the board will be in the regular agenda;

    (b) items deemed routine will be in the consent agenda; and

    (c) material required by some provision of the *Regents' Rules* to be furnished to the board as information will be listed in the information agenda.

The consent agenda (usually accompanied by the information agenda) will be mailed to the regents at least three weeks prior to the date of a regular meeting. Any regent may require that an item in the consent agenda be moved to the regular agenda.

(3) <u>Deferrals.</u> Except when emergency proposals (as defined by the chair of the board or the secretary of the board) are involved, all proposals not submitted to the secretary within the time prescribed normally shall be deferred until the next board meeting.

(4) <u>Minutes.</u> The secretary shall attend all open board meetings, record, prepare, and index the official minutes of the board meetings and distribute copies thereof, including the annual budgets, to members of the board, the chancellor, and to such other individuals as designated by the chancellor. The official minutes shall be kept in the Office of the Secretary and certified excerpts from these minutes shall be prepared and distributed by the secretary when requested.

(5) <u>Documents.</u> The secretary shall keep on file in the Office of the Secretary all official documents, correspondence, and proceedings of the board, including audio tapes.

(6) <u>Seals.</u> The secretary is the custodian of the official seal of the TTU system and the seals of the component institutions (see Section 12.06, *Regents' Rules*). The secretary shall affix such appropriate official seal to, and attest, all documents executed in the name of the board and requiring attestation. The board may authorize by resolution certain other officials of the TTU system to affix seals and to attest to specific documents.

(7) <u>Official *Regents' Rules.*</u> The secretary shall keep the official copy of the *Regents' Rules.* Said copy shall contain all current rules and regulations and policies promulgated by the board. Any changes or additions thereto shall be entered in the official copy and such changes and additions shall be furnished to board members and such principal officers of the TTU system as the chancellor designates.

(8) <u>Reports.</u> The secretary as directed by the board shall prepare and distribute reports and communications.

(9) <u>Other duties.</u> The secretary shall perform such functions and have such other duties and responsibilities as the board may assign, and shall perform usual and customary tasks to assist the board in the discharge of its official duties.

01.01.7 BOARD MEETINGS

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

b. **Special meetings.** The chair may call a special board meeting for special or emergency purposes. A special board meeting also may be called by or at the joint written request of no less than five board members. The board shall set the meeting time and place in its usual manner; however, in the absence of majority agreement, the chair shall set the meeting time, which shall be held at the regular meeting place. The chair shall take into account the schedule of each board member in order to ensure maximum attendance. The chair shall notify or cause to be notified each member in an expeditious manner of the meeting time and place. In a special meeting, the board shall only consider the business described in the meeting notice or any supplemental notice.

c. **Notices.** Notices for all board or committee meetings shall conform to the requirements of state law.

01.01.8   **BOARD COMMITTEES**

a.   **Appointments.** The chair shall appoint all committee members and shall designate a committee chair except as otherwise provided herein. All other board members shall be *ex officio* members of each committee.

b.   **Times and places of committee meetings.** The committee chair shall set the times and places of each special meeting of a standing or special committee.

c.   **Standing committees**

(1)   Academic, Clinical, and Student Affairs Committee. The Academic, Clinical, and Student Affairs Committee shall consist of three members. This committee shall consider:

(a)   the educational mission and academic programs of the various schools and units within the TTU system;

(b)   the clinical programs (both patient care services and clinical investigation) within TTUHSC and their relationship to the educational mission and academic programs;

(c)   student affairs within the component institutions;

(d)   faculty affairs within the component institutions;

(e)   current and long-range governmental actions that affect the TTU system and make recommendations that will ensure, when necessary, continuous and prompt action by the TTU system on such matters;

(f)   research programs within component institutions and their relationship to the graduate programs;

(g)   policies essential to the growth and development of research;

(h)   research incentives for faculty;

(i)   fundraising programs and investments to strengthen research; and

(j)   contracts for academic, clinical, or student affairs agreements that require board action.

The committee shall summarize facts and present alternatives as necessary.

(2)   Facilities Committee. The Facilities Committee shall consist of three members. This committee shall consider:

(a) use and occupancy of TTU system property, and

(b) planning of, location of, receiving bids or proposals for, and awarding contracts for the construction, maintenance, and repair of buildings, utilities, and other physical facilities of the TTU system.

The committee shall summarize facts and present alternatives as necessary.

(3) <u>Finance and Administration Committee.</u> The Finance and Administration Committee shall consist of three members. This committee shall consider:

(a) the budgeting process;

(b) all requests for budgets covering expenditures of educational and general funds, designated funds, and auxiliary programs;

(c) handling of TTU system funds and depositories whether from appropriated or non-appropriated funds;

(d) all administrative matters relating to affirmative action and equal employment opportunity, central computing services, communication services, purchasing and contracting, office services, financial administration of grants, accounting services, personnel, budgeting, cash management, investments, water management, police operations, and all parts thereof;

(e) contracts and easements related to business or administrative functions that require board action;

(f) the annual review of all actual expenditures as well as the detailed review of the expenditures of the Office of the Chancellor and the Offices of the Presidents; the board will approve all budgets and be informed of all appropriations requests;

(g) review of all private fundraising activities for the TTU system and make recommendations that will ensure coordination of all private fundraising functions including any funds used to supplement the salary of any TTU system employee; and

(h) all administrative matters relating to physical plant operations and traffic and parking.

The committee shall summarize facts and present alternatives as necessary.

(4) <u>Audit Committee.</u> The Audit Committee shall have five members. The committee shall assure that the board maintains direct access to both internal and external audits of the TTU system. The Audit Committee shall recommend to the board guidelines for the operation of the committee and the auditing functions throughout the TTU system. The

01.01.9   PROCEDURES

a. **Rules of order.** When in session, the board shall follow the procedures set forth in *Robert's Rules of Order* unless the procedures conflict with the *Regents' Rules.*

b. **Executive sessions**

    (1) Only board members may attend executive sessions unless the board invites other persons to attend.

    (2) The board shall conduct all executive sessions in accordance with the applicable provisions of Chapter 551, *Texas Government Code.*

c. **Board communications**

    (1) It is not only the right but also the duty of each board member to be fully informed on all matters that influence or have impact on his or her obligations as a board member.

    (2) A request to appear before the board must be filed with the chair, the secretary, or the chancellor not less than two weeks in advance of the board meeting and must state the purpose of such appearance. The chair shall approve or disapprove such a request.

    (3) The board hereby reserves to itself the authority and responsibility for determining matters of policy, official statements concerning any political or other subjects of an obviously controversial nature that represent an official policy, statement, or position of the board and/or the TTU system. Statements, policies, and positions by the board on such matters shall be made by the board through the chair or the chancellor. No board member, officer, or faculty or staff member shall have the authority to speak for or issue any public statement on policy for or on behalf of the board or the TTU system on such matters, without the board's prior approval. Any statement on emergency matters shall be cleared by the chancellor in coordination with the chair. This policy declaration is intended to set forth the position, authority, and responsibility of the board on these matters without suggesting any limitation on the rights of persons to speak in their individual and personal capacities.

    (4) A president of a component institution, chief financial officer, or vice chancellor and general counsel, after notifying the chancellor, should bring any matter to the board that, in that officer's opinion, could have a material impact on the TTU system.

d. **Quorum**

    (1) Five members or more present in person shall constitute a quorum.

    (2) In accordance with Section 551.027, *Texas Government Code* (as amended or modified), a member may participate in an open or closed

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

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

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

(c) review the scope of audits;

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

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

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

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

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

d. **Special committees.** At any time during a board meeting, the chair or not less than six members may by vote appoint special committees, name the members thereof, and designate the committee chair. Any special committee so created shall be temporary (except the Investment Advisory Committee) and shall be charged in writing as to its particular duties and functions and the period in which it is to serve. Action by the chair or six members will be required to extend this period.

e. **Investment Advisory Committee.** The Investment Advisory Committee, a special committee of indefinite duration, shall meet quarterly with investment counsel, investment managers, and the appropriate officers and staff of the TTU system administration for the purpose of reviewing and consulting with these parties and, from time to time, advising the board on asset allocation policies and investment results. The Investment Advisory Committee shall be composed of three regents designated by the chair, a member of the Board of the Texas Tech Foundation, Inc. designated by the Chair, Texas Tech Foundation, Inc., and five persons appointed by the chancellor after consultation with the board and the Board of the Texas Tech Foundation, Inc. Such chancellor's appointees shall:

(1) have no financial interest in any organization providing investment services to the TTU system; and

(2) serve four-year staggered terms beginning on February 1.

meeting via videoconference when a quorum of the board is physically present at one meeting place, provided the meeting is legally posted in advance as a teleconference.

(3) The board may participate in an open or closed meeting via telephone conference call in accordance with Section 551.025, *Texas Government Code* (as amended or modified), only if the meeting is legally posted in advance as a telephone conference and:

    (a) an emergency or public necessity exists as defined in Section 551.045, *Texas Government Code* (as amended or modified); or

    (b) the convening at one location of a quorum of the board is difficult or impossible; or

    (c) the meeting is held by an advisory board.

    e. **Board members entitled to vote.** Board members participating in a legally posted teleconference board meeting shall be entitled to vote.

01.01.10   BOARD AND COMMITTEE MEETINGS ATTENDANCE. Recognizing the broad authority and responsibility vested in the board for the governance and operation of the TTU system, there is a specific expectation that each member of the board understands and recognizes the importance of his or her attendance at board and committee meetings and will make a sincere commitment to attend as many of these as possible.

01.02   **Board conduct.** Each member of the board shall perform his or her activities on behalf of the TTU system in conformity with the ethics policy set out in Section 03.01, *Regents' Rules*, and applicable state laws related to standards of conduct and conflicts of interest.

01.03   **New chancellor selection.** When there is a vacancy, the board shall establish a selection process and shall appoint a chancellor. This process may involve persons from the following TTU system constituencies: regents, faculty, staff, students, and alumni. The process shall result in a limited slate of unranked candidates for the position to be delivered to the full board for its deliberation.

01.04   **Board members service on support and advisory groups.** Board members are frequently asked to serve on support and advisory groups for various units of the TTU system. Such service, when requested because of unique contributions which can be made because of the regents' capabilities related to the work of the group, can make important contributions to the efforts of the TTU system. It is noted, however, that casting a vote in such groups may place a member of the board in the position of casting a vote with the support group and again when the matter is presented to the board. This eventuality should be avoided, and the board therefore restricts any membership on such groups to non-voting participation, and any exception to this policy must be approved by the board.

01.05   **Board seating at commencement.** Board members are expected to participate in the commencement exercises of the component institutions. A seat on the platform will be provided for each member who attends.

INCORPORATING A STRATEGIC APPROACH TO ACADEMIC AFFAIRS

"... academic institutions are distinctive organizations that must carefully balance the ways they make decisions, especially in the academic sphere. Colleges and universities must synthesize the educational ideals embedded in their identities with the realities of organizational life.

The integration of these inescapable tensions is best achieved through a strategic approach to decision making. As trustees set their academic responsibilities in this framework, educational issues convey the institution's story. The board's role is clarified, and its work is invigorated. ...

The board's role in academic affairs is that of an active and influential partner in a continuing dialogue, but the board's is not the voice that dominates the conversation. Programs, proposals, and recommendations are first voiced by others, and the board is an active listener. As the board responds, it provides perspective, gives everyone a chance to be heard, and makes sure that all the topics have been well and fully addressed.

To summarize, the board should:

- *understand* the values of academic professionals and the culture of campus decision making;

- *know* something of wider trends in teaching and learning as well as the distinctive aspects of the institution's academic programs and policies;

- *actively monitor* programs and policies by questioning projects and proposals, as part of a chain of responsibility;

- *evaluate* programs and policies by ensuring that assessment is continuous and by exercising appropriate independent judgment;

- *ensure* accountability by creating the expectation that improvements will result from evaluations and by holding individuals and groups responsible for meeting goals; and

- *make decisions* on academic programs and policies by questioning, revising, returning, rejecting, and enacting proposals as appropriate."

(Strategic Leadership in Academic Affairs, by Richard L. Morrill, 2002 ... p. 95-95)

01.06 __*Regents' Rules* review.__ In 2005 and in each fourth year thereafter, the chair shall appoint an *ad hoc* committee to review the *Regents' Rules* and recommend such updates and revisions as may be necessary or appropriate.

01.07 __Amendments.__ The *Regents' Rules* may be added to or amended only by vote of at least five members of the board at a regular meeting. Any proposed addition or amendment to Chapter 01 of these *Regents' Rules* must be filed with the secretary of the board in writing not less than 30 days before such meeting, and it shall be the duty of the secretary forthwith to mail a copy of such proposed addition or amendment to every member of the board.

Background information for the
Board working group on "academic affairs"

NOTE: Because "academic affairs" is the heart and soul of a higher education system and its component institutions, a discussion of how to make a governing board or its committees more effective must tie back to academic affairs. To be effective and "value adding," a higher education governing board must have an appropriate focus on academic affairs. The two are not separate and distinct, but rather are intertwined and must work in concert.

BOARD'S BASIC RESPONSIBILITIES FOR ACADEMIC AFFAIRS

The governing board of a higher education system has a primary responsibility for shaping policies related to the principal purposes for which a higher education institution exists. Another way of stating it is, the governing board's ultimate responsibility is to ensure the delivery of their institutions' principal purposes – teaching and learning.

A board's responsibilities for academic affairs includes:

"... defining, overseeing, and modifying the _policies_ that fulfill an institution's academic mission, including what students learn and how they learn it; the effectiveness of teaching and learning; faculty selection, recognition, and development; how to assess and reward teaching excellence; efficient and sensible organization of departments, divisions, and colleges within larger institutions; academic standards and requirements; and the appropriate balance among teaching, scholarship, and service, among many other elements."

(Board Basics: Academic Affairs Committee (BB:AA), by Richard J. Wood, 1997 ... p.1)

Governing boards should ensure that, "(1) the institution's educational programs are consistent with its mission; (2) academic priorities are clearly stated, widely understood, and appropriately funded; and (3) policies support program development." (BB:AA ... p. 2)

Unfortunately, there is not a one-size-fits-all template that can be used by all governing boards. Each governing board must understand not only the higher education enterprise in general but the unique academic nature and mission of that board's system and institutions in particular, as well as the culture of the system and components, its traditions and customs, and the values it embraces.

MAINTAINING A FOCUS ON ACADEMIC AFFAIRS

A governing board's responsibilities for academic affairs typically are entrusted to a standing committee on academic affairs, but whether done at the academic affairs committee level or by the board as a whole, oversight of the academic enterprise of a higher education system and its components should address "the following range of questions and concerns:

1. Are the institution's education programs consistent with its mission? If not, why, and how can they be modified? If they are, how can they be further strengthened?

2. Is the institution's strategic plan built upon a comprehensive academic plan?

3. Does the institution's overall budget reflect and support academic priorities? Are resource-allocation decisions consistent with those academic priorities?

4. Are faculty personnel policies – including reward systems and tenure, if appropriate – equitable? Do they support institutional objectives and initiatives? Are they periodically reviewed and compared with comparable policies at peer institutions?

5. What is the relationship between enrollment policies and practices and academic standards and requirements? Are academic programs appropriate for the quality profile, learning needs, and career and life interests of the institution's students?

6. How does the institution evaluate the quality of academic programs? Are the standards clear, communicated to members of the campus community, and reviewed regularly?

7. How is information technology being applied to innovations in teaching and learning?

(*BB:AA* ... p. 2-3)

While questions such as these must be tailored to fit the specific situations and missions of a given system or institution, as governing boards consider such questions and use them to guide their policy making with respect to academic affairs, boards "should be mindful that excessive involvement can be as harmful as neglect." (*BB:AA* ... p. 3)

To understand and evaluate academic affairs, a governing board "also must understand the tradition of shared governance as it is practiced at their institution." (*BB:AA* ... p. 3)

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 17, 2004

President Wilson stated that he was thrilled to hear the report by Regent Newby on the Working Group on Academic Affairs. He believes that academics must be a driver for all decisions and he is happy to see the board thinking along those lines.

Dr. Wilson mentioned yesterday that we had a search committee for an assistant dean for research for the El Paso campus and that we had received a number of very highly applicants. A couple of weeks ago, we made a decision and offered the position to Dr. Frank Talamantes. Dr. Wilson stated that he wanted to briefly go over his accomplishments to give the board an idea of the kind of caliber of person that we are recruiting. Dr. Talamantes received his Ph.D. in Endocrinology from the University of California at Berkley. He joined the faculty in the Department of Biology at the University of California at Santa Cruz in 1974. Within ten years, he had risen to the rank of full professor. In addition to classroom teaching, he served as the major professor to 24 graduate students and the advisor to 23 post-doctoral fellows. He directed the independent research of over 65 undergraduate students, many of whom were ethnic minority students who have gone on to earn their Ph.D. and/or M.D. degrees at other institutions. His research is in the area of Biochemical Endocrinology. He is the author of over 171 peer-reviewed manuscripts and 13 book chapters. Since his initial appointment as assistant professor, he has been continuously funded by either the NIH or the NSF. That is over 30 years of continuous funding. In recognition of his important scientific contributions, he has received numerous awards including the Transatlantic Medal Lecture from the British Society for Endocrinology and he was the recipient of the Society for the Study of Reproductive Research Award in 1993. He was awarded a prestigious NIH merit award research grant which is very difficult to get. In June, he was awarded the Signe Igmar Award from the Society for Endocrinology for his contributions to the field of Endocrinology and in April, 2001, he was awarded the Bursen Lectureship which is the highest award given by the American Physiological Society. He service to the scientific community has also included tremendous service by serving on four NIH study sections. He served as associate director for Endocrinology from 1986 to 1988 and in January, 2000, he was appointed as the U.S. editor for the *Journal of Endocrinology*. He has actively been involved in programs associated with the advancement of ethnic minority students in the sciences, an active participant in the Society for the Advancement of Chicanos and Native Americans in Science and he has served as president of this organization from 1987 to 1990. In 1989, he received the award for outstanding leadership and contributions to education in the Hispanic community from the American Association of Higher Education. In conclusion, in 1998, he was recognized as one of the 100 most influential Hispanics by *Hispanic Business* magazine and directly prior to him accepting the position in El Paso, he served as the vice provost and dean of graduate students at the University of California at Santa Cruz.

We are in the process now of recruiting our senior people for the El Paso campus. This is an example of the quality of one of our recruits. Next month, we will be recruiting another person in another senior level position who is equally as impressive.

Chairman Black asked if Dr. Talamantes was one of the panelists at the recent symposium. Dr. Wilson agreed that he was.

Dr. Wilson concluded by saying that by mid to late February, we hope to be able to kick off our El Paso campaign. The silent phase has been going very well. There are a few more things we have to tidy up before we do an official campaign. We hope to be able to do that in mid to late February and members of the board will receive an invitation.

-   End of Report –

President's Report
Texas Tech University
Board of Regents Meeting
December 17, 2004

President Whitmore thanked Mitchell Moses, president of the Student Government Association, the other officers of the Student Government Association and the members of the Student Senate for their hard work over the past year. This is a great group of students. They work very closely with the President's Office and bring initiatives forward that they think will better the university. We take these recommendations seriously and we act on them or explain why we are not acting on them. Often times, that is due to lack of funding. One example is they are working hard to try to get a mid-fall break into the calendar system. Some universities have gone to this. It is a very long stretch of time between the beginning of the fall semester and Thanksgiving break. So, we are working through a process with faculty on this. This is a high priority for them and I think we will be able to find a way to make it work. Not instantly, but maybe as early as next fall.

A handout was distributed to the board members which listed some of the great accomplishments of the university faculty. A few are brought to the board for introductions, but we could bring any one of these before the board and tell you some outstanding things. There is also a section about some student accomplishments, which are really quite remarkable. We pick out one or two of these to introduce to the board, but there are a lot of people doing these same kinds of things.

Finally, the institution is very proud of our football team and our coach and his assistants in bringing us forward to the highest level bowl that we will be participating in over the last several years. As an academic, the really wonderful thing about it is there are 56 teams in NCAA Division IA bowls. Texas Tech ranks 8th in overall graduation rates of those 56 teams.

Regent Brooks asked the graduation rate for Texas Tech University. Dr. Whitmore responded that it is over 60%.

Regent Brooks added that the graduation rate at the University of Texas is 31%. Dr. Whitmore stated that Texas Tech exceeds the graduate rate of our opponent, the University of California at Berkley, by 12%. The University of California at Berkley is considered to be the premier public university in America. Dr. Whitmore noted that he hopes the Red Raiders defeat the Bears by at least twelve points at the upcoming Holiday Bowl in San Diego, California.

Dr. Whitmore thanked the board for their service and added that he is looking forward to another exciting semester.

- End of Report –

Fifthly, the Audit Committee has been diligent in its response to the concerns of the nation around what has happened in the private sector with a very prudent approach to Sarbanes-Oxley, whether it has been the Audit Committee which implemented a hotline and the risk assessment process. We thank you for that, as well.

Fifthly, the facility growth has been the greatest growth -- the most rapid growth -- in the history of Texas Tech University and the Health Sciences Center. This has been done in both the area of academics as well as athletics.

You have left a legacy both in the areas of the authorization for a new medical school, which in itself would be an achievement in and of itself, but you did not stop there. As discussed today, the business college, law expansion, engineering, agriculture, human sciences, and at the Health Sciences Center, in general. This has all been a part of your legacy as you have given so wonderfully to these two universities over a six year period.

There was a sense of commitment. You understood who the key constituents are. You have done that both in your strategic planning process with the five points of the TexStar Program and again reflected here today with the interaction with students and we thank you for that. I know they do as well.

You served the community and you reached out. At a tough time when universities -- many of them -- and health science centers are becoming more insular and, in fact, reducing their impact on community, you continued to support what has been going on in El Paso, the new east Lubbock clinic that has been built, the work that we do in east Lubbock with diverse population of cohort of students. Now over thirteen years, where we start with students in the elementary schools and work with them to think about what it means to go to higher education and, of course, the 27 community colleges that you challenged us to reach out to make a difference -- not only in diversity, but that is where first generation students are beginning. That is part of your legacy.

In closing, besides being just responsive to the shortages in the state in pharmacy and nursing, engineering and elsewhere, there are some people who cannot be here who would want to thank you. I am not going to mention their names because I cannot as a physician, but there is the cancer patient from Plainview who if it were not for this Health Sciences Center would not be alive today, but they are because of your work. The trauma patients that travel, unfortunately often during our holiday season, along I10 because there is a trauma system open seven days a week-24 hours a day including on Christmas with doctors not only on call but having to stay and live in those facilities over that period of time. They would want to thank you. There is the renal patient in renal failure from Pecos who is alive today not only kept alive through dialysis, but had a transplant because of the work that you do. They would want to thank you. And the high-risk obstetric patient from El Paso who I happen to know personally very well, would want to thank you. So, on behalf of the staff, the students, the faculty we would like to give you all a round of applause.

- End of Report –

- 2 -

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
December 17, 2004

Dr. Smith distributed copies of the Legislative Red Books to the board members. Regent Stafford and Chairman Black already have their copies because we had a great program in Amarillo attended by six elected officials, as well as the mayor, and had an opportunity thanks to Dr. Stafford to brief them on our legislative priorities. It went very well. Our intent is to duplicate that in other efforts across the state as we head into the legislative session.

We need to express our gratitude to three individuals: Carin Barth, Dick Brooks and Brian Newby for their service. We cannot adequately express on behalf of the staff, the university, the students, the patients, etc. what they have meant to this university and this health sciences center.

Dr. Smith reflected on some of the things they have been able to do, but this cannot not be an inclusive list and would take several hours to present, if it were. Let's just reflect for a moment over the past six years.

First, in academic performance, the outstanding record and performance and benchmarking that has occurred in the area of SAT scores, freshmen retention rates, graduation rates, board performances at the Health Sciences Center – all part of this six year tenure. They have been responsive to the state. If you look at this group, they have been involved in – whether it has been the area of need in nursing, pharmacy, in the College of Education, engineering (many of our shortage areas) – this group has been responsive, as well, to the academic needs of the state of Texas.

Secondly, in the area of enrollment and whole issue of Closing the Gaps, we have a lot of room still to make up, but we have seen progressive increase in both the percentage and number of our diverse students. Again, none of us are satisfied with where we are, but there has been steady progress at both universities.

Thirdly, the endowment, for the first time, has achieved a level of over $400 million. We know the great work that Regent Barth has done in that regard. She is not here today to hear us congratulate her, but all of us need to express to her and the Investment Advisory Committee what has occurred in that world particularly over some difficult times in the middle of the tenure of the three retiring regents.

Fourthly, the fiscal health of the University and the Health Sciences Center has been in a rapid growth phase over the past six years, but these members of the board also challenged us to assure us that we would be able to pay as we went. That clearly reflected in both our ratio of debt to students as well as our bond ratings which for the first time during their tenure rose to the level of AA, which we had never achieved before.

- 1 -