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I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on December 15, 2006.

Ben Lock
Secretary

Seal

TEXAS TECH UNIVERSITY
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
INSIGHT BOWL BUDGET
2006

	INSIGHT BOWL BUDGET
REVENUES	
BIG 12 EXPENSE TRAVEL ALLOWANCE	925,000
BIG 12 MILEAGE ALLOWANCE (619 MILES X \$199)	123,181
TICKET SALES INCENTIVE	-
LESS COMP TICKETS USED BY TTU	(71,500)
HANDLING FEES, GIFTS & OTHER INCOME	12,500
TOTAL REVENUES	<u>989,181</u>
EXPENSES	
PROMOTION AND ADVERTISING	25,000
BAND AND SPIRIT SQUADS	190,000
LODGING/MEALS	
TEAM	207,200
OFFICIAL PARTY	29,457
TRANSPORTATION	
TEAM	125,200
OFFICIAL PARTY	21,250
ON CAMPUS MEALS AND LODGING	32,000
MEDIA GUIDES	3,500
BOWL EVENT TICKETS	6,500
AWARDS	85,000
TRAINING ROOM SUPPLIES	15,000
HEAD COACH BONUS PER CONTRACT	25,000
OTHER SUPPLEMENTAL COMPENSATION	190,000
PAYROLL RELATED BENEFITS	20,500
RADIO NETWORK	6,000
OTHER MISCELLANEOUS EXPENSES	7,574
TOTAL EXPENSES	<u>989,181</u>
NET REVENUES (LOSS)	<u><u>-</u></u>



TEXAS TECH UNIVERSITY SYSTEM

Investment Managers

*Office of the Vice Chancellor
and Chief Financial Officer*



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech LTIF Portfolio Objectives

Investment Objectives - Long Term Investment Fund (LTIF):

Return Objectives (%)	
Spending Rate	4.5
Inflation (CPI)	2.5
Investment Management Fee	0.5
Real Growth	0.5
Net Compound Return Needed	8.0

Spending and Investment Management fees are based on previous 12 quarters' rolling average market value and distributed quarterly.

TEXAS TECH UNIVERSITY SYSTEM


NACUBO Rankings

June '06 Peer Comparison		Last 1 Year	Last 3 Years	Last 5 Years
		% Returns		
Estimated NACUBO Returns	<i>Texas Tech Total Composite</i>	13.8	15.6	9.0
	Estimated NACUBO Top Quartile	12.5	13.3	7.5
	Estimated NACUBO Median Institution	10.5	11.8	6.1

June '05 Peer Comparison		Last 1 Year	Last 3 Years	Last 5 Years
		% Returns		
Actual NACUBO Returns and Rankings	<i>Texas Tech Total Composite</i>	14.1	12.3	6.6
	Actual NACUBO Percentile Ranking	7	6	8
	Actual NACUBO Top Quartile	10.9	10.5	4.6
	Actual NACUBO Median Institution	9.1	9.4	3.3

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 TEXAS TECH UNIVERSITY SYSTEM					
		Performance as of October, 2006			
		Value \$(000)	1 Year	3 Years	5 Years
Total Fund	523,331	17.20%	14.40%	12.00%	
Marketable Securities	442,378	17.30%	13.80%	11.60%	
Total Equity Composite	329,003	21.60%	17.20%	13.40%	
Fixed Income Composite	38,876	4.90%	3.30%	3.40%	
Hedge Fund Composite	74,498	12.20%	9.90%		
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TEXAS TECH UNIVERSITY SYSTEM

Performance as of October, 2006

	Value \$(000)	1 Year	3 Years	5 Years
US Equity Composite	175,735	16.00%	12.50%	10.20%
Global Allocation	19,959	12.70%		
International Equity Composite	133,308	31.00%	26.10%	20.10%
Total Equity Composite	329,003	21.60%	17.20%	13.40%

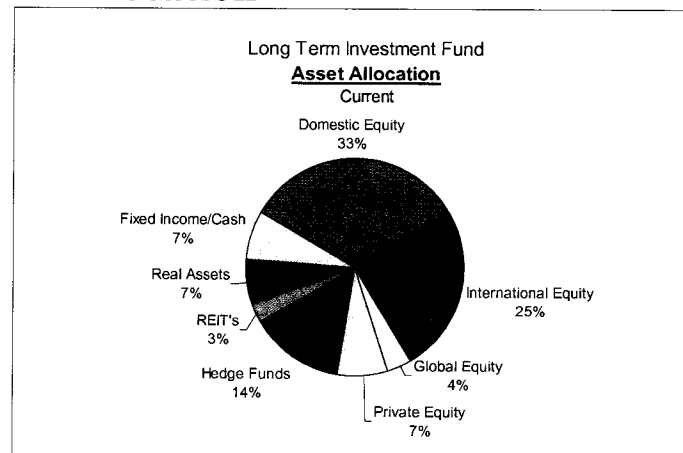
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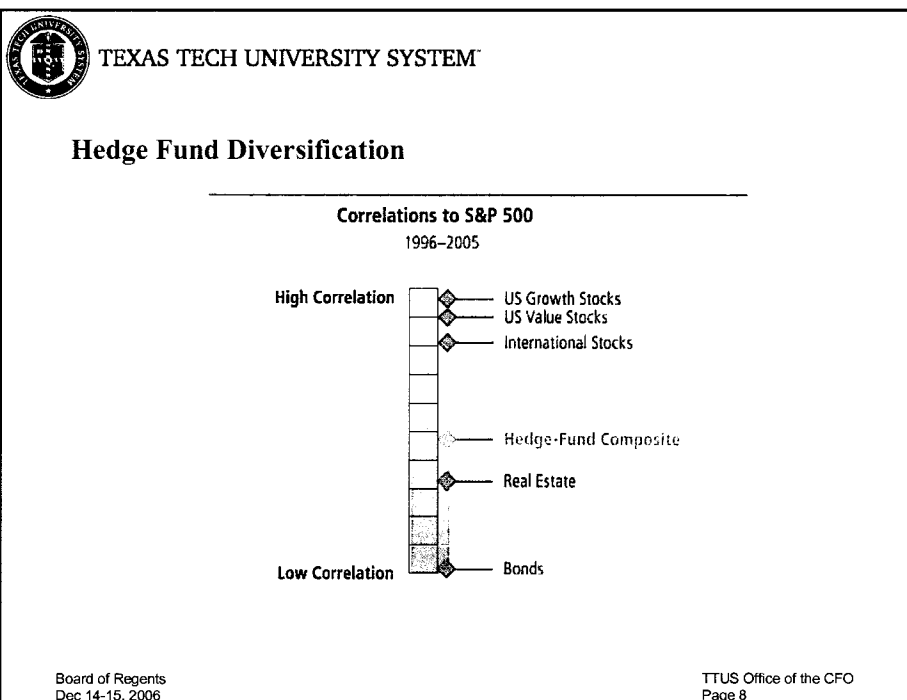
Asset Allocation



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<div>  TEXAS TECH UNIVERSITY SYSTEM </div>			
<h2>Hedge Fund Comparisons</h2>			
	Index Fund	Traditionally Managed Portfolio	Typical Hedge Fund
Goal	Market return	Premium over market return	Positive return in up and down markets
Strategy	Replicate the market	Benefit from rising markets Manager uses expertise in security selection to generate alpha	Reduce/eliminate risk of declining markets Fully exploit manager's ability to generate alpha through flexible investing format
Potential Sources of Alpha	N/A	Long-only security selection	Long security selection Short security selection Access to various investment markets Range of financial instruments
Risks	Market decline	Market decline Poor investment selection	Specialized strategies (e.g., arbitrage) Poor investment selection/use of techniques and tools Underperforming a rising market
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TEXAS TECH UNIVERSITY SYSTEM

Hedge Fund Recommendations

Alson Signature Fund Offshore, Ltd.

Objectives

- generate capital appreciation

Focus

- long and short investing, primarily in the equity securities of US companies of all market capitalizations

Davidson Kempner Institutional Partners

Objectives

- achieve capital appreciation through a multi-strategy investment approach long-term returns

Focus

- distressed securities
- merger arbitrage
- event driven long/short equity
- convertible arbitrage

Wexford Offshore Spectrum Fund

Objectives

- maximize total rates of return consistent with low to moderate volatility

Focus

- opportunistic, encompassing a wide variety of asset classes and global markets

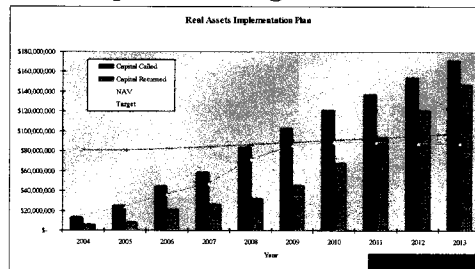
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TEXAS TECH UNIVERSITY SYSTEM

Illiquid Funding: Real Assets



Assumes \$10 million committed to real estate annually, beginning in 2007 and \$10 million committed to energy every other year beginning in 2008. (Commitments are increased by 20% in 2011 to account for the increase in the projected target.)


Real Assets Commitment Schedule to 31 2016					
		Target Allocation	15%		
		Total Portfolio Market Value	\$	532,331,000	
		Target Real Assets NAV	\$	79,849,650	
		Estimated Portfolio Growth Rate	2.5%		
Year	Commitment	Cumulative Commitments	Estimated Real Assets NAV	Target Real Assets NAV	Est. % of Target Allocation Invested
2004	\$30,000,000	\$45,000,000	\$14,530,136	\$79,849,650	18.2%
2005	\$0	\$45,000,000	\$23,827,773	\$79,849,650	29.8%
2006	\$40,000,000	\$85,000,000	\$35,747,919	\$79,849,650	44.8%
2007	\$10,000,000	\$95,000,000	\$47,200,000	\$81,545,391	57.7%
2008	\$20,000,000	\$115,000,000	\$71,150,000	\$83,892,039	85.0%
2009	\$10,000,000	\$125,000,000	\$85,100,000	\$85,980,239	99.0%
2010	\$20,000,000	\$145,000,000	\$88,900,000	\$88,139,073	100.9%
2011	\$12,000,000	\$157,000,000	\$88,140,000	\$90,242,550	97.6%
2012	\$24,000,000	\$181,000,000	\$87,340,000	\$92,601,114	94.3%
2013	\$12,000,000	\$193,000,000	\$86,840,000	\$94,916,141	91.3%

* Estimated data is approximate as of the date of this report.

*Realized data is incorporated up to the date of the report.

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Real Asset Recommendations

Savanna

Objectives


- diversified portfolio of opportunistic real estate investments in the Northeast

Focus

- Four principal property types (office, multifamily, industrial, and retail)
- Savanna will seek out properties in need of either
 - significant leasing
 - capital expenditures for deferred maintenance to increase occupancy and rents
 - capital expenditures to reposition/redevelop a property for a higher better use.

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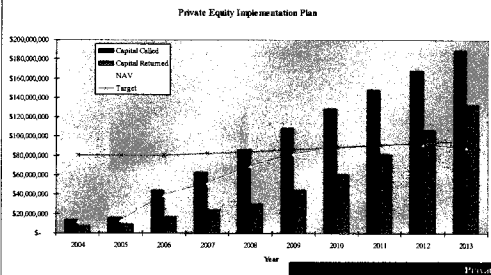
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Illiquid Funding: Private Equity

Private Equity Implementation Plan



This model accounts for \$44 MM committed in 2006, then a reduction in commitments to \$18MM until 2010, then \$20-\$22MM thereafter.

Private Equity Commitment Schedule
10/31/2006

Target Allocation		15%	
Total Portfolio Market Value		\$	\$32,331,000
Target Private Equity NAV		\$	79,849,650
Estimated Portfolio Growth Rate		2.5%	

Year	Commitment	Cumulative Commitments	Estimated Private Equity NAV	Target Private Equity NAV	Est. % of Target Allocation Invested
2004	\$25,000,000	\$36,000,000	\$11,465,674	\$	14.4%
2005	\$21,000,000	\$57,000,000	\$12,893,847	\$	16.1%
2006	\$44,000,000	\$101,000,000	\$39,083,251	\$	48.9%
2007	\$18,000,000	\$119,000,000	\$51,965,000	\$	63.5%
2008	\$18,000,000	\$137,000,000	\$69,180,000	\$	82.5%
2009	\$18,000,000	\$155,000,000	\$81,795,000	\$	95.1%
2010	\$18,000,000	\$173,000,000	\$88,765,000	\$	100.7%
2011	\$20,000,000	\$193,000,000	\$91,190,000	\$	100.9%
2012	\$22,000,000	\$215,000,000	\$90,955,000	\$	98.2%
2013	\$22,500,000	\$237,500,000	\$87,930,000	\$	92.6%

*Realized data is incorporated up to the date of the report.

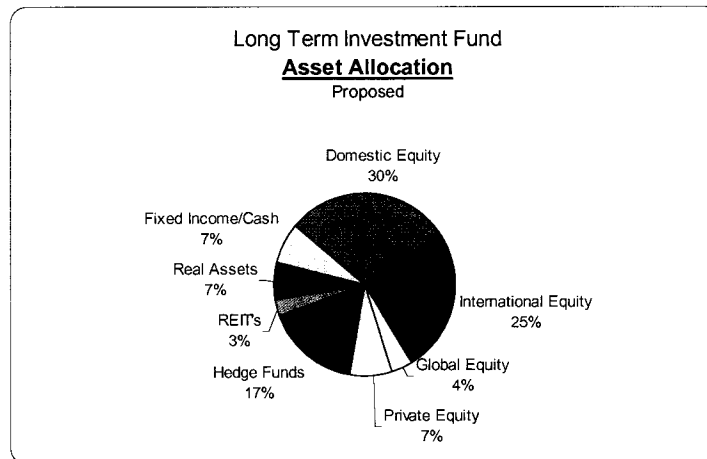
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Asset Allocation



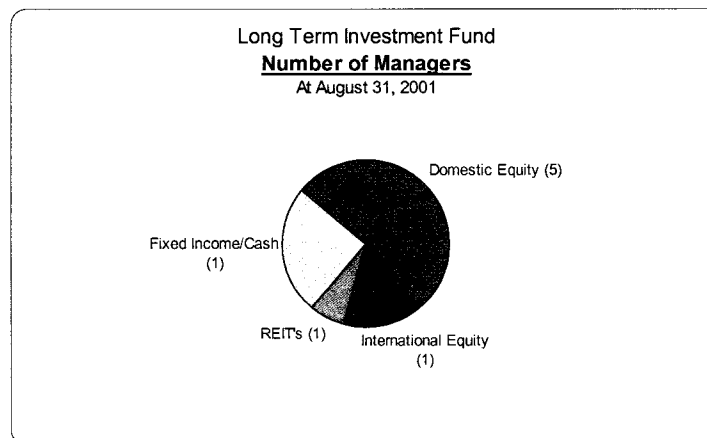
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Managers



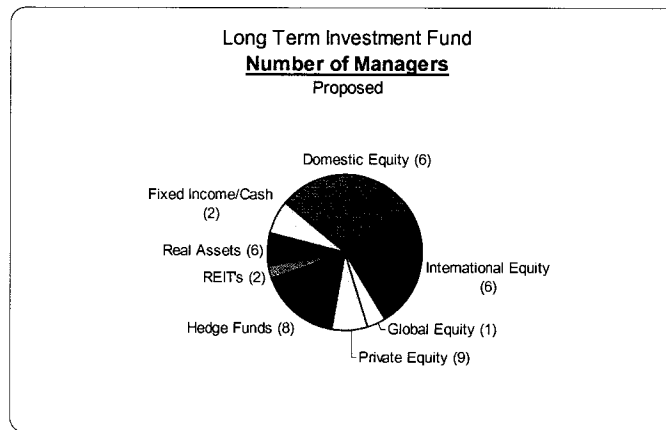
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TEXAS TECH UNIVERSITY SYSTEM

Managers



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TEXAS TECH UNIVERSITY SYSTEM

Private Equity/Real Assets Update – Performance *(as of October 2006)*

Fund	Inception	Commitment	Capital Called	Remaining Commitment	Distributions	Capital Account Balance	Last Capital Account Statement	Capital Account Plus Distributions
OCM Opportunities Fund IVb	2002	5,000,000	5,000,000	-	8,245,577	343,549	10/31/06	8,589,126
OCM Principal Opportunities III	2004	10,000,000	9,100,000	900,000	23,014	11,871,859	10/31/06	11,894,873
OCM Principal Opportunities Europe Fund	2006	5,000,000	3,850,000	1,150,000	814,439	3,102,036	9/30/06	3,916,475
OCM Principal Opportunities IV	2006	12,000,000	-	12,000,000	-	-	NA	-

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TEXAS TECH UNIVERSITY SYSTEM

Recommendation

The Investment Advisory Committee met on November 28 and 29, 2006. The Committee interviewed portfolio managers in the hedge fund and real assets alternative asset classes. Given the performance and credentials of these firms, it was recommended that the following be considered as alternative asset class managers:

1. Alson Signature Fund, a hedge fund manager, with an investment of \$10,000,000.
2. Davidson Kempner Institutional Partners, a hedge fund manager, with an investment of \$10,000,000.
3. Wexford Offshore Spectrum, a hedge fund manager, with an investment of \$10,000,000.
4. Savanna, a real assets manager, with an investment of \$10,000,000.

Accordingly the chancellor recommends that the Board of Regents approve the following recommendation of the Investment Advisory Committee that:

Davidson Kempner Institutional Partners, Wexford Offshore Spectrum and Savanna be hired as alternative asset investment managers, to comply with the asset allocation plan of the Long Term Investment Fund, as set forth by the Board of Regents.

Hedge Fund Evaluation

Alson Signature Fund Offshore, Ltd.

All data are as of March 31, 2005. Returns beyond one year and standard deviations are annualized. Fund returns are net of fees.

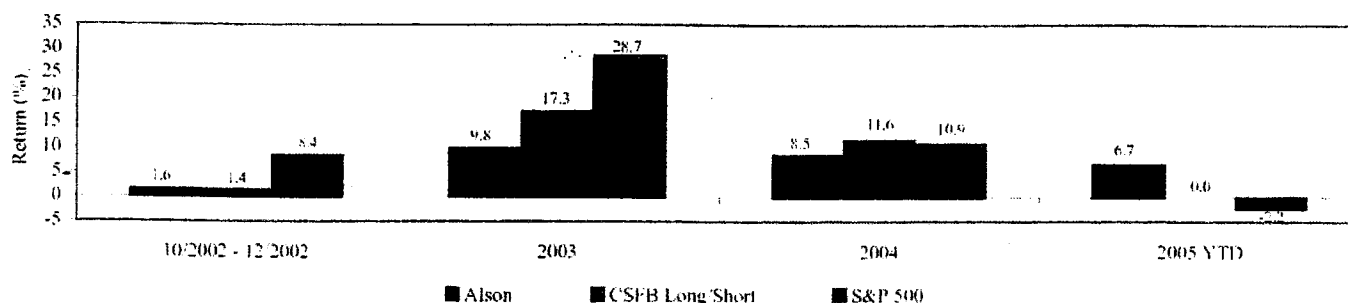
Commentary

Alson's returns have been consistent, although unspectacular. Since inception, the Fund has annualized 10.7% net, during a period when its "peers", as represented by the CSFB/Tremont Long/Short Equity index, have compounded at 12.0% and the S&P 500 has annualized 18.0%. We expect the Fund to perform well over time and, in particular, during difficult periods for equities, such as the year-to-date period. Since inception, Alson has captured only one-third of the downside of the CSFB/Tremont Long/Short Equity index. The Fund displays a slight beta to the equity markets. The alpha generated since inception is attractive.

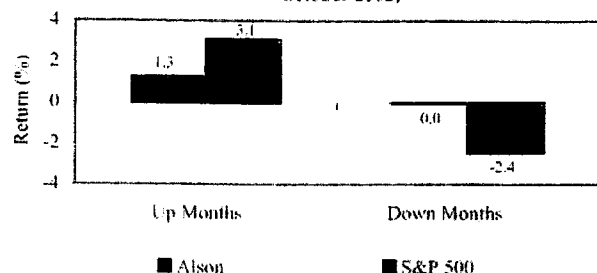
	Fund	CSFB Long Short ¹	S&P 500
1-Year Return (%)	11.4	7.3	6.7
2-Year Return (%)	11.1	14.3	20.1
Return Since 10/02 (%)	10.7	12.0	18.0
Standard Deviation	± 7.1	± 5.2	± 13.8
Sharpe Ratio	1.32	2.04	1.21
Correlation to Fund	1.00	0.56	0.33
Worst Drawdown (%) ²	(7.1)	(2.5)	(9.7)
Positive Months	77%	77%	70%

Unless otherwise indicated, statistics above are since inception.

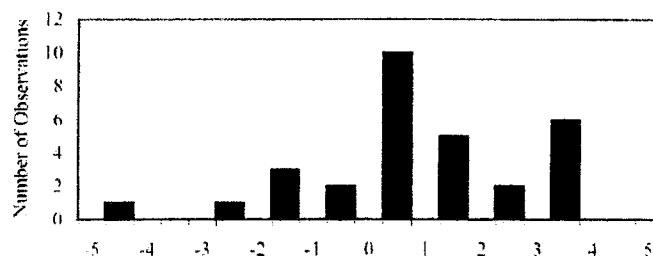
Annual Returns as of March 31, 2005



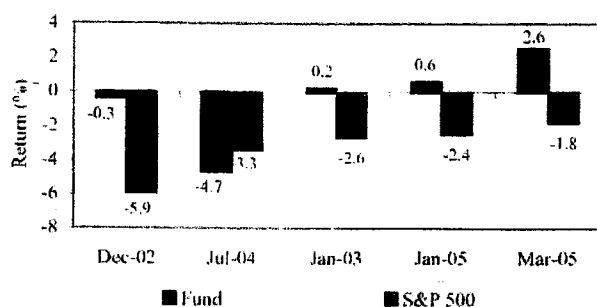
Average Performance During S&P 500 Up/Down Months (Since October 2002)



Histogram of Monthly Returns (Since October 2002)



Worst Months for the S&P 500 (Since October 2002)



Risk Factor Exposures (Since October 2002)

	Sensitivity	T-Stat	Conf. Level
Market Beta ³	0.21	1.9	96.4%
Small	0.17	1.1	86.5%
Value	-0.18	1.3	90.6%
Annualized Alpha (%)	6.54	1.5	92.6%
R ²		23%	

² The CSFB/Tremont Long/Short Equity index is an asset-weighted index of long/short equity hedge fund managers.

³ Worst drawdown is the largest percentage decline from peak.

⁴ Equity market represented by the Wilshire 5000 index.

Hedge Fund Evaluation

Wexford Offshore Spectrum Fund

All data are as of May 31, 2006. Returns beyond one year and standard deviations are annualized. Fund returns are net of fees.

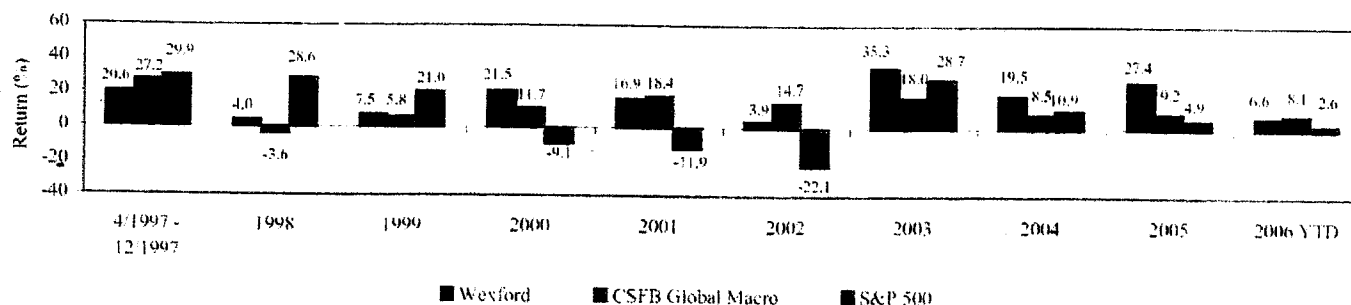
Commentary

The Fund has more than doubled the returns of the equity markets with less than three-fourths the volatility since its inception. The modest nature of the worst drawdown is impressive, particularly against the backdrop of the strong returns achieved. The Fund has produced positive results in every calendar year and achieved a return of 50 bps on average during months when the S&P 500 was negative. The regression analysis demonstrates a statistically significant annualized alpha of 12.61% per annum with modest beta exposure to equities. The beta exposure to credit spreads is largely driven by their move into distressed securities in 2003.

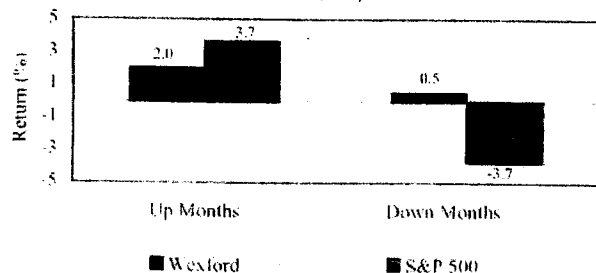
	Fund	CSFB Global Macro ¹	S&P 500
3-Year Return (%)	23.9	11.7	11.6
5-Year Return (%)	18.3	13.2	2.0
Return Since 4/97 (%)	17.5	12.6	7.5
Standard Deviation	± 12.1	± 10.9	± 17.2
Sharpe Ratio	1.1	0.8	0.2
Correlation to Fund	1.00	0.26	0.18
Worst Drawdown (%) ²	(6.2)	(16.8)	(44.7)
Positive Months	68%	75%	60%

Unless otherwise indicated, statistics above are since inception.

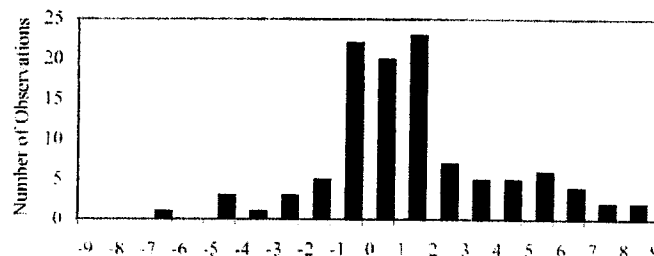
Annual Returns as of May 31, 2006



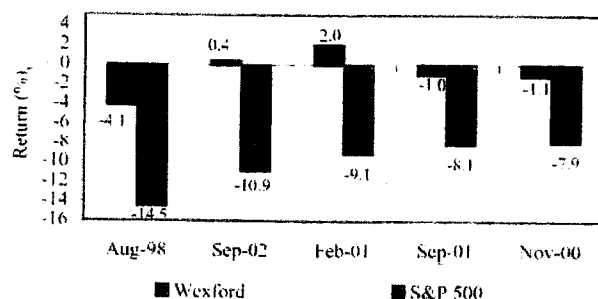
Average Performance During S&P 500 Up/Down Months (Since April 1997)



Histogram of Monthly Returns (Since April 1997)



Worst Months for the S&P 500 (Since April 1997)



Risk Factor Exposures (Since April 1997)

	Sensitivity	T-Stat	Conf. Level
Market Beta ³	0.08	1.2	87.8%
Lagged Beta ⁴	0.13	0.7	76.8%
Interest	-0.02	0.1	55.9%
Credit	-0.32	2.6	99.0%
Annualized Alpha (%)	12.61	3.6	99.0%
R ²		17%	

¹ The CSFB/Tremont Global Macro index is an asset-weighted index of Global Macro hedge fund managers.

² Worst drawdown is the largest percentage decline from peak.

³ Equity market represented by the Wilshire 5000 index.

⁴ Methodology attempts to account for the illiquid nature of many hedge fund portfolios, which often masks true market exposure.

Hedge Fund Evaluation

Davidson Kempner Institutional Partners

All data are as of December 31, 2005. Returns beyond one year and standard deviations are annualized. Fund returns are net of fees.

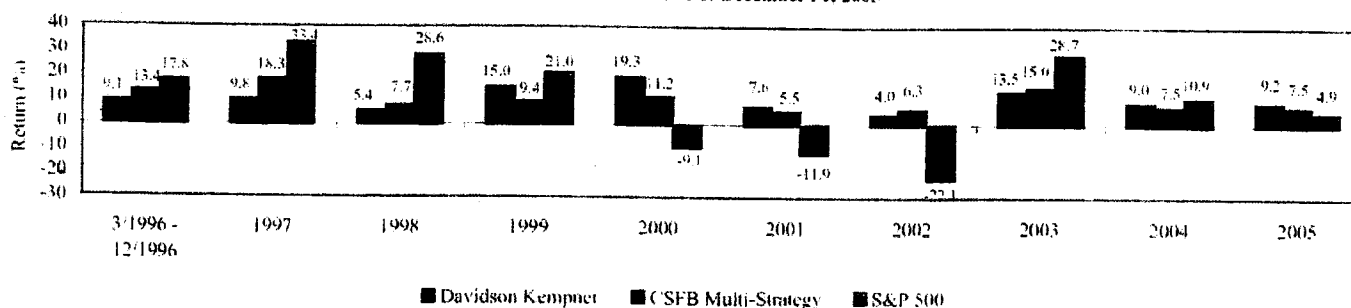
Commentary

Davidson Kempner has demonstrated a long track record of providing consistent results through varying market environments. The Fund has historically produced better risk adjusted returns than its "peers" (represented by the CSFB Multi-Strategy Index) as demonstrated by a Sharpe Ratio of 2.22 for the Fund vs. 1.64 for their "peers". Davidson Kempner demonstrates an "absolute return" nature, exhibited in the up/down chart below. The regression analysis indicates little sensitivity to the equity markets or credit markets. Given the nature of the portfolio, these are very positive characteristics.

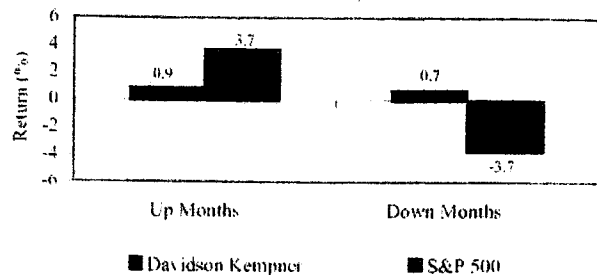
	Fund	CSFB Multi-Strategy ¹	S&P 500
3-Year Return (%)	10.5	10.0	14.4
5-Year Return (%)	8.6	8.3	0.5
Return Since 3/96 (%)	10.3	10.3	8.8
Standard Deviation	± 3	± 4	± 17.3
Sharpe Ratio	2.22	1.64	0.29
Correlation to Fund	1.00	0.32	0.20
Worst Drawdown (%) ²	(4.8)	(1.8)	(11.7)
Positive Months	92%	86%	61%

Unless otherwise indicated, statistics above are since inception.

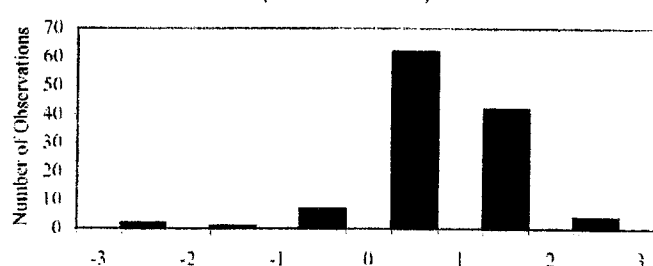
Annual Returns as of December 31, 2005



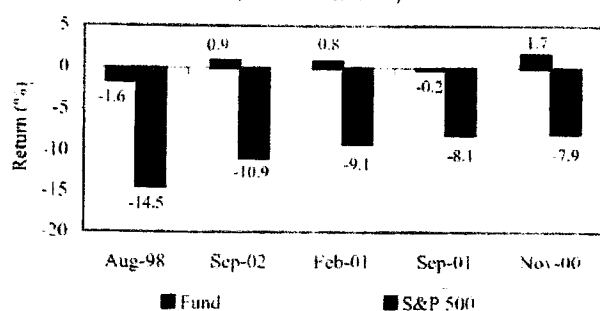
Average Performance During S&P 500 Up/Down Months (Since March 1996)



Histogram of Monthly Returns (Since March 1996)



Worst Months for the S&P 500 (Since March 1996)



Risk Factor Exposures (Since March 1996)

	Sensitivity	T-Stat	Conf. Level
Market Beta ³	0.04	2.8	99.0%
Lagged Beta ⁴	0.08	1.7	95.3%
Interest	-0.01	0.4	66.3%
Credit	0.01	0.4	64.5%
Annualized Alpha (%)	5.59	6.4	99.0%
R ²		15%	

¹ The CSFB/Tremont Multi-Strategy Index is an asset-weighted index of multi-strategy hedge fund managers.

² Worst drawdown is the largest percentage decline from peak.

³ Equity market represented by the Wilshire 5000 Index.

⁴ Methodology attempts to account for the illiquid nature of many hedge fund portfolios, which often masks true market exposure.



TEXAS TECH UNIVERSITY SYSTEM

Strategic Budget Allocation

*Office of the Vice Chancellor
and Chief Financial Officer*

Board of Regents
Dec 14-15, 2006

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TEXAS TECH UNIVERSITY SYSTEM

	FY 2007 Educational & General Budget General Revenue	2% Educational & General Budget General Revenue
TTU	\$120,634,735	\$ 2,412,695
TTUHSC	105,092,642	2,101,853
TTUSA	6,224,168	124,483
TOTAL TTU SYSTEM	\$ 231,951,545	\$ 4,639,031

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TEXAS TECH UNIVERSITY SYSTEM

	FY 2007 Educational & General Budget General Revenue	2% Educational & General Budget General Revenue
TTU	\$123,705,936	
less transfer to TTUSA	(3,071,201)	\$ 2,412,695
TTUHSC	107,830,063	
less transfer to TTUSA	(2,737,421)	2,101,853
TTUSA	6,224,168	124,483
TOTAL TTU SYSTEM	\$ 231,951,545	\$ 4,639,031



TEXAS TECH UNIVERSITY SYSTEM

Fiscal Years 2007 and 2008 Operating Budgets Presentation

*Office of the Vice Chancellor
and Chief Financial Officer*

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TEXAS TECH UNIVERSITY SYSTEM

OLD CATEGORIES


1. Operations Support
2. Teaching Experience Supplement
3. Excellence Funding
4. Educational and General Space Support

NEW CATEGORIES

1. General Administration
2. Student Services
3. General Institutional Expense
4. Faculty Salaries
5. Departmental Operating Expense
6. Instructional Administration Expense
7. Library
8. Organized Research
9. Extension and Public Service
10. Plant Support Services
11. Campus Security
12. Building Maintenance
13. Custodial Services
14. Grounds Maintenance
15. Utilities

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 TEXAS TECH UNIVERSITY SYSTEM	
Texas Tech University	
FY 2007	
Budgeted Elements of Institutional Cost	
Operations Support	105,874,843
Teaching Experience Supplement	3,420,528
Excellence Funding	3,065,304
Educational & General Space Support	21,877,579
	134,238,054
Allocated Functions of Institutional Cost	
General Administration	6,087,024
Student Services	1,285,051
General Institutional Expense	5,622,645
Faculty Salaries	87,439,415
Departmental Operating Expense	12,224,327
Instructional Administration Expense	7,519,369
Library	529,247
Organized Research	0
Extension and Public Service	0
Plant Support Services	2,829,539
Campus Security	1,922,736
Building Maintenance	3,468,173
Custodial Services	3,500,732
Grounds Maintenance	1,955,218
Utilities	0
	134,383,476
NOTE:	
(1) Allocations are estimates based on September, 2004 instructions from the Governor's Office of Budget, Planning, and Policy.	
(2) Significant changes have occurred to State funding methodologies and financial statement reporting, including funding methodologies for indirect cost for research, designated student tuition, and GASB 34/35 reporting requirements, since the proposed functions of institutional cost were last used.	
Board of Regents Dec 14-15, 2006	TTUS Office of the CFO Page 3



TEXAS TECH UNIVERSITY



HIGHER EDUCATION ASSISTANCE FUNDS (HEAF) FY2007-10

*Office of the Sr. Vice President for
Administration & Finance*
Dr. Thomas Anderes

Board of Regents
December 14-15, 2006

HEAF – FY2007-10



Higher Education Assistance Funds (HEAF)

- **How have HEAF funds been allocated in FY2007?**
- **HEAF funding – FY2008**
- **Projects requiring multi-year funding**
- **Potential uses FY2008-2010/Implications through FY2015**

HEAF – FY2007-10



Funding Allocations in FY2007

Uses	FY2007
Major Renovations	\$3,968,000
Minor Renovations	\$500,000
Deferred Maintenance	\$2,000,000
Libraries (Acq., Equip.)	\$5,279,356
Equipment (Computing, Faculty Start-up, Academics, etc.)	\$6,138,962
Emergency/Mandates	\$0
TOTAL	\$17,886,318

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HEAF – FY2007-10



HEAF Funding – FY2008

Uses	FY2008
Major Capital Projects	\$5,791,605
Minor Renovations	\$500,000
Deferred Maintenance	\$2,000,000
Libraries:	
Main	\$4,494,030
Southwest Collections (SWC)	\$30,444
Law	\$1,018,850
Equipment (Computing, Start-up, Lab, etc.)	\$6,590,000
Emergency/Mandates	\$2,500,000
Board Strategic Initiative	\$1,000,000
Unfunded Prior./Mandates	\$2,904,548
TOTAL	\$26,829,477

The THECB reassesses allocations for higher education in FY2009 and revisions may be made based on relative need, as determined by space deficits and formula funding.

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HEAF – FY2007-10



Projects Requiring Multi-Year Funding

Project	FY2008
Banner/Finance System	\$2,856,725
Engineering Renovations (\$10)	\$84,543
Art-3D (\$7.7)	\$1,239,977
Life Safety (\$8.0)	\$644,144
Experimental Sciences (\$6.0)	\$966,216
TOTAL	\$5,791,605

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HEAF – FY2007-10



Potential Uses – FY2008-2010/Implications Through FY2015

Uses	FY2008	FY2009	FY2010
Major Capital Projects	\$5,791,605	\$6,214,119	\$6,870,593
Minor Renovations	\$500,000	\$500,000	\$500,000
Deferred Maintenance	\$2,000,000	\$2,100,000	\$2,100,000
Libraries:			
Main	\$4,494,030	\$4,718,732	\$4,954,669
SWC	\$30,444	\$31,966	\$33,564
Law	\$1,018,850	\$1,069,792	\$1,123,282
Equipment	\$6,590,000	\$6,750,000	\$6,850,000
Emergency/Mandates	\$2,500,000	\$2,500,000	\$2,000,000
Board Strategic Initiative	\$1,000,000	\$1,000,000	\$1,000,000
Unfunded Prior./Mandates	\$2,904,548	\$1,944,868	\$1,397,369
TOTAL	\$26,829,477	\$26,829,477	\$26,829,477

The THECB reassesses allocations for higher education in FY2009 and revisions may be made based on relative need, as determined by space deficits and formula funding.

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TEXAS TECH UNIVERSITY™

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

INTERNAL HEAF SCHEDULE (FY 2006-2015 Allocation)

HEAF REVENUE											
FUTURE INCREASE IN HEAF REVENUE (Beginning FY 2008)											
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	118,996,270
TOTAL ALLOCATIONS	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	11,899,627	118,996,270
Balance Forward											
RECURRING COMMITMENTS											
Library Acquisition	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	20,000,000
Administrative Computing	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	2,750,000
Equipment for Chancellor's Office	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	275,000
Deferred Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
Subtotal of Recurring Commitments	3,325,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	33,025,000
NET FUNDS AVAILABLE for Project Allocations	8,574,627	8,599,627	8,599,627	8,599,627	8,599,627	8,599,627	8,599,627	8,599,627	8,599,627	8,599,627	85,796,270
PROJECT ALLOCATIONS											
Current Allocations											
Lubbock IT Network Infrastructure Upgrade		1,000,000									1,000,000
SOM Physiology Lab and Equipment	75,000	850,000									925,000
Lubbock Ophthalmology Equipment Purchases	600,000										600,000
Other Miscellaneous Equipment	177,560	816,573									994,133
El Paso Research Facility - Build-Out	2,200,000										2,200,000
Messeri/Racz Int'l Pain Center	795,000										795,000
Other Miscellaneous Construction	485,767										485,767
SB158 Lab Renovation	855,334										855,334
Coulter Research Building Conversion	1,764,354	3,235,646									5,000,000
Other Miscellaneous Renovations	547,023	721,927									1,268,950
Future Reserves											
Lubbock Research Facility (Pod D)		2,000,000									2,000,000
Clinical Simulation Center (Planning)		1,000,000									1,000,000
Subtotal of Project Allocations	7,500,038	9,624,146									17,124,184
HEAF REMAINING (to be allocated)		80,070	14,549,441	14,549,441	14,549,441	14,549,441	14,549,441	14,549,441	14,549,441	14,549,441	118,796,086

Date: 12/12/2006



TEXAS TECH UNIVERSITY SYSTEM

Revenue Financing System

*Office of the Vice Chancellor
and Chief Financial Officer*

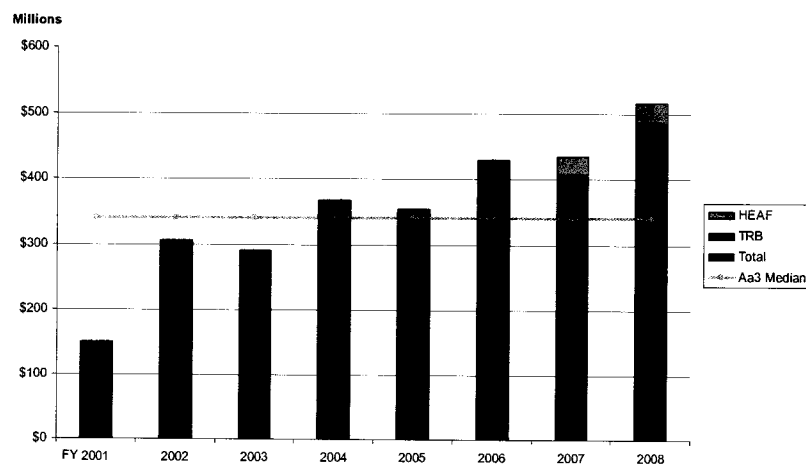
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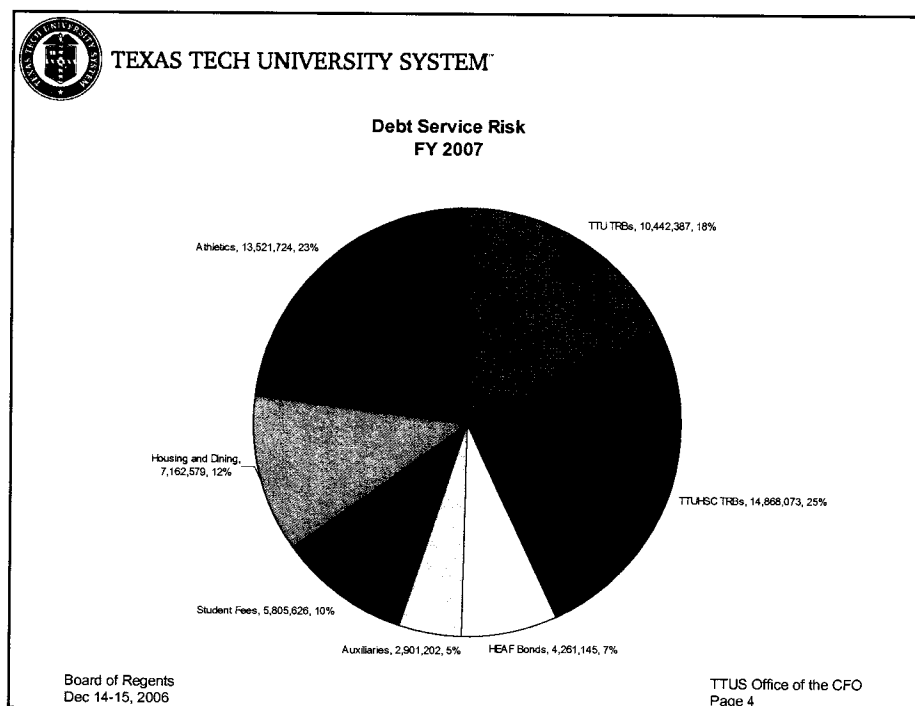
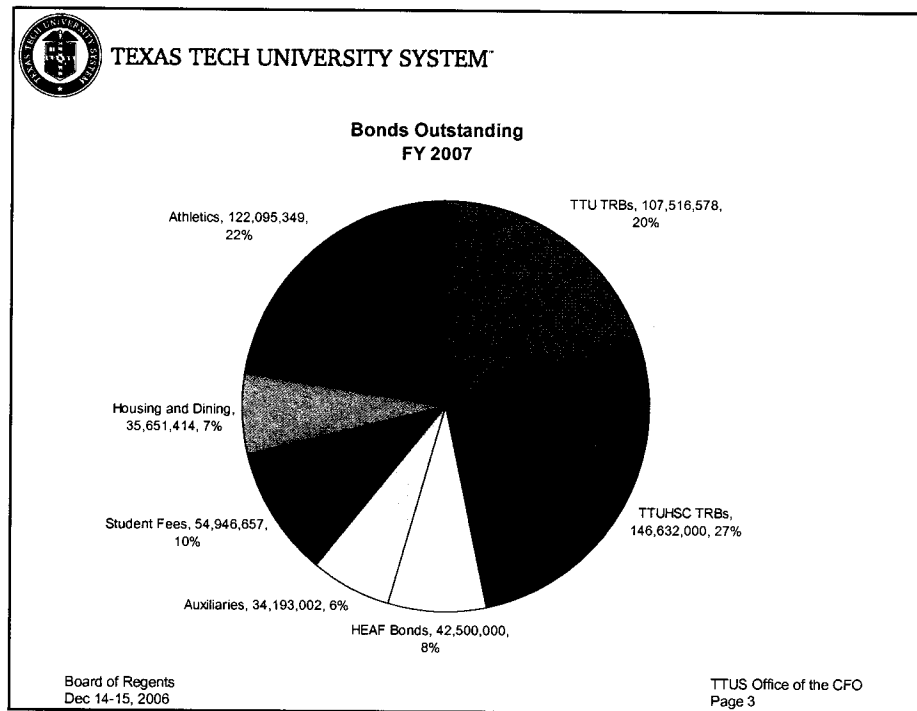
TEXAS TECH UNIVERSITY SYSTEM

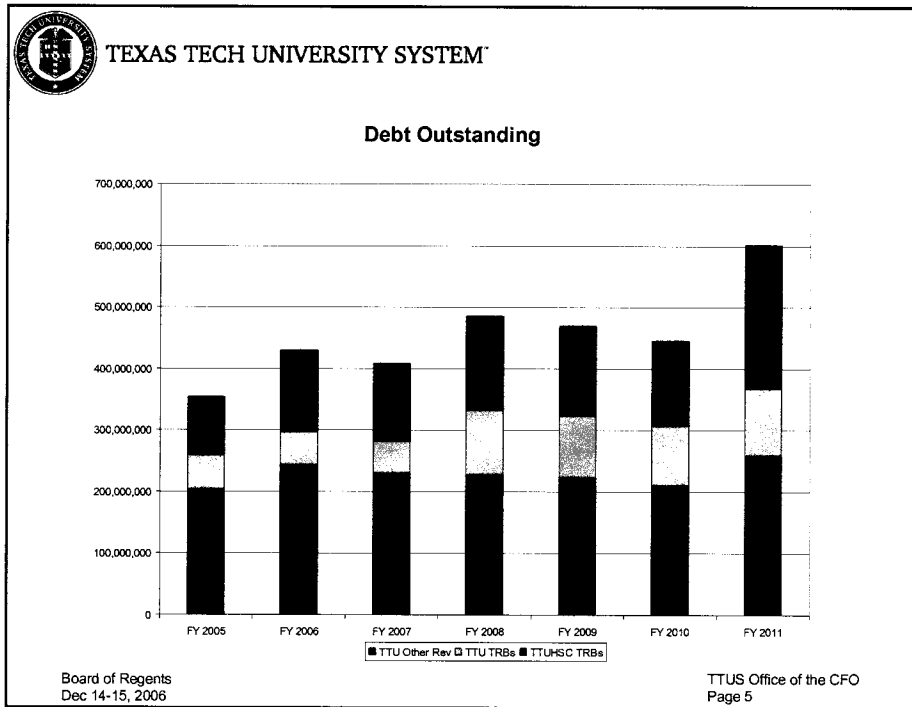
Texas Tech University System
Principal Balance Outstanding at End of Fiscal Year Ending August 31st




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 TEXAS TECH UNIVERSITY SYSTEM

Rating Medians: Moody's Public University Medians

Public Medians for 2005 – By Rating Level

	Aa2	Aa3	TTUS 2005	TTUS 2006	TTUS Trend	A1
CASH FLOW						
Actual Debt Service Coverage (x)	4.3	3.2	5.3	2.6	↓	2.9
Actual Debt Service to Operations (%)	2.6%	3.2%	4.0%	7.9%	↑	2.5%
BALANCE SHEET						
Expendable Financial Resources to Debt (x)	1.8	1.2	1.4	1.4	—	1.0
Unrestricted Financial Resources to Debt (x)	0.7	0.5	1.1	1.0	↓	0.4

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TEXAS TECH UNIVERSITY SYSTEM

Four Debt Measures

CASH FLOW

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

BALANCE SHEET

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

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TEXAS TECH UNIVERSITY SYSTEM


Rating Medians: Moody's Public University Medians

Public Medians for 2005 – By Rating Level

	Aa2	Aa3	TTUS	A1
Total Direct Debt	666.95	340.52	367.6	148.36
Total Financial Resources	1709.09	706.20	940.4	244.00
Total Revenues	2082.44	890.53	963.6	413.28
Total Expenses	1937.78	871.63	828.8	410.32
Total Enrollment FTE	47,751	27,092	27,569	19,283

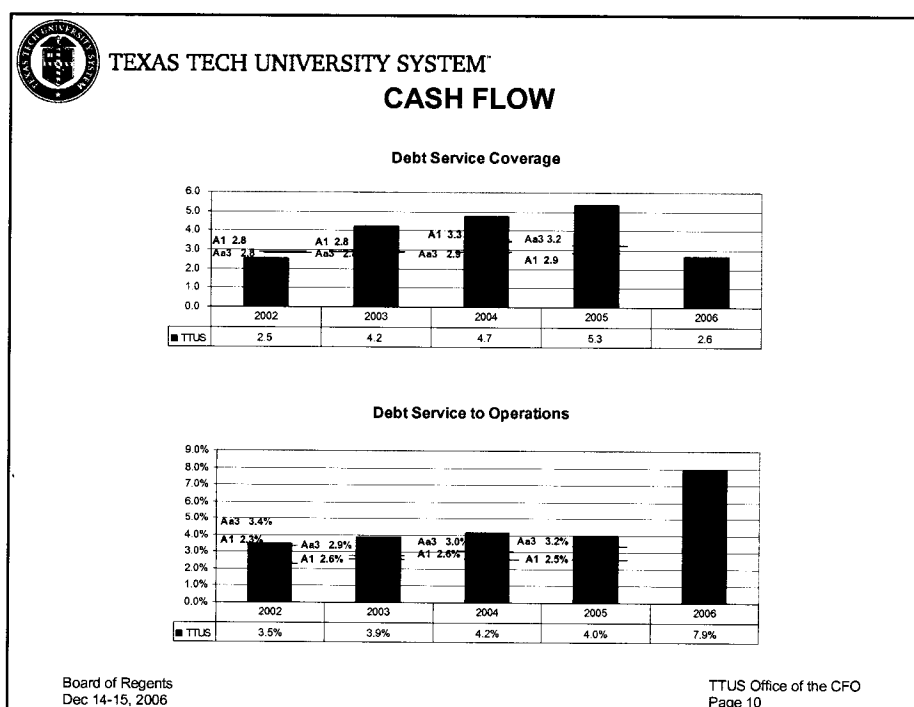
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 TEXAS TECH UNIVERSITY SYSTEM				
Moody's Public College and University Medians				
2005-2006 Based on 2005 Financial and Enrollment Data				
Aaa	Aa1	Aa2	Aa3	A1
Texas	Texas A&M	Missouri	Texas Tech	Oklahoma
		Nebraska	Colorado	Oklahoma State
		Kansas	Houston	North Texas
			Iowa State	
			Kansas State	

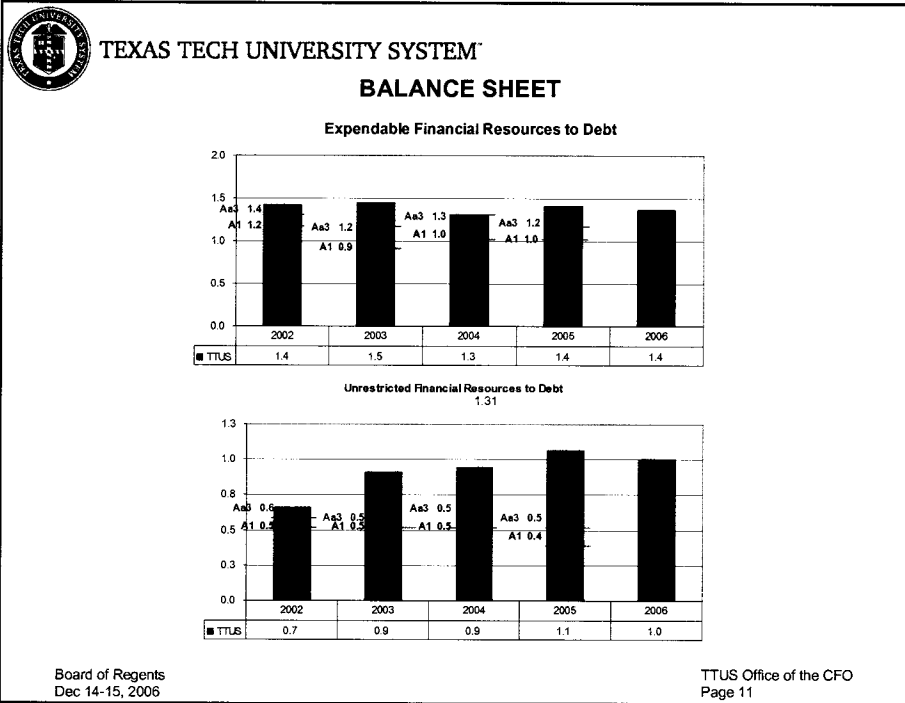
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Special Comment

June 2006

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Public College and University Medians 2006

(Based on 2005 Financial and Enrollment Data)

Growing Enrollment and Tuition Revenue Offset Increasing Debt and Reduced State Support

Summary

Moody's stable rating outlook for the public higher education sector is supported by the 2006 public college and university medians.

The medians indicate that the sector has:

- Continued healthy student demand, reflected in the increase in median FTE enrollment to over 16,000¹, up 3.6% over the past four years.
- Healthy revenue growth (16.5% over four years), largely driven by rising tuition offsetting continued reductions in state support on a per-student and inflation-adjusted basis. Student charges (tuition and auxiliary revenue)² now comprise 36% of total operating revenues, versus 33% of operating revenues derived from the state. In FY2002, the comparable revenue reliance was 31% and 39%, respectively.
- Growing financial resources in support of institutional mission, with median total financial resources for FY 2005 standing at \$185 million, a remarkable 45% increase since 2002.
- Favorable operating performance resulting from the revenue increases as well as notable expense controls, with median expenses rising just 10.3% over the past four years.

These positive trends are offset by the following challenges:

- Weakening demographics in some regions, with a few public universities beginning to experience enrollment declines, coupled with heightened competition from lower-priced community colleges in many areas of the country.
- Constrained state appropriations for operations and capital projects, with the median level of state appropriations per student in FY2005 down 6% in nominal terms from FY2002 levels.
- Growing debt levels driven by continued capital investment to update aging facilities, to remain competitive, and to accommodate growth in enrollment and research funding. In FY 2005, median total debt was up 42% over FY2002 levels, with debt on a per student basis rising 47%, to \$9,616.
- Increased competition for research funding, resulting in flat grant and contract revenue for some institutions.
- Increased scrutiny of undergraduate tuition increases, which is likely to limit the rate of revenue growth in the future. Median net tuition per student has risen by 40% since 2002.

Moody's public college and universities medians for 2006 are based on fiscal year 2005 financial statements and enrollment and student data for fall of 2005. With the fiscal year 2005 financial results, we now have four years of sector-wide reporting under the GASB 35 accounting and reporting standards, adopted by most institutions beginning in fiscal year 2002. The appendices include the 2005 medians; medians for 2002 through 2004 have been recalculated from those previously published to ensure data for the same subset of institutions used in our calculations for all years.

1. Includes both stand-alone university campuses as well as university systems of multiple campuses.
2. Net of financial aid.



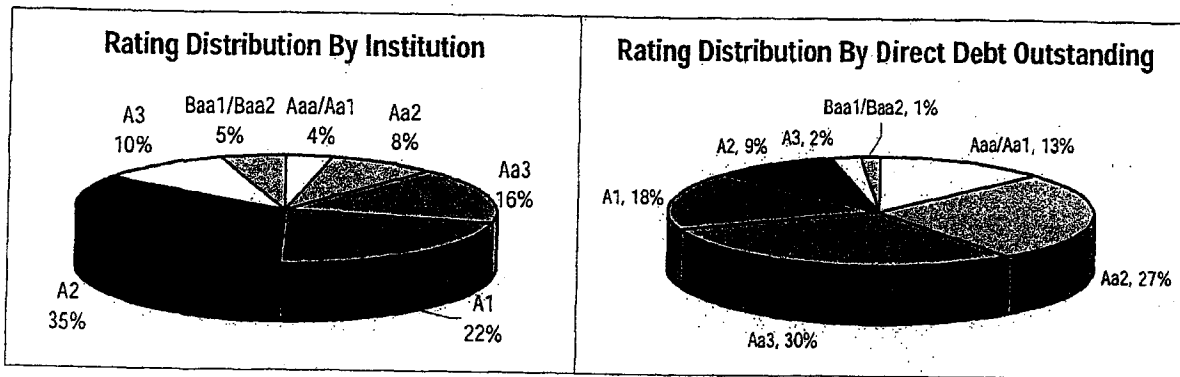
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Moody's Portfolio and the Public College and University Medians

Moody's ratings cover more than 90% of the public university sector through ratings assigned to both large systems and individual colleges and universities. We currently rate 195 separate organizations in the sector based on their stand-alone credit quality, ranging from the large systems in California, New York, Texas and Pennsylvania with enrollment exceeding 100,000 students to much smaller colleges and universities with enrollment of under 5,000 students. As a group, the Moody's rated public higher education sector had a 14% increase in outstanding debt in FY2005, rising to over \$65 billion from the prior year's total of \$57 billion. Moody's also rates over 100 public colleges, universities and affiliated foundations with over \$2 billion of debt based on municipal bond insurance.

The public university sector remains highly rated, with 95% of the ratings in the three highest rating categories of Aaa, Aa, and A. The median rating is A2 by number of institutions and Aa3 when weighted by debt outstanding. The high rating quality for the sector reflects its favorable credit characteristics, as well as the fundamental credit factor of state support, although as states have reduced their operating appropriations, the median contribution ratio of state appropriations has declined from 38.7% in 2002 to 33.1% in 2005.



Moody's public university financial ratio medians are the result of Moody's rating process that considers both qualitative and quantitative factors to determine the institution's credit profile. Therefore, each ratio will have a broad range of values for the individual institutions within that category, and medians alone cannot be used to predict an institution's specific credit rating.

General Credit Factors for Determining an Institution's Credit Profile

- Market Position:** Strength of individual "core" businesses, including undergraduate and graduate education, research funding, outreach and extension services, and patient care, if applicable.
- Relationship with Supporting State:** Level of reliance on state appropriations, taking into account the state's own credit quality, consistency of state operating and capital funding, and the degree of state administrative control over the institution. Public university ratings are not directly linked to the ratings of their sponsoring state.
- Balance Sheet Strength:** Absolute level of financial resources held by the university and its affiliated foundations to support institutional mission, as well as the relative liquidity of these resources as needed to cushion debt or operations. Ability to accumulate and manage resources through operating performance, successful fundraising and endowment management.
- Operating Performance:** Diversity and strength of institution's revenue streams, evaluation of expense growth drivers, areas of operational flexibility, and ability to generate favorable operating performance and debt service coverage.
- Debt Position and Capital Funding Profile:** Current debt structure and additional debt capacity, capital needs, and the identified sources of funding for the projects, legal structure and pledge of revenues/assets.
- Strategy and Management:** Strength of the board and institution's management, including ability to successfully integrate and implement strategic, capital and operational plans.

For additional information regarding Moody's rating methodology for the public higher education sector, please see our December 2002 special comment, "Moody's Rating Methodology for U.S. Public Colleges and Universities."

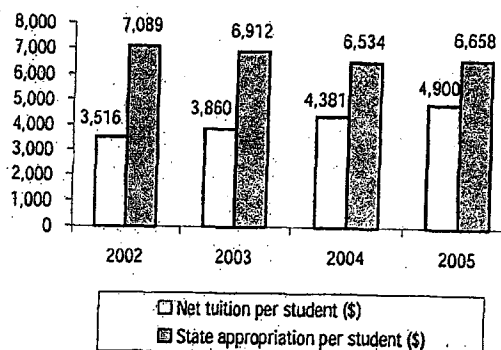
Four Year Medians Highlight Sector-Wide Credit Trends

Moody's now has four years of medians for the public higher education sector based on GASB 35 accounting standards. These medians illustrate several important credit trends.

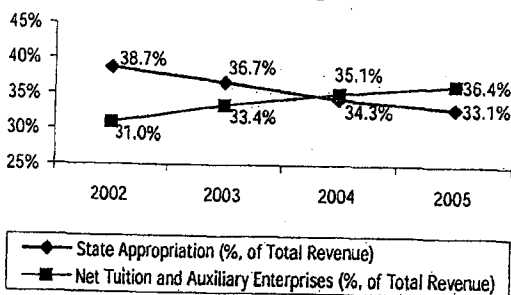
Student Demand: Across the sector, median full-time equivalent (FTE) enrollment has risen 3.6%, to 16,043 students between 2002 and 2005 driven by (1) demographic growth among high school graduates, (2) increasing higher education participation rates at all ages of the population, and (3) the ultimate economic value of a higher education degree. However, some institutions have experienced significant increases in enrollment and others have had declines, depending on their specific service areas. In particular for regionally oriented public universities, understanding the demographic trends in an institution's core student market is critical.³

State Funding: While state funding on a per student basis increased modestly in FY2005 to \$6,658 compared to \$6,534 the prior year, state operating appropriations continue to fall as a percentage of overall operating revenue, sliding to 33% in FY2005 versus nearly 38% four years ago. Despite the 1.9% increase seen in FY2005, funding is still 6.1% less than the median funding of \$7,089 per student in FY 2002.

Students Assume More of Expense Burden As States Reduce Operating Funding



Students Replace State As Largest Funding Source



Tuition Revenue: The need to fund the rising educational expenses and growing enrollment during an environment of constrained state funding has led to rising tuition during the past four years. This is shown in the growth of median net tuition per student, rising 40% to \$4,900 in 2005 from \$3,516 in 2002. As a result, tuition revenues (adjusted for financial aid and scholarships, including Pell Grants which now are generally reported as grant revenue under GASB reporting) now comprise a median 25% of total revenues, compared to less than 20% in 2002. Including auxiliary enterprise, revenues derived directly from students comprise a median 36% of operations.

Operating Performance: Despite the state funding challenges experienced by public colleges and universities for the last several years, operating performance across the public service coverage remaining strong, with operating margins in the 1-2% range and actual debt

higher education sector has remained relatively stable, with operating margins in the 1-2% range and actual debt service coverage remaining strong, 2.8 times in FY2005 for the sector as a whole.

Financial reserves: From 2002 to 2005, the median level of financial resources increased 45% to \$185 million, demonstrating the fundamental strengths of the sector during a difficult environment. We expect continued emphasis on increasing philanthropic support and growing independent financial resources in light of the continued reduction in support at the governmental level for both operations and capital.

Debt: Median debt levels kept pace with the growth in financial resources, rising 42% from 2002 to 2005, with a 9% increase in FY2005 alone. For most institutions, debt nonetheless remains manageable given growth in core revenue streams supporting debt service and debt service consuming a moderate 3.2% of operating expenses in FY2005.

The results in the FY2005 medians continue to support our stable outlook for the sector. For more information regarding factors affecting the industry, please see "Moody's 2006 Higher Education Outlook", published in February, 2006

Percentage Change in Median Over Prior Year

	2003	2004	2005
Debt	14%	14%	9%
Total Financial Resources	13%	13%	14%
Total Revenues	2%	7%	7%

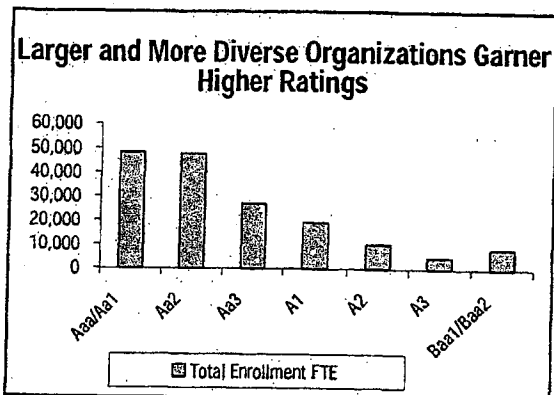
3. Please see Moody's hot topic "Demographic Trends Indicate Continuing Student Demand for Most Colleges & Universities", June 2006, #97788

Continued Differentiation of Credit Quality for Public Universities Across Sector

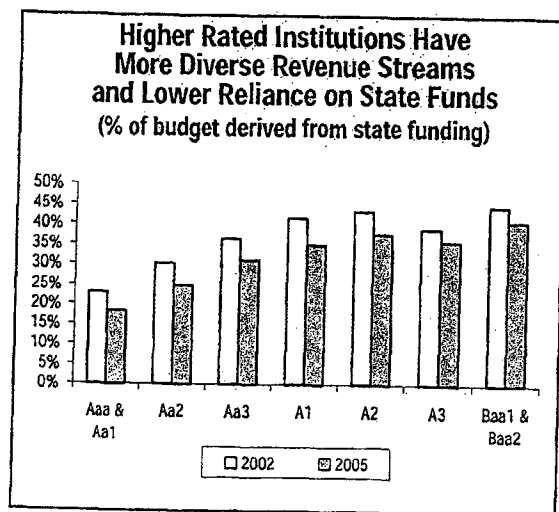
Moody's 2005 medians are based on over 90% of our portfolio of rated public colleges and universities. We provide medians for seven rating categories – a combined Aaa/Aa1 category; Aa2; Aa3; A1; A2; A3; and Baa1/Baa2. Moody's has only three public universities rated Aaa and four rated Aa1; consistent with past practice, we have therefore combined the two levels for the calculation and presentation of the medians. With eight public universities rated Baa1 and one rated Baa2, we have combined those institutions into one category. We note that with the smaller numbers of the Aaa/Aa1 and Baa1/Baa2 groups, data changes for the category could be statistically significant.

The public medians continue to highlight the significant credit and financial differences across the rating categories for the sector. Consistent with previous years, there remains credit differentiation between the large flagship and land grant universities and the regional public universities. The seven public universities rated Aaa and Aa1 represented less than 4% of the ratings for the sector, had 9% of total enrollment, and issued 13% of outstanding debt, yet as a group held 31% of the total financial resources for the sector. In contrast, the institutions rated A3 represented approximately 10% of the public higher education portfolio, yet held less than 1% of the total sector's resources, 2% of the outstanding debt, and 2% of enrollment.

Larger public universities with broad geographic student markets tend to have higher ratings. The institutions in either the Aaa or Aa category generally are public university systems or the large flagship or land grant universities. Median enrollment for the Aaa/Aa1 institutions was 48,421 full-time equivalent (FTE) students. Institutions rated in the A rating category are generally smaller regional public colleges or universities, with median enrollment of 10,475. The notable exception is California State University, rated A1 with a positive outlook with full-time equivalent enrollment of over 326,000. The university system, the largest in the public higher education sector, relies heavily on state appropriations from California, whose own general obligation rating is A1 with a stable outlook.



As previously noted, public university wealth is heavily concentrated in the higher-rated institutions. The 2005 median total financial resources for the universities rated Aa and higher was \$1.0 billion, compared to the \$98 million median resources for A-rated public higher education institutions. The higher-rated institutions have greater financial flexibility as demonstrated by median expendable resources to debt of 2.4 times for Aaa/Aa1-rated colleges and universities compared to 0.7 times for A-rated institutions. Likewise, median expendable resource coverage of operations for Aaa and Aa1-rated institutions was 0.89 times, compared to 0.37 times for A-rated colleges and universities.



We also note that the higher-rated public higher education institutions have greater revenue diversity, generally with lower reliance on state appropriations and student charges and a greater share of revenue derived from research funding. The 2005 medians indicate that colleges or universities rated Aa and higher have moderate reliance on state funding, with the median of 26.6% of total operating revenue; this compares to a median of 35.8% contribution share of total operating revenue for A-rated institutions. The revenue diversity helps provide operational flexibility, enabling higher-rated colleges and universities to better weather potential cutbacks in state appropriations.

The nine Baa-rated have some unique characteristics compared to the other rating categories. They tend to be smaller, and located in areas with relatively weak demographics, which can introduce an element of enrollment volatility. They have a relatively high reliance on state funding (41% on median), with limited pricing flexibility (\$2,673 net

tuition per student) and thin financial reserves as demonstrated by the median coverage of unrestricted resources to operations of 0.03 times. Five of the nine are located in the State of Louisiana, rated A2 with a stable outlook. Two of the institutions – University of Puerto Rico and University of New Orleans – were downgraded from the A rating category during the past year. We note that the median enrollment for the Baa1/Baa2 institutions declined to 8,552 FTEs in fall of 2005 from 9,731 the prior year. This decline is driven by the reported fall enrollment declines experienced by University of New Orleans and Southern University System, both rated Baa1 with a negative outlook, due to damages from Hurricane Katrina and the impact on enrollment the fall of 2005 semester.

Related Research

Rating Methodology:

Moody's Rating Methodology for U.S. Public Colleges and Universities, December 2002 (76899)

Moody's Rolls Out Finetuned Ratios for Public Universities to Incorporate New GASB Standards, June 2002 (75130)

Industry Outlook:

Moody's 2006 Higher Education Outlook: Stable Outlook Driven by Steady Demand and Growing Resources; Prospects for Revenue Growth and Meeting Capital Needs Remain Challenging, February 2006 (96647)

Hot Topic:

Demographic Trends Indicate Continuing Student Demand for Most Colleges & Universities, June 2006 (97788)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix I: Moody's Public Medians for 2002-2005

All Public Medians	2002	2003	2004	2005
Key Financial Statistics				
Total Direct Debt (\$, in millions)	92.45	105.64	120.26	130.96
Total Financial Resources (\$, in millions)	127.42	143.45	162.28	184.79
Total Revenues (\$, in millions)	256.32	261.93	280.29	298.73
Total Expenses (\$, in millions)	258.82	259.72	273.07	285.55
Market Data and Ratios				
Total Enrollment FTE (#, may be estimated)	15,487	15,780	16,022	16,043
Freshman Selectivity (%)	72.5%	73.8%	74.5%	76.0%
Freshman Matriculation (%)	45.9%	46.0%	45.4%	45.0%
Net tuition per student (\$)	3,516	3,860	4,381	4,900
State appropriation per student (\$)	7,089	6,912	6,534	6,658
Educational expenses per student (\$)	15,005	15,104	15,627	16,645
Total tuition discount (%)	30.3%	29.8%	28.8%	28.5%
Capital Ratios				
Unrestricted financial resources-to-direct debt (x)	0.5	0.4	0.4	0.4
Expendable financial resources-to-direct debt (x)	1.2	1.0	1.0	1.0
Total financial resources-to-direct debt (x)	2.0	1.7	1.5	1.4
Direct debt-per-student (\$)	6,539	7,585	8,252	9,616
Direct debt-to-cash flow (x)	4.9	5.5	5.3	5.4
Direct debt-to-total capitalization (x)	0.2	0.2	0.2	0.2
Actual debt service to operations (%)	3.0%	2.9%	3.1%	3.2%
Age of plant (#, in years)	11.7	11.8	11.8	12.0
Balance Sheet Ratios				
Unrestricted financial resources-to-operations (x)	0.15	0.14	0.17	0.18
Expendable financial resources-to-operations (x)	0.38	0.38	0.41	0.42
Free expendable financial resources-to-operations (x)	0.06	-0.01	-0.02	-0.02
Expendable financial resources-to-total net assets (%)	29.1%	28.4%	28.6%	30.1%
Total financial resources-per-student (\$)	9,273	9,451	10,590	11,340
Operating Ratios				
Annual operating margin (%)	1.2%	0.6%	1.9%	2.2%
Actual debt service coverage (x)	2.7	2.7	3.1	2.8
Return on net assets (%)	N/A	4.4%	5.0%	5.0%
Return on financial resources (%)	N/A	4.6%	10.1%	9.0%
Contribution Ratios				
Net tuition and fees (% of Total Revenue)	19.7%	22.0%	23.8%	25.1%
Auxiliary enterprises (% of Total Revenue)	11.3%	11.4%	11.3%	11.3%
Investment Income (% of Total Revenue)	1.7%	1.5%	1.6%	1.6%
Gifts (% of Total Revenue)	1.6%	1.4%	1.5%	1.7%
Grants and contracts (% of Total Revenue)	15.9%	16.1%	16.4%	16.0%
State appropriation (% of Total Revenue)	38.7%	36.7%	34.3%	33.1%
Patient care (% of Total Revenue)	0.0%	0.0%	0.0%	0.0%
Other (% of Total Revenue)	1.7%	1.6%	1.5%	1.3%

Appendix II: Moody's Public Medians for 2002-2005 - By Rating Level

Key Financial Statistics	Aaa and Aa1				Aa2				Aa3			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Total Direct Debt (\$, in millions)	523.44	559.43	667.89	753.20	563.98	586.23	654.39	666.95	213.03	255.32	304.31	340.52
Total Financial Resources (\$, in millions)	2,767.10	3,267.58	3,500.46	3,831.97	1,400.21	1,429.65	1,553.64	1,709.09	549.26	579.27	632.52	706.20
Total Revenues (\$, in millions)	2,109.16	2,243.46	2,360.46	2,648.25	1,704.24	1,770.76	1,852.19	2,082.44	767.02	803.90	847.66	890.53
Total Expenses (\$, in millions)	2,029.80	2,164.09	2,238.82	2,474.71	1,660.90	1,669.02	1,765.54	1,937.78	761.12	798.84	823.28	871.63
Market Data and Ratios												
Total Enrollment FTE (#, may be estimated)	47,094	47,413	47,694	48,421	44,504	45,676	46,368	47,751	25,526	26,179	26,232	27,092
Freshman Selectivity (%)	69.0%	70.7%	68.8%	68.7%	72.5%	75.7%	78.4%	76.0%	70.9%	74.7%	73.7%	73.5%
Freshman Matriculation (%)	53.7%	53.3%	50.6%	50.6%	46.4%	46.0%	45.3%	44.4%	45.8%	47.2%	44.6%	44.6%
Net tuition per student (\$)	5,327	5,991	6,488	7,130	5,253	5,661	6,139	7,514	3,958	4,224	4,734	5,173
State appropriation per student (\$)	9,814	8,521	8,015	8,376	10,034	9,512	8,966	9,119	10,184	9,482	9,321	9,428
Educational expenses per student (\$)	41,903	38,269	38,642	41,599	27,060	25,318	26,242	27,836	24,138	24,864	25,688	26,897
Total tuition discount (%)	29.2%	29.8%	29.0%	29.0%	26.2%	25.7%	26.8%	25.8%	26.7%	29.2%	28.4%	27.7%
Capital Ratios												
Unrestricted financial resources-to-direct debt (x)	1.1	1.1	1.1	1.3	0.8	0.7	0.7	0.7	0.6	0.5	0.5	0.5
Expendable financial resources-to-direct debt (x)	3.3	2.9	2.5	2.4	1.9	1.7	1.7	1.8	1.4	1.2	1.3	1.2
Total financial resources-to-direct debt (x)	4.4	4.0	4.3	4.3	2.8	2.8	2.5	2.7	2.3	2.2	2.0	2.0
Direct debt-per-student (\$)	15,448	14,775	17,297	19,716	10,401	10,513	11,000	11,658	9,179	9,925	11,032	12,592
Direct debt-to-cash flow (x)	2.8	4.0	3.7	3.9	4.4	4.3	3.7	3.7	4.0	4.5	4.5	5.0
Direct debt-to-total capitalization (x)	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Actual debt service to operations (%)	2.0%	2.5%	2.5%	3.7%	2.3%	2.4%	2.5%	2.6%	3.4%	2.9%	3.0%	3.2%
Age of plant (#, in years)	10.5	10.2	10.2	10.9	10.5	11.1	11.6	11.0	11.8	11.5	11.6	11.9
Balance Sheet Ratios												
Unrestricted financial resources-to-operations (x)	0.46	0.49	0.54	0.59	0.18	0.22	0.26	0.24	0.17	0.17	0.19	0.20
Expendable financial resources-to-operations (x)	0.88	0.76	0.81	0.89	0.64	0.64	0.67	0.69	0.43	0.41	0.46	0.48
Free expendable financial resources-to-operations (x)	0.61	0.48	0.48	0.50	0.33	0.22	0.26	0.30	0.13	0.08	0.10	0.06
Expendable financial resources-to-total net assets (%)	54.9%	48.4%	48.8%	48.4%	40.4%	39.5%	39.7%	37.7%	34.1%	33.4%	33.0%	33.8%
Total financial resources-per-student (\$)	71,309	66,299	71,653	80,643	33,645	37,621	43,545	46,907	20,856	20,211	22,110	24,426
Operating Ratios												
Annual operating margin (%)	3.8%	4.2%	5.2%	6.3%	2.5%	2.9%	3.8%	4.3%	2.2%	1.2%	1.7%	2.7%
Actual debt service coverage (x)	5.8	4.1	4.2	2.9	4.3	3.9	3.6	4.3	2.8	2.8	2.9	3.2
Return on net assets (%)	N/A	4.2%	8.0%	7.4%	N/A	4.8%	7.6%	5.8%	N/A	4.2%	4.8%	4.9%
Return on financial resources (%)	N/A	5.5%	9.5%	13.0%	N/A	4.8%	11.4%	9.5%	N/A	6.5%	9.3%	8.9%
Contribution Ratios												
Net tuition and fees (% of Total Revenue)	10.5%	11.5%	12.3%	11.8%	13.7%	13.9%	14.7%	16.7%	13.7%	15.3%	17.4%	19.5%
Auxiliary enterprises (% of Total Revenue)	5.9%	5.3%	5.3%	5.0%	9.9%	10.9%	11.1%	11.0%	8.6%	9.2%	9.8%	9.7%
Investment Income (% of Total Revenue)	6.7%	6.6%	6.1%	6.4%	2.7%	2.5%	2.8%	2.5%	1.9%	1.7%	1.6%	1.8%
Gifts (% of Total Revenue)	3.6%	4.1%	2.9%	3.0%	2.6%	2.9%	2.5%	2.7%	2.6%	2.8%	2.5%	2.4%
Grants and contracts (% of Total Revenue)	21.9%	22.4%	22.4%	21.0%	22.1%	22.0%	23.8%	23.6%	19.9%	22.2%	21.6%	22.5%
State appropriation (% of Total Revenue)	23.0%	21.4%	19.7%	18.3%	30.2%	27.1%	25.7%	24.9%	36.3%	33.1%	31.4%	31.0%
Patient care (% of Total Revenue)	25.6%	26.2%	27.9%	28.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other (% of Total Revenue)	1.6%	1.1%	1.8%	1.1%	2.1%	2.1%	1.9%	1.7%	2.7%	2.1%	1.7%	1.6%

Key Financial Statistics	A1			A2			A3			Baa1/Baa2		
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Total Direct Debt (\$ in millions)	107.49	113.34	130.26	148.36	57.86	66.58	70.69	81.92	15.78	17.21	35.54	36.28
Total Financial Resources (\$ in millions)	199.01	198.29	215.34	244.00	65.21	66.20	74.42	86.14	19.64	20.38	23.14	24.72
Total Revenues (\$ in millions)	358.22	369.54	392.21	413.28	125.05	137.31	144.73	148.63	47.49	47.12	46.23	51.44
Total Expenses (\$ in millions)	342.57	367.94	392.33	410.32	124.77	127.26	134.91	145.66	46.83	48.88	46.41	49.76
Market Data and Ratios												
Total Enrollment FTE (#, may be estimated)	18,618	19,415	19,350	19,283	9,753	9,916	10,198	10,332	4,352	4,532	4,679	4,733
Freshman Selectivity (%)	71.5%	71.0%	71.3%	77.1%	76.5%	75.4%	75.6%	77.4%	74.5%	67.2%	72.5%	67.1%
Freshmen Matriculation (%)	46.3%	46.9%	47.6%	45.2%	44.3%	43.2%	43.3%	44.1%	41.9%	41.5%	40.9%	44.6%
Net tuition per student (\$)	3,588	4,329	5,114	5,523	3,151	3,512	3,895	4,253	3,191	3,469	3,507	3,870
State appropriation per student (\$)	7,180	6,940	6,739	6,538	6,361	6,034	5,905	5,692	5,938	6,123	5,952	5,959
Educational expenses per student (\$)	18,201	18,756	18,166	19,253	12,318	12,744	12,917	13,303	11,644	12,569	12,143	13,901
Total tuition discount (%)	28.0%	27.7%	26.7%	26.6%	30.5%	30.0%	29.3%	28.4%	31.5%	31.0%	30.4%	30.5%
Capital Ratios												
Unrestricted financial resources-to-direct debt (x)	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.1	0.1	0.1	0.1
Expendable financial resources-to-direct debt (x)	1.2	0.9	1.0	1.0	0.9	0.7	0.7	0.7	0.6	0.6	0.4	0.3
Total financial resources-to-direct debt (x)	2.1	1.7	1.6	1.7	1.3	1.0	1.0	0.9	1.0	1.0	0.7	0.7
Direct debt-per-student (\$)	5,980	6,230	7,307	8,675	4,472	6,187	6,944	7,758	4,908	6,180	7,080	10,895
Direct debt-to-cash flow (x)	5.1	6.4	4.9	6.0	5.8	6.7	5.9	6.6	4.7	6.5	9.5	6.8
Direct debt-to-total capitalization (x)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Actual debt service to operations (%)	2.3%	2.5%	2.6%	2.5%	3.7%	3.8%	4.0%	3.8%	3.7%	3.4%	3.2%	4.3%
Age of plant (# in years)	11.7	11.6	11.6	11.0	12.2	12.1	12.6	12.7	10.4	10.4	11.1	10.7
Balance Sheet Ratios												
Unrestricted financial resources-to-operations (x)	0.15	0.17	0.16	0.18	0.15	0.14	0.18	0.18	0.05	0.06	0.09	0.11
Expendable financial resources-to-operations (x)	0.37	0.35	0.40	0.38	0.37	0.36	0.41	0.42	0.24	0.26	0.25	0.29
Free expendable financial resources-to-operations (x)	0.03	-0.03	-0.03	-0.03	-0.06	-0.15	-0.14	-0.19	-0.10	-0.12	-0.58	-0.63
Expendable financial resources-to-total net assets (%)	27.1%	24.1%	26.1%	26.5%	28.8%	28.4%	28.9%	30.9%	19.3%	18.5%	21.4%	22.6%
Total financial resources-per-student (\$)	12,022	12,212	12,127	14,108	7,441	6,555	7,650	7,889	4,656	4,371	5,257	6,166
Operating Ratios												
Annual operating margin (%)	0.2%	-1.1%	1.0%	1.1%	1.2%	0.5%	2.2%	1.4%	1.4%	-0.1%	1.4%	1.9%
Actual debt service coverage (x)	2.8	2.8	3.3	2.9	2.0	2.3	2.7	2.4	2.6	2.2	2.9	2.5
Return on net assets (%)	N/A	4.5%	4.5%	4.4%	N/A	3.9%	5.0%	5.3%	N/A	4.9%	2.9%	5.0%
Contribution Ratios												
Net tuition and fees (% of Total Revenue)	18.6%	20.7%	22.5%	24.8%	21.8%	25.0%	26.7%	28.4%	26.8%	27.4%	30.8%	31.7%
Auxiliary enterprises (% of Total Revenue)	11.3%	11.6%	11.4%	11.2%	13.4%	13.6%	13.8%	14.1%	11.0%	11.8%	12.1%	13.5%
Investment Income (% of Total Revenue)	1.7%	1.6%	1.7%	1.6%	1.6%	1.5%	1.6%	1.6%	1.1%	1.2%	1.2%	1.3%
Gifts (% of Total Revenue)	1.6%	1.6%	1.7%	1.7%	1.0%	0.8%	1.1%	1.0%	0.8%	0.7%	0.6%	0.6%
Grants and contracts (% of Total Revenue)	19.7%	20.4%	20.2%	19.3%	11.1%	11.5%	10.6%	11.4%	11.1%	12.4%	12.5%	11.9%
State appropriation (% of Total Revenue)	41.6%	38.6%	36.4%	35.0%	43.4%	41.1%	37.7%	37.7%	39.0%	38.5%	36.8%	35.8%
Patient care (% of Total Revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other (% of Total Revenue)	1.7%	1.5%	1.4%	1.2%	1.4%	1.3%	1.1%	1.1%	1.3%	1.2%	1.2%	1.2%

Appendix III: Moody's Public College And University Ratings- By State

Institution Name	Rating	Institution Name	Rating
Alabama		Georgia	
Alabama State University	A2	Armstrong Atlantic State University	A2
Auburn University	Aa3	Augusta State University	A2
Troy State University	A2	Columbus State University	A2
University of Alabama - Birmingham	Aa3	Fort Valley State University	A3
University of Alabama-Huntsville	A2	Georgia College & State University	A3
University of Alabama-Tuscaloosa	Aa3	Georgia Institute of Technology	Aa2
University of North Alabama	A2	Georgia Southern University	A1
University of South Alabama	A2	Georgia Southwestern State University	A2
		Georgia State University	A1
Alaska		Kennesaw State University	A1
University of Alaska	A1	Southern Polytechnic University	A2
		University of Georgia	Aa3
Arizona		University of West Georgia	A2
Arizona State University	Aa3	Valdosta State University	A1
Northern Arizona University	A2		
University of Arizona	Aa3	Hawaii	
		University of Hawaii	A1
Arkansas			
University of Arkansas - System	Aa3	Idaho	
University of Central Arkansas	A2	Boise State University	A1
		Idaho State University	A2
California		Lewis-Clark State College	A3
California State University System	A1	University of Idaho	A1
Hastings College of Law	A1		
University of California	Aa2	Illinois	
		Eastern Illinois University	A2
Colorado		Illinois State University	A2
Auraria Higher Education Center	A2	Northeastern Illinois University	A2
Colorado School of Mines	A1	Northern Illinois University	A2
Colorado State University	A1	Southern Illinois University	A1
Colorado State University-Pueblo	A3	University of Illinois	Aa3
Fort Lewis College	A3	Western Illinois University	A2
Mesa State College	A3		
University of Colorado	Aa3	Indiana	
University of Northern Colorado	A2	Ball State University	A1
		Indiana State University	A2
Connecticut		Indiana University	Aa2
University of Connecticut	Aa3	Purdue University	Aa1
		University of Southern Indiana	A2
Florida			
Florida Atlantic University	A1	Iowa	
Florida International University	A1	Iowa State University of Science and Technology	Aa3
Florida State University	Aa3	State University of Iowa	Aa2
State University System of Florida	Aa2	University of Northern Iowa	A2
University of Central Florida	A2		
University of Florida	Aa3	Kansas	
University of South Florida	A1	Kansas State University	Aa3
		University of Kansas	Aa2

Many public universities issue various kinds of debt carrying different ratings due to differing revenue pledges. The ratings cited in this report generally correspond to the highest ratings for each institution, which we usually assign to bonds with the broadest pledge of tuition and other revenues of the institution. List excludes community and two-year colleges.

Institution Name	Rating	Institution Name	Rating
Kentucky		Nevada	
Eastern Kentucky University	A2	University & Community College System of Nevada	A1
Kentucky State University	A3		
Morehead State University	A2	New Hampshire	
Murray State University	A2	University System of New Hampshire	A1
Northern Kentucky University	A1		
University of Kentucky	Aa3	New Jersey	
University of Louisville	Aa3	College of New Jersey	A3
Western Kentucky University	A2	Kean University	A2
		Montclair State University	A2
Louisiana		New Jersey City University	A3
Louisiana State University	A2	New Jersey Institute of Technology	A2
Louisiana Tech University	Baa1	Ramapo College	A3
McNeese State University	Baa1	Richard Stockton College of New Jersey	A2
Southeastern Louisiana University	Baa1	Rowan University of New Jersey	A2
Southern University System	Baa1	Rutgers, The State University of New Jersey	Aa3
University of Louisiana at Monroe	A3	University of Medicine and Dentistry of New Jersey	Baa1
University of New Orleans	Baa1	William Paterson University	A2
Maryland		New Mexico	
Morgan State University	A1	Eastern New Mexico University	A2
St. Mary's College of Maryland	A2	New Mexico Military Institute	Aa2
University System of Maryland	Aa2	New Mexico State University	Aa3
		University of New Mexico	Aa3
Massachusetts		Western New Mexico University	A3
Massachusetts State College Building Authority	A1		
Worcester State College	A3	New York	
		State University of New York	Aa3
Michigan			
Central Michigan University	A1	North Carolina	
Eastern Michigan University	A2	Appalachian State University	A2
Ferris State University	A2	East Carolina University	A1
Michigan State University	Aa2	Fayetteville State University	Baa1
Michigan Technological University	A1	North Carolina Central University	A3
Northern Michigan University	A2	North Carolina State University	Aa3
Oakland University	A2	University of North Carolina-Asheville	A2
University of Michigan	Aaa	University of North Carolina-Chapel Hill	Aa1
Western Michigan University	A2	University of North Carolina-Charlotte	A1
		University of North Carolina-Greensboro	A1
Minnesota		University of North Carolina-Wilmington	A2
Minnesota State Colleges and Universities	Aa3	Western Carolina University	A2
University of Minnesota	Aa2		
		North Dakota	
Mississippi		North Dakota State University	A1
Mississippi Institutions of Higher Learning	A1	University of North Dakota	A1
Missouri		Ohio	
Northwest Missouri State University	A3	Bowling Green State University	A2
Truman State University	A2	Miami University	A1
University of Missouri System	Aa2	Ohio State University	Aa2
		Ohio University	A1
Montana		University of Akron	A2
Montana State University	A1	University of Cincinnati	A1
		University of Toledo	A2
Nebraska		Wright State University	A2
University of Nebraska	Aa2	Youngstown State University	A2

Many public universities issue various kinds of debt carrying different ratings due to differing revenue pledges. The ratings cited in this report generally correspond to the highest ratings for each institution, which we usually assign to bonds with the broadest pledge of tuition and other revenues of the institution. List excludes community and two-year colleges.

Institution Name	Rating	Institution Name	Rating
Oklahoma		Vermont	
Oklahoma Panhandle State University	Baa1	University of Vermont	A1
Oklahoma State University	A1		
University of Central Oklahoma	A2	Virginia	
University of Oklahoma	A1	University of Mary Washington	A2
University of Oklahoma Health Sciences Center	A1	University of Virginia	Aaa
University of Science & Arts of Oklahoma	A3	Virginia Commonwealth University	Aa3
		Virginia Polytechnic Institute	Aa3
Pennsylvania		Washington	
Lincoln University	A3	Central Washington University	A2
Pennsylvania State University	Aa2	Eastern Washington University	A2
State System of Higher Education, PA	Aa3	University of Washington	Aa1
Temple University	A1	Washington State University	Aa3
University of Pittsburgh	Aa2	Western Washington University	A2
Puerto Rico		West Virginia	
University of Puerto Rico	Baa2	Fairmont State University	A2
Rhode Island		Marshall University	A2
University of Rhode Island	A1	Shepherd University	A3
		West Liberty State College	Baa1
South Carolina		West Virginia Higher Education Policy Commission	A1
Citadel, the Military College of South Carolina	A1	West Virginia State University	A3
Clemson University	Aa3	West Virginia University	A1
Coastal Carolina University	A3		
College of Charleston	A2		
University of South Carolina	Aa3		
Tennessee			
Tennessee State School Bond Authority	Aa3		
Texas			
Midwestern State University	A2		
Stephen F. Austin State University	A2		
Texas A&M University System	Aa1		
Texas Southern University	A3		
Texas State Technical College System	A2		
Texas State University System	Aa3		
Texas Tech University	Aa3		
Texas Woman's University	A2		
University of Houston System	Aa3		
University of North Texas	A1		
University of Texas System	Aaa		
Utah			
University of Utah	Aa2		
Utah Valley State College	A2		

Many public universities issue various kinds of debt carrying different ratings due to differing revenue pledges. The ratings cited in this report generally correspond to the highest ratings for each institution, which we usually assign to bonds with the broadest pledge of tuition and other revenues of the institution. List excludes community and two-year colleges.

Appendix IV: Moody's Public College and University Ratings - By Rating Level

Institution Name	State	Institution Name	State
Aaa			
University of Michigan	MI	University of New Mexico	NM
University of Texas System	TX	University of South Carolina	SC
University of Virginia	VA	Virginia Commonwealth University	VA
		Virginia Polytechnic Institute	VA
		Washington State University	WA
Aa1		A1	
Purdue University	IN	Ball State University	IN
Texas A&M University System	TX	Boise State University	ID
University of North Carolina-Chapel Hill	NC	California State University System	CA
University of Washington	WA	Central Michigan University	MI
		Citadel, the Military College of South Carolina	SC
Aa2		Colorado School of Mines	CO
Georgia Institute of Technology	GA	Colorado State University	CO
Indiana University	IN	East Carolina University	NC
Michigan State University	MI	Florida Atlantic University	FL
New Mexico Military Institute	NM	Florida International University	FL
Ohio State University	OH	Georgia Southern University	GA
Pennsylvania State University	PA	Georgia State University	GA
State University of Iowa	IA	Hastings College of Law	CA
State University System of Florida	FL	Kennesaw State University	GA
University of California	CA	Massachusetts State College Building Authority	MA
University of Kansas	KS	Miami University	OH
University of Minnesota	MN	Michigan Technological University	MI
University of Missouri System	MO	Mississippi Institutions of Higher Learning	MS
University of Nebraska	NE	Montana State University	MT
University of Pittsburgh	PA	Morgan State University	MD
University System of Maryland	MD	Nevada System of Higher Education	NV
Aa3		North Dakota State University	ND
Arizona State University	AZ	Northern Kentucky University	KY
Auburn University	AL	Ohio University	OH
Clemson University	SC	Oklahoma State University	OK
Florida State University	FL	Southern Illinois University	IL
Iowa State University of Science and Technology	IA	Temple University	PA
Kansas State University	KS	Truman State University	MO
Minnesota State Colleges and Universities	MN	University of Alaska	AK
New Mexico State University	NM	University of Cincinnati	OH
North Carolina State University	NC	University of Hawaii	HI
Rutgers, The State University of New Jersey	NJ	University of Idaho	ID
State System of Higher Education, PA	PA	University of North Carolina-Charlotte	NC
State University of New York	NY	University of North Carolina-Greensboro	NC
Tennessee State School Bond Authority	TN	University of North Dakota	ND
Texas State University System	TX	University of North Texas	TX
Texas Tech University	TX	University of Oklahoma	OK
University of Alabama-Birmingham	AL	University of Oklahoma Health Sciences Center	OK
University of Alabama-Tuscaloosa	AL	University of Rhode Island	RI
University of Arizona	AZ	University of South Florida	FL
University of Arkansas - System	AR	University of Vermont	VT
University of Colorado	CO	University System of New Hampshire	NH
University of Connecticut	CT	Valdosta State University	GA
University of Florida	FL	West Virginia Higher Education Policy Commission	WV
University of Georgia	GA	West Virginia University	WV
University of Houston System	TX		
University of Illinois	IL		
University of Kentucky	KY		
University of Louisville	KY		

Many public universities issue various kinds of debt carrying different ratings due to differing revenue pledges. The ratings cited in this report generally correspond to the highest ratings for each institution, which we usually assign to bonds with the broadest pledge of tuition and other revenues of the institution. List excludes community and two-year colleges.

Institution Name	State	Institution Name	State
A2			
Alabama State University	AL	Utah Valley State College	UT
Appalachian State University	NC	West Virginia State College System	WV
Armstrong Atlantic State University	GA	Western Carolina University	NC
Augusta State University	GA	Western Kentucky University	KY
Auraria Higher Education Center	CO	Western Illinois University	IL
Bowling Green State University	OH	Western Michigan University	MI
Central Washington University	WA	Western Washington University	WA
College of Charleston	SC	William Paterson University	NJ
Columbus State University	GA	Wright State University	OH
Eastern Illinois University	IL	Youngstown State University	OH
Eastern Kentucky University	KY		
Eastern Michigan University	MI	A3	
Eastern New Mexico University	NM	Coastal Carolina University	SC
Eastern Washington University	WA	College of New Jersey	NJ
Fairmont State University	WV	Colorado State University-Pueblo	CO
Ferris State University	MI	Fort Lewis College	CO
Georgia College & State University	GA	Fort Valley State University	GA
Georgia Southwestern State University	GA	Kentucky State University	KY
Idaho State University	ID	Lewis-Clark State College	ID
Illinois State University	IL	Lincoln University	PA
Indiana State University	IN	Mesa State College	CO
Kean University	NJ	New Jersey City University	NJ
Louisiana State University	LA	North Carolina Central University	NC
Marshall University	WV	Northwest Missouri State University	MO
Midwestern State University	TX	Ramapo College	NJ
Montclair State University	NJ	Shepherd University	WV
Morehead State University	KY	Texas Southern University	TX
Murray State University	KY	University of Louisiana at Monroe	LA
New Jersey Institute of Technology	NJ	University of Science & Arts of Oklahoma	OK
Northeastern Illinois University	IL	West Virginia State University	WV
Northern Arizona University	AZ	Western New Mexico University	NM
Northern Illinois University	IL	Worcester State College	MA
Northern Michigan University	MI		
Oakland University	MI	Baa1	
Richard Stockton College of New Jersey	NJ	Fayetteville State University	NC
Rowan University of New Jersey	NJ	Louisiana Tech University	LA
Southern Polytechnic University	GA	McNeese State University	LA
St. Mary's College of Maryland	MD	Oklahoma Panhandle State University	OK
Stephen F. Austin State University	TX	Southeastern Louisiana University	LA
Texas State Technical College System	TX	Southern University System	LA
Texas Woman's University	TX	University of New Orleans	LA
Troy State University	AL	West Liberty State College	WV
Truman State University	MO		
University of Akron	OH	Baa2	
University of Alabama - Huntsville	AL	University of Puerto Rico	PR
University of Central Arkansas	AR		
University of Central Florida	FL		
University of Central Oklahoma	OK		
University of Mary Washington	VA		
University of North Alabama	AL		
University of North Carolina-Asheville	NC		
University of North Carolina-Wilmington	NC		
University of Northern Colorado	CO		
University of Northern Iowa	IA		
University of South Alabama	AL		
University of Southern Indiana	IN		
University of Toledo	OH		
University of West Georgia	GA		

Many public universities issue various kinds of debt carrying different ratings due to differing revenue pledges. The ratings cited in this report generally correspond to the highest ratings for each institution, which we usually assign to bonds with the broadest pledge of tuition and other revenues of the institution. List excludes community and two-year colleges.

Appendix V: Moody's Public College and University Ratio Definitions

Age of plant (number of years)

Provides a rough indicator of institutional deferred maintenance as well as the operating efficiency of the existing plant facilities
Accumulated depreciation divided by depreciation expense

Annual operating margin (%)

Indicates the excess margin (or deficit) by which annual revenues cover operating expenses
Operating surplus (deficit) divided by total operating revenue

Auxiliary enterprises (% of total revenue)

Measures reliance on auxiliary enterprises, especially room & board, as a percent of total revenues
Auxiliary revenues divided by total operating revenues

Average operating margin (%)

Averages operating margin over three years for a longer-term view
Three year average of annual operating surplus divided by three year average of total revenues.

Average peak debt service coverage (x)

Measures margin of protection for peak debt service payments, averaged over three years
Three year average of the sum of annual operating surplus (deficit) plus depreciation expense plus interest expense divided by peak principal and interest payments

Comprehensive debt (\$)

Measure of overall debt burden, including indirect debt
Sum of Direct Debt and Indirect Deb.

Debt service to operations (%)

Measures peak debt service burden on the annual operating budget
Peak annual debt service divided by total operating expenses

Direct debt (\$)

Measures direct legal obligations of the institution
Institution's obligations (e.g. bonds, notes, commercial paper, capital lease, bank loans, and draws upon lines of credit)

Direct debt per student (\$)

Compares direct debt to the size of the student body
Direct debt divided by Full-Time Equivalent enrollment

Direct debt service coverage (x)

Measures actual margin of protection for annual debt service payments from annual operations
The sum of annual operating surplus (deficit) plus depreciation expense plus interest expense divided by total of principal and interest payments

Direct Debt to Total Capitalization -to-operations (x)

Measures portion of the balance sheet financed by debt
Direct debt divided by total net assets plus direct debt

Educational expenses per student (\$)

Measures educational expenses incurred per student
Total Operating expenses divided by total Full-Time Equivalent enrollment

Expendable financial resources (\$)

Measure of financial resources that are expendable over the long-run
The sum of unrestricted net assets plus restricted expendable net assets plus foundation unrestricted / temporarily restricted net assets less foundation net investment in plant

Expendable financial resources to comprehensive debt (x)

Measures coverage of comprehensive debt by financial resources that are ultimately expendable
Expendable financial resources divided by comprehensive debt

Expendable financial resources to direct debt (x)

Measures coverage of direct debt by financial resources that are ultimately expendable
Expendable Financial Resources divided by direct debt

Expendable financial resources to operations (x)

Measures coverage of annual operating expenses by financial resources that are ultimately expendable
Expendable financial resources divided by total operating expenses

Free expendable financial resources to operations (x)

Measures coverage of annual operating expenses by expendable resources after pro-forma payment of all direct debt
Expendable Financial Resources less direct debt divided by total operating expenses

Gifts and pledges (% of total revenue)

Measures reliance on gift revenue as a percent of total revenue
Gift revenue divided by total operating revenues

Grants and contracts (% of total revenue)

Measures reliance on grants and contracts as a percent of total revenue
Grants and contracts revenue divided by total operating revenues

Indirect debt (\$)

Measures indebtedness of institution beyond its direct obligations
Instruments not on the institution's statement of net assets, but because of the nature of the institution's commitment, the debt is considered a possible use of the institution's financial resources (e.g. debt issued through closely affiliated organizations, private developer-financed borrowings for projects including student loans; non-cancelable operating leases, and non-recourse project leases.)

Primary Matriculation (%)

Measures student demand
Number of students enrolling divided by number of applications accepted

Primary Selectivity (%)

Measures student demand
Number of acceptances divided by number of applicants

Net tuition and fees (% of total revenue)

Measures reliance on tuition and fees as a percent of total revenue
Net tuition and fee revenue divided by total revenue

Net tuition per student (\$)

Measures tuition and fees actually received per student
The sum of gross tuition and fees revenue less scholarship discount and allowances less scholarship expense divided by total FTEs

Operating margin (%)

Indicates the excess margin (or deficit) by which annual revenues cover operating expenses.
Adjusted total unrestricted revenues (adjustments include limiting investment income to 5% of average of previous three year's cash and investments and subtracting net assets released for construction and acquisition of fixed assets), less total unrestricted operating expenses, divided by adjusted total unrestricted revenues

Operating margin excluding gifts (%)

Measures the institutions dependence on gifts to finance annual operations
The sum of operating surplus (deficit) less gifts and pledges divided by the sum of total adjusted operating revenues less gifts and pledges

Other (% of total revenue)

Reliance on other revenues as a percent of total revenues
Other revenues divided by total operating revenues

Patient care (% of total revenue)

Reliance on patient care (and other health related) revenues as a percent of total revenues
Patient care revenue divided by total operating revenues

Percent of enrollment that is undergraduate (%)

Measures degree to which enrollment is concentrated in undergraduate and other programs
Number of Full-Time Equivalent undergraduates divided by Total Full-Time Equivalent enrollment

Return on financial resources (%)

Indicates the direction and degree to which an institution has improved its financial resources (excluding plant)
Increase (decrease) in Total Financial Resources divided by average total financial resources (the sum of the beginning and ending total financial resources divided by two)

Return on net assets (%)

Indicates the direction and degree to which an institution has improved its total resource base
Increase (decrease) in total net assets divided by average total net assets (the sum of beginning and ending net assets divided by 2)

State appropriation (% of total revenue)

Measures reliance on state support as a percent of total operating revenues
State appropriations revenue divided by total operating revenues

State appropriation per student (\$)

Compares state support to the size of the student body
State appropriations divided by total Full-Time Equivalent enrollment

Total cash and investments (\$)

Measure of overall wealth and base of assets that generate investment return
Cash and investments on institutions balance sheet

Total cash and investments to direct-debt (%)

Measures coverage of direct debt by assets that generate investment return
Total cash and investments divided by Total Direct Debt

Total enrollment FTE (#)

Measures size of institution's student population
Full time equivalent enrollment

Total expenses (\$)

Measures size of operating budget

Total operating expenses as stated in audit plus interest n capital asset-related debt.

Total financial resources (\$)

Measures total financial wealth of institution

The sum of unrestricted net assets plus restricted expendable net assets plus restricted nonexpendable net assets plus foundation total net assets less foundation net investment in plant

Total financial resources per student (\$)

Compares financial resources to the size of the student body

Total Financial Resources divided by total Full-Time Equivalent enrollment

Total financial resources to comprehensive debt (x)

Measures coverage of comprehensive debt by total financial resources including permanent endowments

Total Financial Resources divided by comprehensive debt

Total financial resources to direct debt (x)

Measures coverage of direct debt by total financial resources including permanent endowments

Total Financial Resources divided by direct debt

Total tuition discount (%)

Measures the amount of tuition revenue funded by unrestricted institutional resources as well as restricted endowments and external sources

The sum of scholarship discount and allowances plus scholarship expense divided by gross tuition and fee revenue

Unrestricted financial resources (\$)

Amount of most liquid resources

Unrestricted net assets

Unrestricted financial resources to comprehensive debt (x)

Measures coverage of comprehensive debt by the most liquid resources

Unrestricted net assets divided by comprehensive debt

Unrestricted financial resources to direct debt (x)

Measures coverage of direct debt by the most liquid resources

Unrestricted net assets divided by direct debt

Unrestricted financial resources to operations (x)

Measures coverage of annual operations by the most liquid resources

Unrestricted net assets divided by total operating expenses

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Special Comment

June 2006

Hot Topic in Higher Education

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Demographic Trends Indicate Continuing Student Demand for Most Colleges & Universities

*Special Challenges Remain, Especially in the North,
As Student Revenues Become Increasingly Important*

Summary

Forecasted demographic trends across the nation remain generally favorable for higher education, but present differing challenges and opportunities for institutions in high-growth and low-growth states. High growth states face potentially severe capacity constraints and high capital spending requirements, while low or negative growth states face pressing needs to diversify their student demand and offer a more competitive product. As the customers of an increasingly market-driven industry, students pay a growing share of the costs of their education as public subsidies have been reduced and campuses are competing more aggressively for students with improved, but more expensive, services and facilities. Moody's data show that student tuition and auxiliary revenues accounted for 75% of private college revenue in 2005, up from 71% in 2001, and 35% of public university revenue, up from 28% in 2001. State funding, long the largest source of public university revenues, has fallen to second place at only 33% of public university revenues. Because of the ever larger role played by student-based revenues in the financial operations of colleges and universities, Moody's credit analysis is placing a heavier focus on governance, management, competitive strategies and capital plans developed by colleges and universities as they prepare for the coming decade of student market competition.

In particular, local and regional demographics are critical in evaluating enrollment and tuition revenue trends since most college students enroll in an institution in their home state. Although population projections vary, there is agreement that demographic trends will not be uniform across the nation. Some states in the South and West will experience robust growth in high school graduates while states across the northern tier from Maine to Montana will generally face declines, in some states quite substantial declines. Factors other than demographics, such as rising college-attendance rates, also affect demand and offset some of the impact of declines in the traditional age student market.

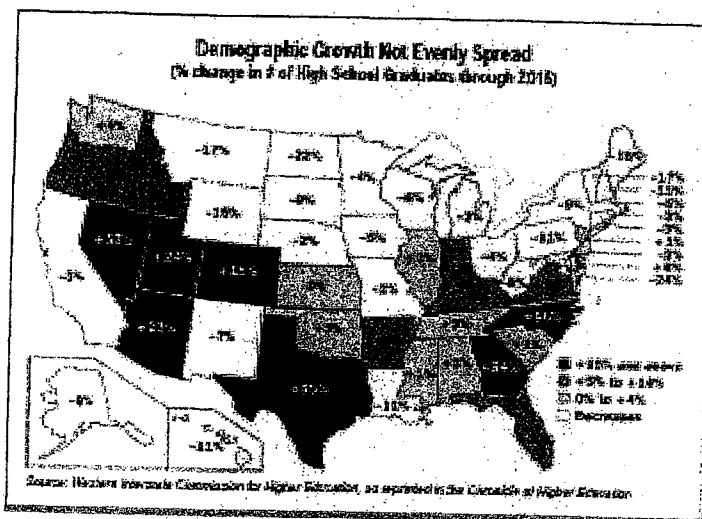


Overall, Moody's maintains stable outlooks for both the public and private higher education sectors over the next several years. However, individual colleges and universities will be in widely differing competitive positions. Effective strategic planning, sophisticated enrollment management and well-articulated capital plans will typically make a large difference for many institutions that might otherwise struggle against increased competition in a changing demographic environment.

Moody's Expects the Following Student Demand Trends:

- Increased participation and enrollment in higher education across all age and socio-economic levels;
- Heightened competition for students in demographically weak regions with institutions seeking students outside of their core market, potentially leading to increased investment in facilities and financial aid;
- Maintenance or growth of enrollment and increased tuition revenue in demographically strong states;
- Increased investment in facilities in demographically strong states to absorb growth, particularly among community colleges;
- Growth in graduate and professional programs as students seek to enhance their professional qualifications and opportunities.

The Challenges of Changing Demographics



Demographers forecast a modest decline in the number of high school graduates in the United States over the coming decade. According to the Western Interstate Commission for Higher Education (WICHE), the total number of high school graduates is expected to decrease by the end of this decade, with the decline beginning in 2008. Significant declines are projected for Hawaii, Louisiana, Maine, Montana, North Dakota, South Dakota, Vermont and Wyoming. Regionally, the shifting population trends will most significantly impact the Northeast which experienced declines in the 1980's and 1990's, a time of considerable national growth.¹

Population trends will not be uniformly negative across the nation, thereby increasing the importance of individual state demographic estimates. For example, robust growth is projected for the South and West, including Arizona, Florida, Nevada and Texas. Within

states, local demographic projections are important, particularly when analyzing colleges with a highly regionalized student draw. A state with overall positive projections for high school graduates could be growing in the urban areas, with population declines in the more rural areas negatively affecting institutions serving those particular markets.

With approximately 80% of students attending colleges in their home states, higher education institutions in demographically weak environments may need to reach out beyond their core markets to recruit additional out of state students to sustain stable enrollment. This strategy could necessitate additional investment in facilities, including student housing, as well as in financial aid. Achieving a presence in a new market could take several years, and attempts to do so may not be successful.

These factors combined could result in downward rating pressure if revenue stagnates from declining enrollment or increased tuition discounting, or if increased spending on programs, recruitment initiatives, and facilities to remain competitive cause financial stress or increased debt loads. In particular, we have begun to see some credit pressure in demographically weak states for debt issued by public universities that is secured by narrow revenue streams, such as housing, when dropping enrollment results in weaker auxiliary utilization and declining debt service coverage. Careful management of auxiliary operations and student fee backed debt becomes even more critical during periods of enrollment pressure.

1. Demographic projections compare two points in time and could mask trends occurring within the time period or longer-term trends. For example, the estimated decline for California follows many years of significant growth in the number high school graduates in the state.

Colleges and universities in demographically strong regions should be able to maintain enrollment and grow tuition revenue. However, they may also feel the effects of increased competition as institutions in demographically weaker areas of the country attempt to lure students from these more vibrant regions. Public institutions, including community colleges, with missions to ensure broad access might also be challenged to absorb the demographic growth if budgetary pressures at the state level result in a lack of operating and capital support. In some states, the need for capital investment in the face of weak state capital support has led some institutions to begin to borrow for academic facilities, in addition to auxiliary facilities, leading to increased debt levels.

Which institutions will fare well? Which will face difficulties?

In general, we expect the following types of institutions to fare well:

- Flagship public universities, even in demographically stagnant states, where high quality and low tuition rates compared to private peers should sustain demand.
- Community colleges in demographically robust areas, particularly in states where policies emphasizing community college enrollment as means of providing access resulted in increased state investment.
- Top-tier private colleges with national student draws and deep applicant pools, irrespective of location.
- Comprehensive urban universities with already successfully established graduate and professional programs.

We expect to see the following institutions face challenges:

- Regional public universities serving areas with challenging demographics, particularly if lower-priced community colleges also are in the area.
- Community colleges in areas with declining populations or tax bases.
- Small, thinly-endowed private colleges with regional draws in highly competitive markets, particularly those in the rural Northeast and the Midwest.

Factors Other Than Pure Demographics Affect Demand

Modest fluctuations in the number of high school graduates alone are unlikely to drive demand for higher education. Historical trends illustrate that college enrollment has grown even when demographics were weakening. When the annual percent change in the number of high school graduates was negative for four consecutive years (1989-1992), college enrollment continued to increase due to rising rates of participation. The proportion of high school graduates, aged 18 to 24, enrolled in college continues to grow, improving to 45.9% in 2003 from 41.4% in 1993. Participation rates at all income levels are expected to increase, ranging from 6% to 12% nationally. Proportionally, growth in the number of high school graduates from families with higher annual earnings will likely outpace those from lower income families. If participation rates continue to rise, areas expecting moderate declines may not feel significant negative pressure on student demand.

The U.S. Department of Education estimates that total U.S. college enrollment will increase through the end of the projection period, reaching 19.5 million in 2014. Between 2008 and 2014, total college enrollment is expected to increase by 6.1 percent, with growth in graduate (12.7%) and professional (10.2%) enrollment expected to outpace overall enrollment trends.

Improved Governance, Management and Strategies Critical When Facing Demographic Challenges

The ability of an institution to plan and execute better competitive strategies to adapt to demographic challenges will likely affect financial stability and credit quality. Colleges and universities that face particularly strong competitive challenges may need to improve the quality of their board membership and oversight as philanthropy, investment management and capital planning become increasingly critical. Management talent and processes may also need to be upgraded as marketing, enrollment management, development and capital strategies become more sophisticated and essential to maintaining financial health.

Since marketing and recruiting strategies can have a dramatic impact on demand, Moody's evaluates management's outreach efforts, as well as financial aid strategies. Successful enrollment management ultimately requires close coordination not only between admissions and financial aid staff, but also with academic and program staff as an institution works to retain enrolled students. In some cases, more effective financial aid leveraging has supported both increased enrollment as well as growing net tuition revenue. In others, high discounting has led to actual reductions in total net tuition revenue, as well as net tuition revenue on a per student basis. A sustained period of declining net tuition per student revenue usually indicates severe competitive pressure and credit stress, as it typically means that an institution is forced to offer progressively deeper

discounts in order to stabilize enrollment. This is especially a concern if net tuition revenue per student is already lower than those of competitors operating in a similar market, and is still declining.

Since student charges, including tuition and auxiliary revenues, comprise 75% of private college revenue and 35% of public universities revenues, enrollment and demand trends directly affect a college or university's fiscal performance. Particularly for institutions in challenging markets, financial management policies and practices can partially mitigate the potential impact of enrollment fluctuations. For example, conservative budgeting, such as basing revenue projections on fewer students than actually expected, limiting expected unrestricted gift revenues to annual fund receipts, or building in contingency reserves equal to some portion of revenues or expenses can lead to more consistent operating performance.

Investment in strategic initiatives to bolster enrollment, such as outreach to new geographic markets or funding of attractive new facilities, also have financial ramifications. Moody's examines how realistic these strategies and expected returns are in light of the demand and the financial profile of the organization to determine if there could be a credit impact, either positive or negative.

Demand Trends are Key Drivers of Credit Quality

Moody's assess an organization's market position by examining:

- Multi-year enrollment trends across key programmatic areas
- Depth of student demand by focusing on an institution's application trends including its acceptance rate and the yield on accepted applications
- Geographic draw (local, regional, national) and impact of changing demographics within core markets
- Relative position versus key competitor institutions, including level of endowment and facilities investment
- Management's outreach efforts such as the use of financial aid, early admittance or alumni networking
- Trends in net tuition per student and tuition discounting to understand the competitive pressure of the market

Student demand affects, among other areas:

- Operating performance: Student-generated revenues are a large portion of most institution's operating budgets, either directly through tuition, fees, and auxiliary revenues, or indirectly through state appropriations
- Ability to support debt service, particularly for institutions which have narrow revenue streams, such as housing, or a single student fee, pledged to bondholders
- Need for additional facilities investment, either to absorb demand or to remain competitive
- Capacity for growing reserves, either through profitable operations or philanthropic support. Donors tend to give to funding more readily to institutions that are growing, rather than those that may be struggling

Conclusion

Demand for higher education is a fundamental factor in determining the financial outlook of a college or university. We expect that national demand for higher education will remain healthy as increased participation rates mitigate the effects of modest declines in high school graduates. The ability of institutions to adapt to significant demographic changes by planning and executing competitive strategies will impact credit ratings. For some institutions, the impact will be positive as they continue to grow enrollment and resources. For others, the impact may be negative if declining enrollment impacts operating performance, or if spending on financial aid, programs, or facilities to sustain stable enrollment results in financial stress.

Related Research

Outlook:

Moody's 2006 Higher Education Outlook, February 2006 (96647)

Special Comments:

Private College and University Medians 2006, May 2006 (97546)

Public College & University Medians 2005-2006, July 2005 (93449)

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

Board Minutes
December 15, 2006
Attachment 10
Page 1 of 2

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF NOV 30	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	16,100					
		REQUIRED AUDITS						
Required	TTUS	Texas Tech University Foundation	Financial (assist)	120	In progress	17	103	0
Required	TTUS	Regents, Chancellor, & Presidents Travel and Credit Cards	Compliance (assist)	20	In progress	23	1	(4)
Required	TTUS	Office of Audit Services Annual Report - 11/1	Compliance	40	Complete	29		11
Required	TTUS	Office of Audit Services Annual Plan	Compliance	40				40
Required	TTU & HSC	State Auditor's Office Miscellaneous Projects	Miscellaneous (assist)	120				80
	HSC	Correctional Managed Health Care		40	In progress	3	37	
Required	TTU	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	170	In progress	291	20	(141)
Required	TTU	NCAA Compliance - Spring	Compliance	325				325
Required	TTU	Athletics Financial Review - 1/15	Financial (assist)	240	In progress	176	20	44
Required	TTU	Joint Admissions Medical Program Grants - 10/31	Compliance	60	Complete	106		(26)
Required	TTU	KOHM-FM - 1/31	Financial (assist)	300	In progress	246	54	0
Required	HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	170	In progress	21	149	0
Required	HSC	Texas Higher Education Coordinating Board Residency Grants - 12/31	Compliance	220	In progress	173	47	0
Required	HSC	Correctional Managed Health Care Committee Contract	Compliance	200				200
Required	HSC	Family Practice Center at El Paso Contract - 12/1	Compliance	90	Complete	123		(33)
Required	HSC	Joint Admissions Medical Program Grants - 10/31	Compliance	60	Complete	137		(37)
		TOTALS FOR REQUIRED AUDITS	2,175	60		1,345	431	459
		AUDITS IN PROGRESS AT AUGUST 1, 2006						
Prior Year	TTU	President's Office Financial Review	Financial	50	Complete	89		(39)
Prior Year	TTU	Academic Advising Financial Review	Financial	50	In progress	194	2	(146)
Prior Year	HSC	Institutional Animal Care & Use Committee (IACUC)	Compliance/Controls	120	Complete	89		31
Prior Year	HSC	Medical Practice Income Plan (MPIP) Trust Fund	Controls/Consulting	200	In progress	100	20	80
Prior Year	HSC	IDX and Related Controls	Controls	120	In progress	201	5	(86)
Prior Year	HSC	Credit Card Customer Information Security	IT Controls	360	Complete	476	10	(126)
Prior Year	HSC	School of Medicine (Cardio/Cath Lab)	Operational	370	In progress	511	20	(161)
Prior Year	ALL	Wrap-up on Audits Included in August BOR Report		30	Complete	25		5
		TOTALS FOR AUDITS IN PROGRESS	1,300	-		1,685	57	(442)
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total hours budgeted for Special Projects & Investigations	4,000	(1,403)				2,597
		IN PROGRESS AT AUGUST 1, 2006						
Special	TTU	The Institute for Child and Family Studies	Special	10	Pending			10
Special	TTU	Department of Animal & Food Sciences	Special	300	In progress	254	46	0
Special	TTU	Tech Express Investigation	Special	250	Pending	188	62	0
Special	TTU	Tech Express Controls	Special	275	In progress	285	15	(25)
Special	TTU	Civil Engineering	Special	20	Complete	24		(4)
Special	TTU	Mechanical Engineering	Special	15	In progress	16	5	(6)
		BEGUN AFTER AUGUST 1, 2006						0
Special	ALL	Misc. Hotline Projects	Special	13	In progress	13		0
Special	HSC	Amarillo Physician Contract and Related Issues	Special	400	In progress	189	211	0
Special	TTU	Football Attendance Certification	Special	20	In progress	1	19	0
Special	TTU	Turf Management	Special	100	In progress	19	81	0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	4,000	1,403		989	439	2,572
		HIGHEST PRIORITY						
1	ALL	Emergency Management Planning	Operational/Compliance	550	On Hold	24	526	0
1	ALL	ConnectTech Project (Banner System Implementation)	Management Advisory	400	In Progress	125	275	0
1	TTUS	Chancellor's Office	Management Advisory	500				500
1	TTU	Credit Card Customer Information Security	IT Controls	400				400
1	TTU	Information Technology General Controls Review	IT Controls	500	In Progress	534	40	(74)
1	HSC	El Paso Finance and Administration	Financial/Operational	350	In Progress	81	269	0
1	HSC	Laboratory Security	Operational	400	In Progress	266	80	54
		HIGHEST PRIORITY TOTALS	3,100			1,030	1,190	880
		MODERATE PRIORITY						
2	ALL	Audit Report Follow-Up Procedures and Reporting	Follow-Up	175	In Progress	94	81	0
2	TTUS	Fraud Risk Assessment	Risk Assessment	250				250
2	TTU & HSC	Intellectual Property	Operational/Operational	425				425
2	TTU	College of Education	Financial/Controls	300	In Progress	14	286	0
2	TTU	Academic Advising Processes	Controls/Mgt Advisory	350				350
2	HSC	HIPAA Security Compliance	IT/Compliance	500	In Progress	19	481	0
2	HSC	School of Medicine	Compliance/Controls	400				400
		MODERATE PRIORITY TOTALS	2,400			33	767	1,425

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

Board Minutes
December 15, 2006
Attachment 10
Page 2 of 2

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF NOV 30	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
LOWER PRIORITY								
3	ALL	Information Technology Audits	500	(9)				491
		IT Audit RFP Review		9	Complete	9		0
3	ALL	Endowment Spending	200					200
3	TTU	Centers and Institutes	350					350
3	TTU	Research Funds	350					350
3	TTU	School of Law	300					300
3	TTU	College of Architecture	300		In Progress	58	242	0
3	HSC	Lubbock Department of Anesthesiology	300		In Progress	31	269	0
3	HSC	El Paso Department of Anesthesiology	300					300
LOWER PRIORITY TOTALS			2,600			98	511	1,991
OTHER VALUE-ADDED WORK								
Total hours budgeted for Other Value-Added Work			525	(197)			328	
Other	ALL	Cash Handling and Control Environment Workshops		51	Ongoing	51		
Other	ALL	TTU Ethical Institution Task Force			Ongoing			
Other	ALL	ConnecTech Steering Committee (Banner project)		11	Ongoing	11		
Other	ALL	ConnecTech Security Committee (Banner project)		25		25		
Other	ALL	Enterprise Risk Management			Ongoing			
Other	N/A	Professional Organizations (ACUA, TACUA, TSCPA, SIAAF, ACFE)		40	Ongoing	40		
Other	N/A	Other Miscellaneous Projects		70	Ongoing	70		
OTHER RELATED WORK TOTALS			525	197		197	-	
TOTAL ENGAGEMENT HOURS			16,100	257		5,377	3,395	7,213
ADDITIONAL PROJECTS NOT ON PLAN								
4	TTUS	Construction audits (specific projects)	500		Outsourcing possibility			
4	TTU	Indirect cost negotiation process	350					
4	TTU	Fee generating academic programs	400					
4	TTU	Grade submission/recording process	350					
4	HSC	Patient satisfaction program	500					
EXTRA AUDIT HOURS NEEDED			2,100					
KEY								
	TTUS	Texas Tech University System						
	TTU	Texas Tech University						
	HSC	Texas Tech University 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, Operating Policies, standards, contracts, etc. Will be performed based on timing of external deadlines.							
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.							
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	Unplanned Special Projects and Investigations							
Follow-up	Unscheduled Follow-up Work							
Other	Other projects, including committee service, class development and instruction, etc.							



TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

**Board of Regents
Facilities Committee Meeting
December 14-15, 2006**



Agenda

- TTU – Approve Construction of the College of Engineering Renovation/ Expansion – Phase I
- TTUS – Report on Office of Facilities Planning and Construction Projects



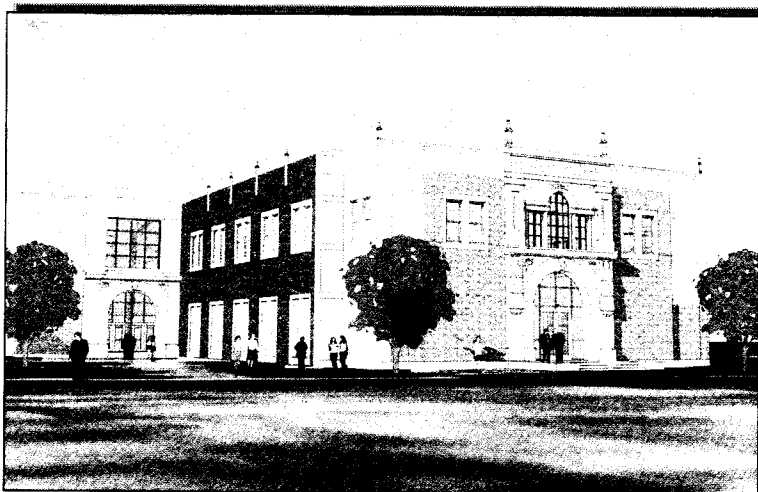
TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

**TTU
Approve
Construction of the
College of Engineering
Renovation/Expansion - Phase I**

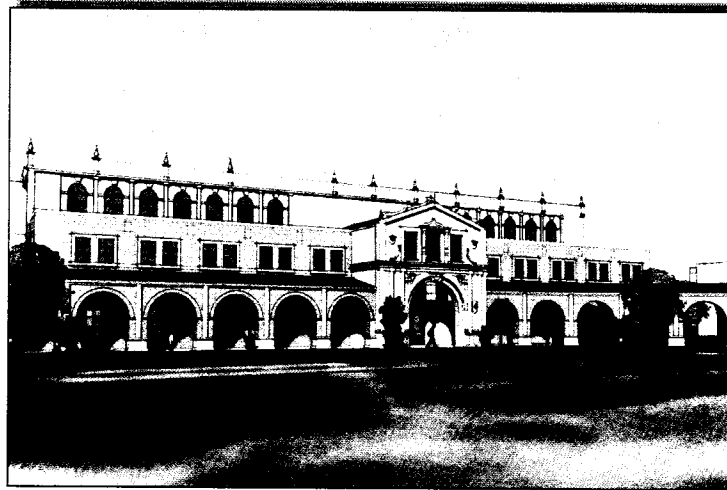


Rendering Phase I





Rendering – Phase II

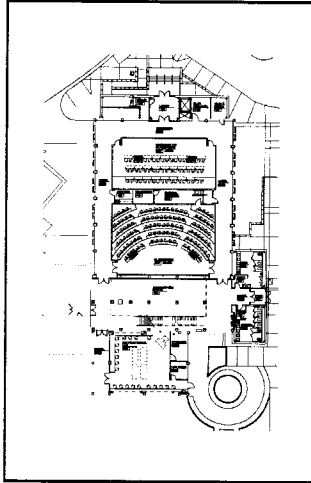


Phase I – Scope of Work

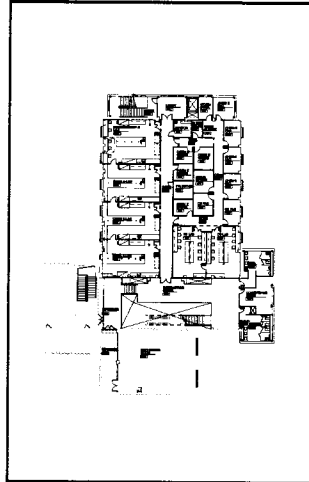
- Renovate Livermore Auditorium
 - Add Second Floor
 - 3 Chemical Engineering Labs
 - 1 Biochemical Lab
 - 2 Computer Science Labs (Dry Labs)
 - 7 Faculty Offices
 - 2 Classrooms on First Floor
 - Instructional Lab on First Floor
- 26,141 SF



Floor Plans



College of Engineering Expansion & Renovation (Phase I)
First Floor



College of Engineering Expansion & Renovation (Phase I)
Second Floor



Budget

Project Budget	\$ 10,000,000
Construction	\$ 7,250,000
Professional Services	\$ 1,199,175
FF&E	\$ 467,500
Administration Costs	\$ 64,750
BOR Directed Fees	\$ 708,732
Contingency	\$ 309,843



Planning Budget

Master Planning – Phase I & II	\$ 281,121
Design Fee & Reimbursables	\$ 726,203
Other Professional Fees	\$ 52,332
Administrative Costs	\$ 39,000
Contingency	\$ 71,544
FP&C Fees	<u>\$ 24,800</u>
Total Planning Budget	\$1,195,000



Schedule

- | | |
|--------------------------|----------------|
| • Design Development | September 2006 |
| • Construction Documents | April 2007 |
| • Construction Start | May 2007 |
| • Complete Construction | August 2008 |



THECB Criteria

- TTU MP1 Report FY 2006 3 of 15
 - Space Need Meets
 - Cost (\$238/SF) Meets
 - Efficiency – Meets
(Classroom – 60%; Lab – 50%)
 - Deferred Maintenance Meets
 - Critical Deferred Maintenance Meets
 - Classroom Utilization* Does Not Meet
 - Class Lab Utilization* Meets
- * Guidelines



Recommendation

- Approve the College of Engineering Renovation and Expansion Phase I Project with a Project Budget of \$10,000,000 Funded through the Revenue Finance System repaid with HEAF



TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

TTUS Report Facilities Planning & Construction Projects





Bricks & Mortar Report Projects Under Construction December 2006


TTU


Project	Cost	Status
NCAA Soccer Complex	\$ 2,078,000	Under Construction
Mark & Becky Lanier Prof. Development Center	\$ 13,500,000	Under Construction
Art 3-D Annex	\$ 9,000,000	Under Construction
CDRC / CSAR	\$ 8,126,506	Complete
Discovery Mall	\$ 1,210,000	Under Construction
Outreach & Extended Studies Building	\$ 8,500,000	Substantially Complete
Student Wellness Center	\$ 9,350,000	Under Construction
Scholarship Donor Recognition Walk	\$ 225,000	Complete
Marsha Sharp Freeway [TxDOT Project]	TBD	Under Construction
TOTAL	\$ 51,989,506	



<div>  <div> Bricks & Mortar Report Projects Under Construction December 2006 </div> </div>		
HSC		
Project	Cost	Status
Texas Tech Physicians Medical Pavilion	\$ 36,239,452	Under Construction
Messer-Racz International Pain Center	\$ 5,045,000	Re-Design In Progress
El Paso Medical Education Bldg.	\$ 45,000,000	Under Construction
Abilene School of Pharmacy	\$ 8,000,000	City of Abilene Project
TOTAL	\$ 94,284,452	
GRAND TOTAL	\$ 146,273,958	


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

<div>  <div> Bricks & Mortar Report Projects In Design December 2006 </div> </div>		
TTU		
Project	Cost	Status
Student Leisure Pool	\$ 7,000,000	Planning In Progress
Rawls College of Business Administration	\$ 60,000,000	On Hold
CoBA Building Renovations	\$ 25,000,000	On Hold
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Design In Progress
Engineering Expansion/Renovation Phase II & III	\$ 60,000,000	Program Complete
Utility Infrastructure Upgrade	\$ 10,500,000	Study Complete
Sneed/Bledsoe HVAC Upgrade	\$ 6,000,000	Contracted
Experimental Science Lab Build Out	\$ 6,000,000	On Hold
Jones AT&T Stadium Improvements	\$ 20,500,000	On Hold
Softball Field Repairs	\$ 300,000	Work Starts June 1
High Performance Research Computer Facility	\$ 1,900,000	Evaluating Qualifications
Arena Elevator	TBD	Evaluating Qualifications
TOTAL	\$ 207,200,000	


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

Bricks & Mortar Report Projects In Design December 2006		
HSC		
Project	Cost	Status
HSC Strategic Space Study	TBD	Design Prof Selected
Amarillo Research Building	\$ 18,000,000	Design In Progress
El Paso Medical Science Building II	\$ 95,000,000	Programming Complete
TOTAL	\$ 113,000,000	
GRAND TOTAL	\$ 320,200,000	



Bricks & Mortar Report Future Projects December 2006		
TTUS		
Project	Cost	Status
System Office Relocation	\$ 5,500,000	On Hold
TTU		
Honors College	\$ 10,000,000	Proposed
The Rawls Course Clubhouse	\$ 5,000,000	Proposed
Dairy Barn Renovation	TBD	Proposed
Vietnam Center	\$ 35,000,000	Proposed
TOTAL	\$ 50,000,000	
HSC		
HSC Research Facility	\$ 30,000,000	Proposed
Midland Medical Education Expansion	\$ 13,500,000	TDSHS Project
Amarillo School of Pharmacy Expansion	\$ 8,010,000	TRB Project
TOTAL	\$ 51,510,000	
GRAND TOTAL	\$ 107,010,000	



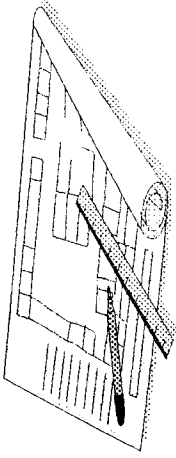
Bricks and Mortar Report
Projects Under Construction
December 2006

www.fpc.ttu.edu



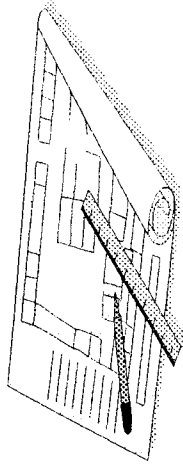
Project	Cost	Status	Completion Date
TTU			
NCAA Soccer Complex	\$ 2,078,000	Under Construction	March 2007
Mark & Becky Lanier Prof. Development Center	\$ 13,500,000	Under Construction	February 2008
Art 3-D Annex	\$ 9,000,000	Under Construction	September 2007
CDRC / CSAR	\$ 8,126,506	Complete	October 2006
Discovery Mall	\$ 1,210,000	Under Construction	December 2006
Outreach & Extended Studies Building	\$ 8,500,000	Substantially Complete	December 2006
Student Wellness Center	\$ 9,350,000	Under Construction	December 2006
Scholarship Donor Recognition Walk	\$ 225,000	Complete	November 2006
Marsha Sharp Freeway [TxDOT Project]	TBD	Under Construction	2010+
TOTAL	\$ 51,989,506		

Project	Cost	Status	Completion Date
HSC			
Texas Tech Physicians Medical Pavilion	\$ 36,239,452	Under Construction	June 2006/June 2007
Messer-Racz International Pain Center	\$ 5,045,000	Re-Design in Progress	TBD
El Paso Medical Education Bldg.	\$ 45,000,000	Under Construction	November 2007
Abilene School of Pharmacy	\$ 8,000,000	City of Abilene Project	July 2007
TOTAL	\$ 94,284,452		
GRAND TOTAL	\$ 146,273,958		



Project	Cost	Status	Completion Date
TTU			
Student Leisure Pool	\$ 7,000,000	Planning In Progress	TBD
Rawls College of Business Administration	\$ 60,000,000	On Hold	TBD
CoBA Building Renovations	\$ 25,000,000	On Hold	TBD
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Design In Progress	TBD
Engineering Expansion/Renovation Phase II & III	\$ 60,000,000	Program Complete	TBD
Utility Infrastructure Upgrade	\$ 10,500,000	Study Complete	TBD
Sneed/Bledsoe HVAC Upgrade	\$ 6,000,000	Contracted	TBD
Experimental Science Lab Build Out	\$ 6,000,000	On Hold	TBD
Jones AT&T Stadium Improvements	\$ 20,500,000	On Hold	TBD
Softball Field Repairs	\$ 300,000	Work Starts June 1	TBD
High Performance Research Computer Facility	\$ 1,900,000	Evaluating Qualifications	TBD
Arena Elevator	TBD	Evaluating Qualifications	TBD
TOTAL	\$ 207,200,000		

Project	Cost	Status	Completion Date
HSC			
HSC Strategic Space Study	TBD	Design Prof Selected	TBD
Amarillo HSC - Coulter Research Building	\$ 18,000,000	Design In Progress	TBD
El Paso Medical Science Building II	\$ 95,000,000	Programming Complete	TBD
TOTAL	\$ 113,000,000		
GRAND TOTAL	\$ 320,200,000		



Project	Cost	Status	Completion Date
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Texas Tech System

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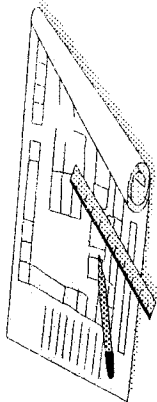
TTU

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

Project	Cost	Status	Completion Date
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HSC

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



Project	Cost	Status	Completion Date
TTU			
Sneed/Gordon/Bledsoe Lifesafety Upgrades	\$ 5,792,000	Complete	September 2006
Jones AT&T Stadium Field Improvements	\$ 2,860,000	Complete	August 2006
Student Union Building Phase II B	\$ 6,096,000	Complete	November 2006
Student Union Building Phase III	\$ 1,530,078	Complete	July 2006
NRHC - Christine DeVitt Wing	\$ 3,776,085	Complete	June 2006
Experimental Sciences Building	\$ 37,330,087	Complete	March 2006
Texas Tech Parkway	\$ 9,237,000	Complete	February 2006
Grover E. Murray Residence Hall	\$ 24,924,971	Complete	January 2006
Animal and Food Sciences Building	\$ 17,000,000	Complete	February 2006
Wall/Gates Life Safety Upgrade	\$ 3,700,000	Complete	January 2006
Student Parking Expansion	\$ 660,000	Complete	October 2005
Student Union Bldg. Expansion/Renov.	\$ 37,745,556	Complete	October 2003/February 2005
Museum NSRL Addition	\$ 3,550,000	Complete	August 2005
Admin Building Stone Repair	\$ 2,332,099	Complete	January 2005
Jones SBC Stadium Stage IIA /IIB	\$ 53,740,000	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	\$ 3,623,110	Complete	August 2004
Football Training Facility	\$ 11,000,000	Complete	May 2004
Marsha Sharp Center for Student Athletes	\$ 3,850,266	Complete	January 2004
The Rawls Course Support Facilities	\$ 1,692,000	Complete	November 2003
Admin Building Roof Repairs	\$ 827,901	Complete	November 2003
The Rawls Course	\$ 9,013,000	Complete	August 2003
Horn/Knapp Fire Suppression	\$ 3,600,000	Complete	December 2002

Campus Conference Bonfire Circle	\$	400,000	Complete	September 2002
English-Philosophy & Education Complex	\$	46,199,000	Complete	August 2002
Flint Avenue Parking Facility	\$	10,900,000	Complete	August 2002
Dan Law Field	\$	1,612,000	Complete	June 2002
Fuller Track Field House	\$	480,000	Complete	June 2002
Pfluger Fountain	\$	826,000	Complete	April 2002
Recreation Center Expansion/Renovation	\$	12,087,500	Complete	November 2001
Jones SBC Stadium Stage I	\$	22,000,000	Complete	September 2001
Frazier Plaza & Masked Rider Statue	\$	515,000	Complete	September 2001
Tennis-Softball Complex	\$	4,059,784	Complete	September 2001
Campus Fiber Optic Connection	\$	1,667,000	Complete	September 2001
West Hall/Visitors Center	\$	6,000,000	Complete	September 2001
Broadway Gatehouses	\$	816,000	Complete	August 2001
Marquee	\$	352,000	Complete	August 2001
Stangel/Murdough Fire Suppression	\$	1,704,000	Complete	August 2001
Chitwood/Weymouth Fire Suppression	\$	2,769,000	Complete	August 2000
TOTAL	\$	356,267,437		

Project	Cost	<u>HSC</u>		Status	Completion Date
El Paso Medical Science Bldg. I Build Out	\$ 4,200,000			Complete	July 2006
Amarillo Campus Improvements	\$ 1,502,390			Complete	September 2006
HSC Roof Replacement	\$ 1,950,000			Complete	April 2006
The Larry Combest Health & Wellness Center	\$ 1,605,210			Complete	January 2006
El Paso Medical Science Bldg. I	\$ 39,055,979			Complete	February 2006
HSC Campus Infrastructure Improvement	\$ 5,028,277			Complete	January 2006
HSC El Paso Clinic Expansion/Renov	\$ 9,780,000			Complete	February 2005
HSC El Paso Hydronic Pipe Replacement	\$ 1,700,000			Complete	February 2005
HSC Academic Classroom Bldg.	\$ 15,100,000			Complete	October 2003
HSC Synergistic Center	\$ 1,995,105			Complete	March 2003
Amarillo Academic/Clinic Facility	\$ 23,319,252			Complete	April 2002
Midland Physicians Assistant Building	\$ 6,000,000			Complete	August 2001
HSC Admin Relocation	\$ 1,862,000			Complete	March 2001
Odessa Clinic Renovation	\$ 1,200,000			Complete	September 2000
Communications Disorders Renovation	\$ 2,161,000			Complete	May 2000
TOTAL	\$ 116,459,213				
GRAND TOTAL	\$ 472,726,650				

Texas Tech University Health Sciences Center



Enrollment

Roderick Nairn, Ph.D.

*Executive Vice President for Academic Affairs and
Dean, Graduate School of Biomedical Sciences*

December 14, 2006

Enrollment Trends



Fall of:	Enrollment	% change (from prev. yr.)
2006	2,458	+ 2.8%
2005	2,391	+ 5.2%
2004	2,272	+ 7.9%
2003	2,105	+ 6.7%
2002	1,972	+10.3%
2001	1,788	+ 4.0%
2000	1,719	+ 4.1%
1996	1,514	- - -

Enrollment over time:

past 3 years ... since 2003 ↑ 16.8%
past 5 years ... since 2001 ↑ 37.5%
past 10 years ... since 1996 ↑ 62.4%

Enrollment Changes By School



Over the past 10 years

Since 1996, TTUHSC has seen its total enrollment increase from 1,514 students to 2,458 ... a gain of **944** students (+62.4%).

During this 10-year period, every school at TTUHSC increased its enrollment:

	10-yr. <u>Increase</u>
1. Allied Health	298
2. Pharmacy	286*
3. Nursing	218
4. Medicine	83
5. GSBS	59

*The first entering class of the School of Pharmacy was in 1996. Thus, 1999 was the first year in which there was full complement of 1st-year through 4th-year students.

Enrollment Changes By School



Over the past 3 years

Since 2003, TTUHSC's total enrollment increased by **353** students (+16.8%).

During this 3-year period, every school at TTUHSC increased its enrollment:

	3-yr. <u>Increase</u>
1. Nursing	230
2. Allied Health	63
3. Medicine	39
4. Pharmacy	11
5. GSBS	10



TEXAS TECH UNIVERSITY



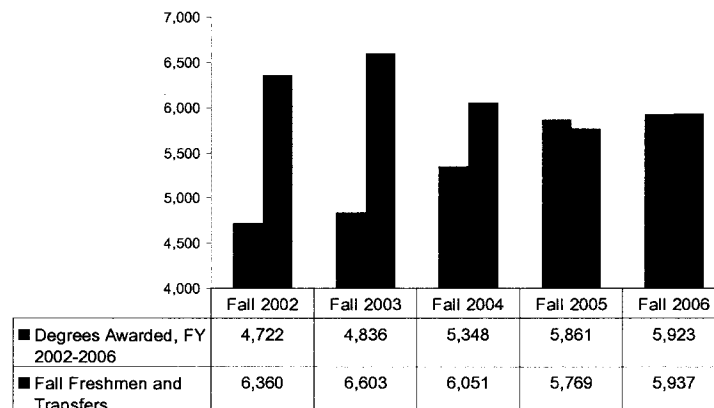
Enrollment Trends and Growth Report

Texas Tech Board of Regents

William M. Marcy, PhD, PE
Provost and Senior Vice President for Academic Affairs

December 15, 2006

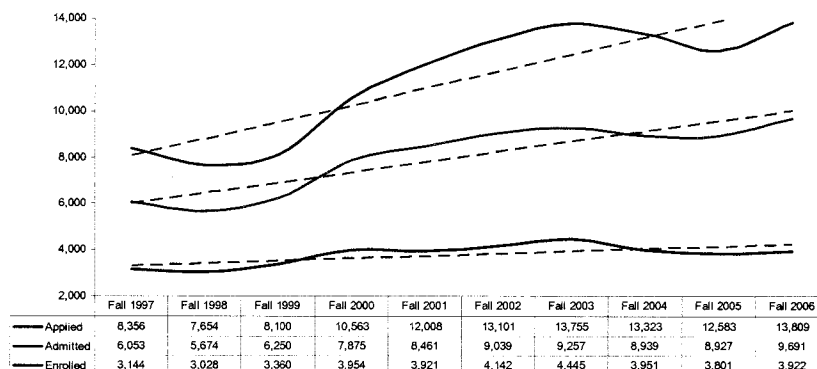
Three Years of Record Growth in Degrees Awarded



Freshman Applications, Admissions and Enrollment



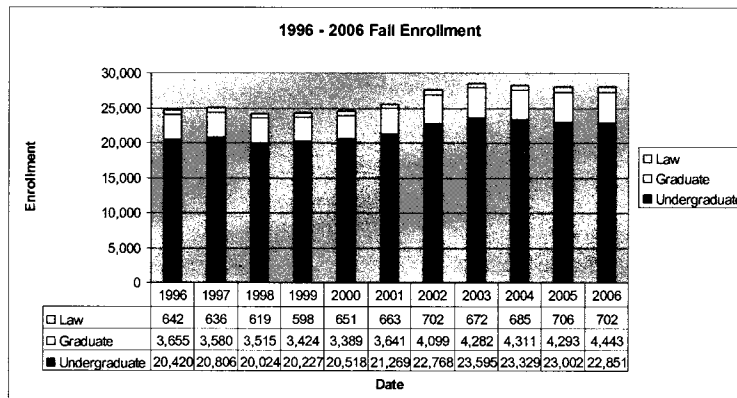
Freshmen Applications, Admissions and Enrollment



10 Year History of Texas Tech Enrollment Data



1996 - 2006 Fall Enrollment



Enrollment By School for the Past 10 Years



(Enrollments are for the Fall semester of the year indicated.)

School	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% chg. 3 yrs	% chg. 10 yrs
Medicine	467	489	497	489	484	487	499	511	535	537	550	↑ 7.6%	↑ 17.8%
Allied Health	493	485	454	444	458	500	611	728	797	795	791	↑ 8.7%	↑ 60.4%
Nursing	451	411	362	396	387	392	415	439	516	632	669	↑ 52.4%	↑ 48.3%
Pharmacy	¹ 63	124	186	² 260	326	324	363	338	325	336	349	↑ 3.3%	↑ 454.0%
GSBS	40	39	48	63	64	85	84	89	99	91	99	↑ 11.2%	↑ 147.5%
TOTAL	1,514	1,548	1,547	1,652	1,719	1,788	1,972	2,105	2,272	2,391	2,458	↑ 16.8%	↑ 62.4%

¹1996 was the first entering class of the School of Pharmacy

²1999 was the first year in which there was a full complement of 1st-year through 4th-year Pharmacy students



Enrollment Targets to Reach 30,000 by 2010



Combined Growth Model	2006	2007	2008	2009	2010
Base					
Year	125	150	175	200	
Increase Freshmen Applications by					
Increase Freshman Yield by		0.0%	0.0%	0.5%	1.0%
Increase the Percentage of Continuing Students by		0.0%	0.50%	0.5%	1.0%

Potential for Growth to 40,000 by 2020



To get to 40,000+ students we will need to address three enrollment segments. The numbers are flexible but definitely feasible to achieve given adequate resources.

35,000 students resident on the Lubbock Campus

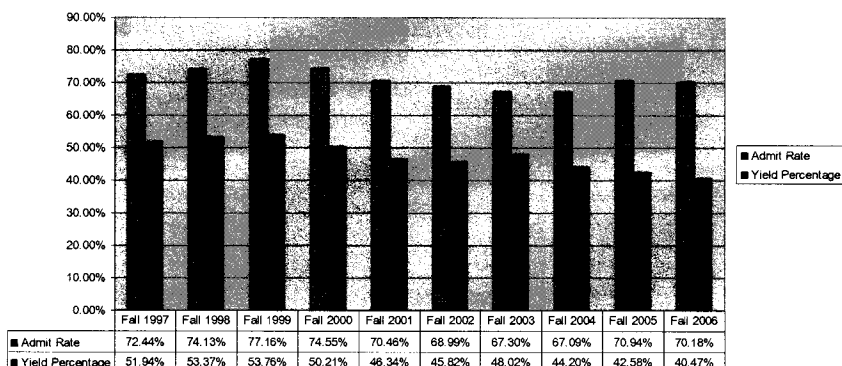
3,000 students enrolled at our off campus teaching sites

2,000 students enrolled by distance education within the state, nationally and internationally

Admissions and Yield



Admissions and Yield Percentage



Net Change in Enrollment per Year



Enrollment Growth/yr = Input – Output – Retention Loss

Admissions % = 70.18%

Yield % = 40.47%

Retention% to degree = 55%

Currently:

- One degree is awarded for each 6.4 applications received
- One student is enrolled for each 3.5 applications received
- One degree is awarded for each 1.9 students enrolled

Keys to Growth



1. Yield of admitted to enrolled students

We have a 40% yield which needs to be 50% or higher. A 10% increase would add 600 students per year on the input side of the model. This is by any measure the most important factor to address and also the most challenging.

2. Retention of enrolled students to graduation

If we had 10% increase in retention to degree from 55% to 65% an additional 1,560 students would persist to graduation. This is the second most important factor to address, and we are improving every year.

3. Number of applications received

70% of applicants already meet our admissions standards. The % admitted is not likely to change much since we are competing for well qualified students. The number of applicants is thus the third most important factor to address and we are improving every year.

Some Observations on Feasibility



- If we were to increase enrollment yield to 50% and retention to 65% we would reach well beyond 30,000 students with no increase in the number of applications.
- Growth beyond 30,000 students will be in proportion to the increase in qualified applicants.

Consequences of Growth



- Hiring significant numbers of new tenure track faculty
- Hiring significant numbers of administrative and academic support staff.
- Implementation of innovative instructional models
- Revising the campus master plan

Solutions



- Brand Value:** *Augment our marketing and communications efforts as we simultaneously improve our academic and research reputation*
- Applications:** *Augment our recruiting staff and enrollment management strategies*
- Yield:** *\$250 million in new scholarship endowments and cash that can be used immediately for both need and merit based scholarships.*
- Retention:** *Enhance advising, retention and student support services.*
- Infrastructure:** *President Whitmore is appointing an infrastructure taskforce to plan for the faculty, staff and facilities necessary to support an institution with 40,000+ students.*

Key Strategies for Growth



- Increase Texas Tech's Brand Value
- Increase applications from students who meet our admission standards
- Increase the yield of enrolled students to admitted students
- Increase the retention of enrolled students to graduation
- Increase the participation of underrepresented groups

Key Strategies for Growth



- Increase the number of students enrolled at our off campus teaching sites
- Increase the number of students enrolled by distance education
- Establish an educational presence in major metropolitan areas such as Dallas-Ft. Worth Metroplex, San Antonio, El Paso, Denver, etc.
- Increase funded research

Key Strategies for Growth



- Facilitate the transfer of students to Texas Tech University from 2-yr institutions
- Increase financial aid and scholarship support for students in all three enrollment segments
- Keep the cost of attendance competitive given the Texas Tech Brand Value
- Establish an exemplary student service support, advising and retention system
- Decrease the average time to degree
- Improve the learning outcomes for our students

Key Strategies for Growth



- Reinforce our educational presence in the European Union as well as emerging economies, e.g., China, India, Brazil, Argentina, Vietnam, etc.

Enrollment Growth By College



College	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% chg. 3 yrs	% chg. 10 yrs
Agriculture	1,543	1,547	1,484	1,426	1,351	1,365	1,397	1,459	1,388	1,401	1,464	↑ 0.3%	↓ 5.1%
Architecture	624	706	653	698	797	841	888	887	885	845	817	↓ 7.9%	↑ 30.9%
Arts & Sciences ¹	10,337	10,187	9,724	9,655	9,677	10,280	10,153	10,756	9,523	9,427	9,291	↑ 0.5% ²	↑ 10.9% ¹
Business	4,459	4,836	5,029	5,123	5,101	4,997	5,200	5,061	4,655	4,501	4,369	↓ 13.7%	↓ 2.0%
Education	1,605	1,597	1,489	1,412	1,279	1,230	1,179	1,257	1,340	1,369	1,340	↑ 6.6%	↓ 16.5%
Engineering	2,563	2,686	2,529	2,579	2,694	2,908	3,335	3,620	3,560	3,529	3,645	↑ 0.7%	↑ 42.2%
Human Sciences	2,213	2,162	2,105	2,168	2,420	2,667	3,032	3,225	3,263	3,152	3,141	↓ 2.6%	↑ 41.9%
Law	642	636	619	598	651	663	702	672	685	705	702	↑ 4.5%	↑ 9.3%
Mass Comm ¹	---	---	---	---	---	---	---	---	1,470	1,574	1,660	↑ 9.9% ²	↑ 58.5% ²
Vis./Perf. Arts ¹	---	---	---	---	---	---	1,073	1,083	1,033	1,042	1,103	↑ 1.8%	↑ 20.7% ³
Graduate School	520	449	392	433	407	450	466	369	344	307	318	n/a	n/a
Honors College	---	---	---	---	---	---	20	46	39	35	31	n/a	n/a
Interdisciplinary	---	---	---	---	44	45	43	46	42	40	46	n/a	n/a
HSC co-enrolled	211	216	134	157	133	126	81	49	53	53	63	n/a	n/a
Other ⁴	---	---	---	---	4	1	---	19	45	21	6	n/a	n/a
TOTAL	24,717	25,022	24,158	24,249	24,558	25,573	27,569	28,549	28,325	28,001	27,996	↓ 1.9%	↑ 13.3%

Colleges and Schools With a Net Increase in Enrollment



	10-yr. Increase	
1. Engineering	1,082	¹ comparison <i>excludes</i> students in Art, Music, Theatre/ Dance and Mass Comm programs that were under the College of Arts & Sciences in 1996
2. Human Sciences	928	
3. Arts & Sciences	¹ 915	
4. Mass Comm	² 613	² comparison is against Mass Comm students that were in Arts & Sciences in 1996
5. Architecture	193	
6. Vis. & Perf. Arts	³ 189	³ comparison is against students in Art, Music and Theatre/Dance that were in Arts & Sciences in 1996
7. Law	60	

Colleges and Schools With a Net Decrease in Enrollment



10-yr.

Decrease

1. **Education** **265**
2. **Business** **90**
3. **Agriculture** **79**

Enrollment Changes in Last 3 Years



3-yr.

Increase

- | | |
|----------------------|------------------|
| 1. Mass Comm | ¹ 149 |
| 2. Education | 83 |
| 3. Arts & Sciences | ² 46 |
| 4. Law | 30 |
| 5. Engineering | 25 |
| 6. Vis. & Perf. Arts | 20 |
| 7. Agriculture | 5 |

¹ comparison is against Mass Comm students that were in the College of Arts & Sciences in 2003

² comparison *excludes* students in Mass Comm programs that were under Arts & Sciences in 2003

Schools That Have Decreased Enrollment in the Last 3 Yrs



3-yr.

Decrease

1. **Business** **692**
2. **Human Sciences** **84**
3. **Architecture** **70**

Rawls College of Business AACSB Accreditation Issue



"In conjunction with the Provost, develop and implement an enrollment management and faculty staffing plan to bring credit hours taught in line with available resources. This plan must provide for an overall reduction in enrollment, a review of each degree program to determine if the program is needed and is consistent with the mission of the College, an increase in the number of full-time tenure track faculty, and provisions for increasing the number of full-time tenure track faculty teaching in the undergraduate program."

Summary of Required Minimum and Actual FTE Faculty



Summary of Required Minimum and Actual FTE Faculty

2001		2002		2003		2004		2005	
MFTE	Actual	MFTE	Actual	MFTE	Actual	MFTE	Actual	MFTE	Actual
98.68	95.39	101.97	96.71	90.11	97.50	88.70	103.50	85.69	107.00

2001		2002		2003		2004		2005	
UG Sch	GR Sch	UG Sch	GR Sch	UG Sch	GR Sch	UG Sch	GR Sch	UG Sch	GR Sch
31536	4139	34778	4507	30081	4524	28265	5266	28097	4376

2001		2002		2003		2004		2005	
UG Enr	GR Enr	UG Enr	GR Enr	UG Enr	GR Enr	UG Enr	GR Enr	UG Enr	GR Enr
4663	334	4808	392	4667	394	4200	455	4080	421

Outcomes of RCoBA Enrollment Management Plan



It is important to note that the entire reduction of students in the Rawls College of Business are comprised of those in lower division who would most likely not be successful in the business school. The number of majors in upper division, as well as the number of graduates from the Rawls College of Business, has remained relatively constant.

2001		2002		2003		2004		2005	
Majors	Grads	Majors	Grads	Majors	Grads	Majors	Grads	Majors	Grads
2129	1029	2215	996	2264	1153	2237	1065	2200	1046

Due to our successful implementation of the enrollment management plan, the Rawls College of Business has continued to graduate consistent numbers of high quality business majors despite the drop in enrollment, in accordance with accreditation requirements.

Demographics



State Wide Enrollment Growth Patterns 2005-2006



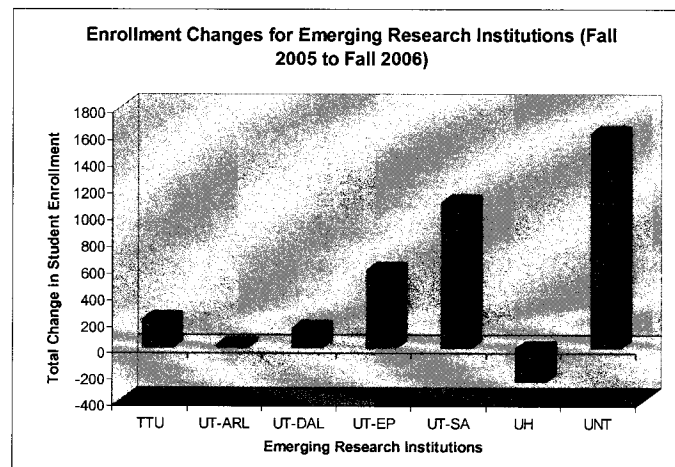
<u>Research Institutions</u>	Fall 2005	Fall 2006	Change	Percent Change
Texas A&M University	44,578	45,337	799	1.79%
University of Texas – Austin	49,233	49,738	505	1.03%
<u>Emerging Research Institutions</u>				
Texas Tech University	27,940	28,154	214	0.77%
UT – Arlington	25,216	25,239	23	0.09%
UT – Dallas	14,399	14,547	148	1.03%
UT – El Paso	19,257	19,842	585	3.04%
UT – San Antonio	27,291	28,379	1,088	3.99%
University of Houston	34,582	34,329	(253)	-0.73%
University of North Texas	31,947	33,550	1,603	5.02%

West Texas Growth Patterns



West Texas Public and Private Institutions	Fall 2005	Fall 2006	Change	Percent Change
<u>Public Institutions</u>				
Texas Tech University	27,940	28,154	214	0.77%
Angelo State University	6,140	6,287	147	2.39%
Sul Ross State University (2 campuses)	2,924	2,885	(39)	-1.33%
Tarleton State University	9,140	9,450	310	3.39%
UT – El Paso	19,257	19,842	585	3.04%
UT – Permian Basin	3,406	3,469	63	1.85%
West Texas A&M University	7,293	7,417	124	1.70%
<u>Private Institutions</u>				
Abilene Christian University	4,683	4,777	94	2.01%
Hardin Simons University	2,431	2,372	(59)	-2.43%
Howard Payne University	1,347	1,328	(19)	-1.41%
Lubbock Christian University	2,075	2,000	(75)	-3.61%
Wayland Baptist University	4,064	3,805	(259)	-6.37%

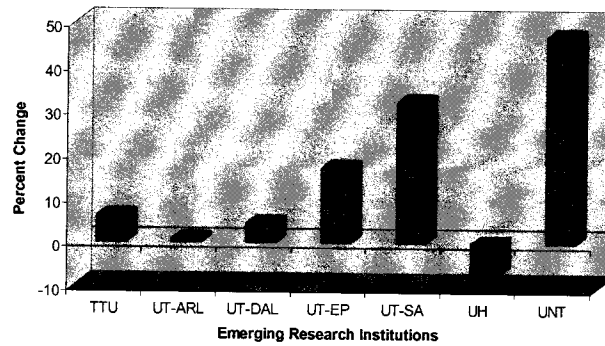
Emerging Research Institutions



Emerging Research Institutions



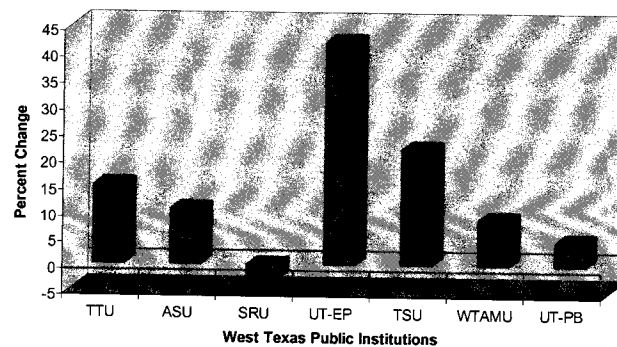
**Percent Changes in Student Enrollment in the Emerging Research Institutions
(Fall 2005 to Fall 2006)**



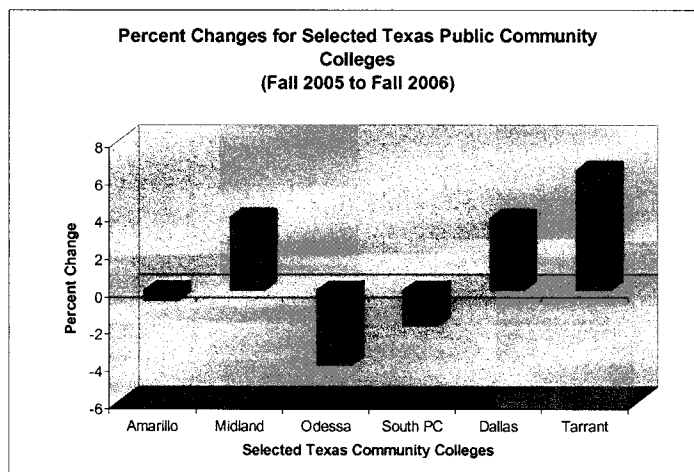
West Texas Public Institutions



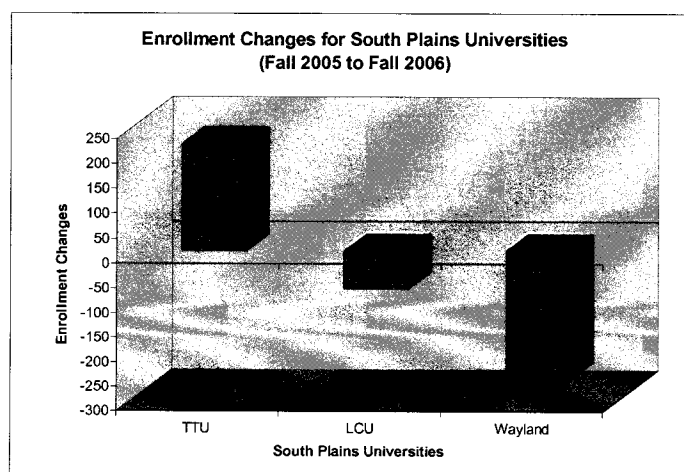
**Percent Changes in Student Enrollment in West Texas Public Institutions
(Fall 2005 to Fall 2006)**

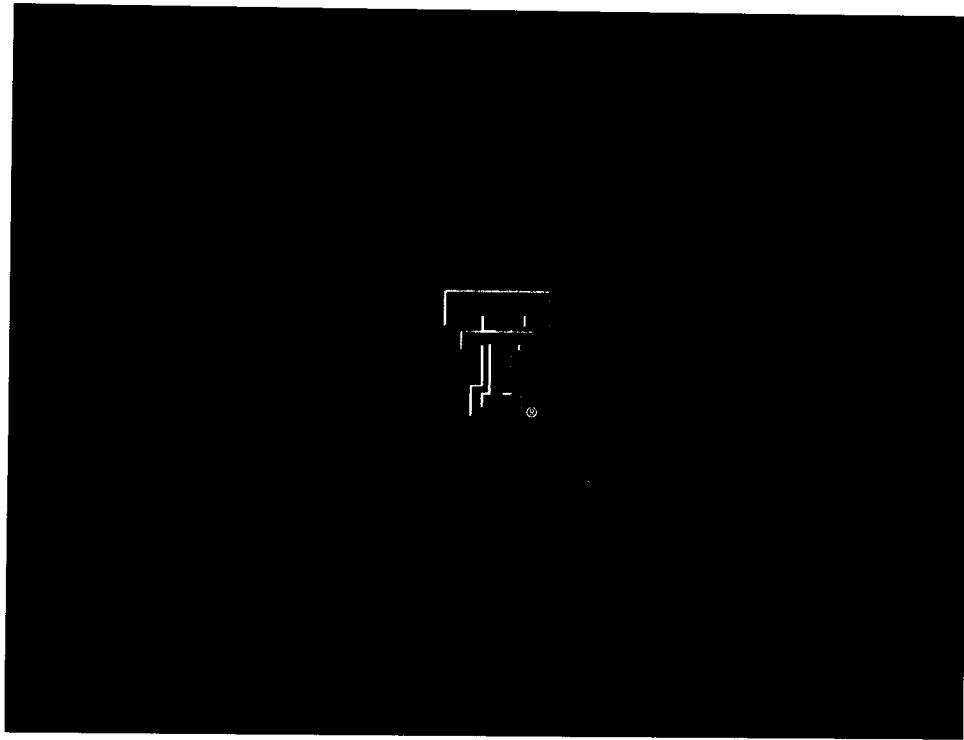


% Changes in Enrollment for Selected Texas Public Community Colleges



Enrollment Changes for South Plains Universities





Enrollment changes by college/school for: **TTU**

OVER THE PAST 10 YEARS

Since 1996, TTU has seen its total enrollment increase from 24,717 students to 27,996 ... a gain of **3,279** students (+13.3%).

Colleges/schools that produced a net increase over the past 10 years:

	10-yr. <u>Increase</u>	
1. Engineering	1,082	¹ comparison <i>excludes</i> students in Art, Music, Theatre/ Dance and Mass Comm programs that were under the College of Arts & Sciences in 1996
2. Human Sciences	928	
3. Arts & Sciences	¹ 915	² comparison is against Mass Comm students that were in Arts & Sciences in 1996
4. Mass Comm	² 613	
5. Architecture	193	³ comparison is against students in Art, Music and Theatre/Dance that were in Arts & Sciences in 1996
6. Vis. & Perf. Arts	³ 189	
7. Law	60	

Colleges/schools that have seen a net decrease since 1996:

	10-yr. <u>Decrease</u>
1. Education	265
2. Business	90
3. Agriculture	79

OVER THE PAST 3 YEARS

TTU's total enrollment reached its record highpoint of 28,549 students in 2003. Since then, overall enrollment has **declined by 553** ... to 27,996.

Colleges/schools that increased enrollment during the past 3 years:

	3-yr. <u>Increase</u>	
1. Mass Comm	¹ 149	¹ comparison is against Mass Comm students that were in the College of Arts & Sciences in 2003
2. Education	83	
3. Arts & Sciences	² 46	² comparison <i>excludes</i> students in Mass Comm programs that were under Arts & Sciences in 2003
4. Law	30	
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Colleges/schools that decreased enrollment during the past 3 years:

	3-yr. <u>Decrease</u>
1. Business	692
2. Human Sciences	84
3. Architecture	70



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER
School of Nursing

Challenges, Accomplishments, & Goals

Alexia Green, RN, PhD, FAAN
Dean and Professor



Challenges



JANUARY 5, 1942
YEARLY SUBSCRIPTION



TTU-NSC School of Nursing

Challenges



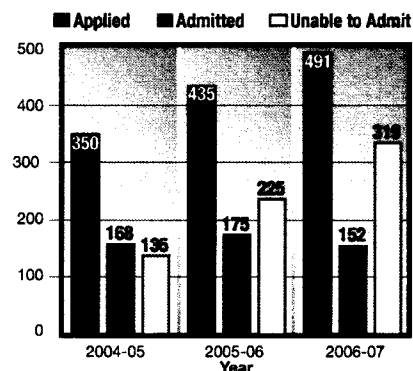
- **Nursing Shortage-Growing Demand**
 - HRSA model for Texas projects demand will rise by 86% by 2020
 - Supply will grow by 53% with current strategies in place
 - Texas will be 71,000 FTEs short by 2020
- **Nursing Supply**
 - Texas produced 6,300 new graduates in its 84 nursing programs in 2005
 - Supply will meet demand if the schools of nursing produce the following number of graduates:
 - 9,700 by 2010
 - 18,000 by 2015
 - 25,000 by 2020



Challenges



**Unlicensed Undergraduate Qualified
Applicant Information**

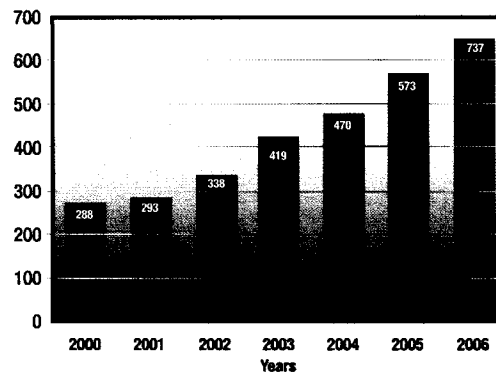


Accomplishments



- Unprecedented growth of nursing programs in response to nursing shortage

TTUHSC SON Student FTE's by Academic Year



Accomplishments



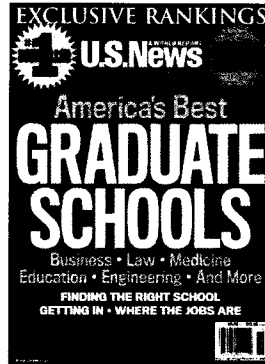
- Re-accreditation of the SON educational programs
 - Accredited by the Commission on Collegiate Nursing Education
 - September 2005 for 10 years
- Board of Nurse Examiners



Accomplishments



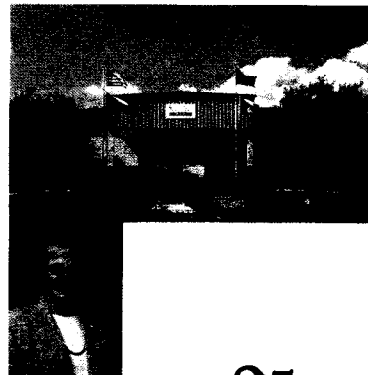
- Recognition by U.S. News and World Report as one of the top graduate programs in the country



Accomplishments



- TTU/TTUHSC Highland Lakes nursing programs
 - Est. 2004
 - RN-BSN
 - Accelerated BSN Second Degree
 - Partnerships
 - Austin Community College
 - Seton Health Care System
 - St. David's



Accomplishments



- Created the “Center for Innovation in Nursing Education” in 2004
 - Vision: To provide leadership in uniting efforts across health care, education, and public sectors to address nursing work force challenges by creating innovative new approaches to nursing education.
 - 2nd Degree Accelerated Baccalaureate Program



Accomplishments



StDavid's | MEDICAL CENTER



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER
School of Nursing
at Lubbock



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER
School of Nursing
at the Permian Basin



Accomplishments



- “Grow our own” strategy implemented to increase number of doctoral prepared faculty
 - Implemented in 2002
 - 10 faculties in dissertation stage
 - 8 currently enrolled in doctoral education



Accomplishments



- Opened new nurse managed primary clinic in East Lubbock
 - Larry Combest Community Health and Wellness Center
 - Diabetes Education
 - Senior House Calls

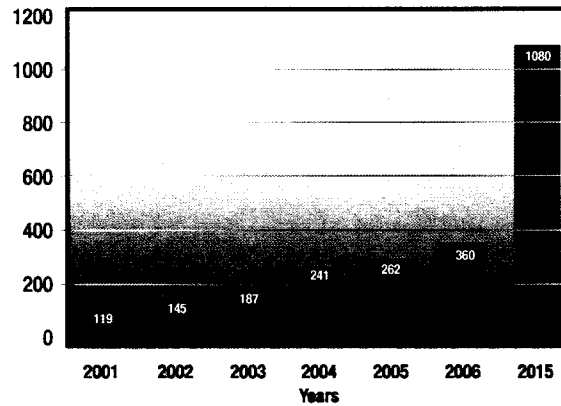


Goals



- Continue growth to meet workforce needs

TTUHSC SON Graduates & Projected Growth by Academic Year



Goals



- Develop and implement Doctorate of Nursing Practice by Fall 2007
 - Practice focused doctorate
 - Graduates prepared for clinically intensive careers including clinical:
 - Practice
 - Leadership
 - Research
 - Teaching
 - DNP functions at the highest level of nursing practice using evidence-based research and scientific knowledge to implement and direct care, serve as administrative leaders and faculty in schools of nursing



Goals



- Obtain FQHC status for Combest Center & pediatric clinics in collaboration with Children's Health Clinic, Inc.



Goals



- Provide leadership for state-of-the art, world class, interdisciplinary clinical simulation center by 2008
 - Vision: To construct a state-of-the-art regional interdisciplinary clinical simulation center that will create the "Ideal 21st Century Educational Environment."



Goals



- Establish first endowed chair by 2007, with 5 chairs in place by 2010
- Recruit nurse-scientist with research focus
 - Patient Safety
 - Geriatrics
 - Rural Health
 - Simulation and Evidence-based Education
 - Evidence-Based Practice (Odessa)



Goals



- Continue to develop educational innovations to prepare highly competent professional nurses.
- Establish nursing presence in Abilene by 2008
 - Cisco Jr. College
 - McMurry University
 - Abilene Christian University
 - Hardin Simmons University



**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
SCHOOL OF NURSING**

**Major Reports Addressing the Nursing Shortage
90th Legislative Session**

**Code Red Task Force on Access to Health Care in Texas – Report
Commissioned by Texas Health Sciences Centers**

- Texas should increase funding to support 2,000 more undergraduate nursing students, approximately 50% of the eligible applicants who have been denied admission, and 200 faculty members necessary to train them. An estimated \$25 million per biennium in state General Revenue would need to be added to the funding formulas to reflect the increase in nursing student enrollment, and an additional \$30 million in additional General Revenue would be needed to cover the balance of costs related to the additional faculty members.

**The Supply of & Demand for Registered Nurses and Nurse Graduates in Texas
Texas Dept. of State Health Services – Report to the Legislature**

- The state nursing programs will need to increase the number of its graduates by 50% by 2010 for the future supply of nurses to meet the expected demand for nurses by 2020.
- Recommend the Texas Legislature appropriate \$52 million in new funds to the THECB to increase the capacity of the state's nursing programs.
- Recommend the Texas Legislature establish a separate line item appropriation for the purpose of increasing nursing faculty salaries to be competitive with salaries earned by masters & doctoral prepared RNs in the practice sector.
- Recommend the Texas Legislature continue to dedicate tobacco fund earnings for the Permanent Fund for Nursing, Allied Health, & Other Health-Related Education Programs to nursing education through FY 2011.

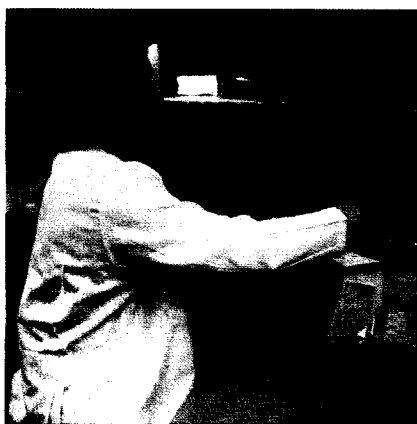
Commitment to Health Workforce Planning: A Strategy for Addressing Texas' Health Workforce Needs Texas Health Care Policy Council – Report to the Legislature and Governor

- Ensure formula, special item funding, and tuition increases for nursing programs are adequate to meet future demand and use to:
 - Increase admission, retention and graduation of nursing students;
 - Stimulate graduate nursing programs to prepare more nursing faculty; and
 - Address disparity between faculty and nursing salaries in the service sectors.

Strategies to Increase the Number of Graduates from Initial RN Licensure Programs Texas Higher Education Coordinating Board – Report to the Legislature

- The state needs to make substantial investment in preparing, recruiting, and retaining full-time nursing faculty.
- Increase salaries of new & existing nursing faculty who teach in nursing programs.
- Cover the cost of preparing advanced practice nurses for the nurse faculty role.

Texas Tech University Health Sciences Center



Report on Research

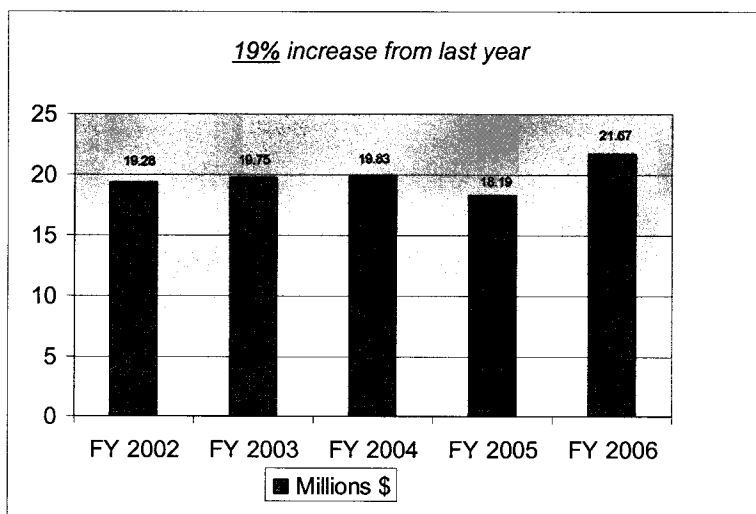
Roderick Nairn, Ph.D.

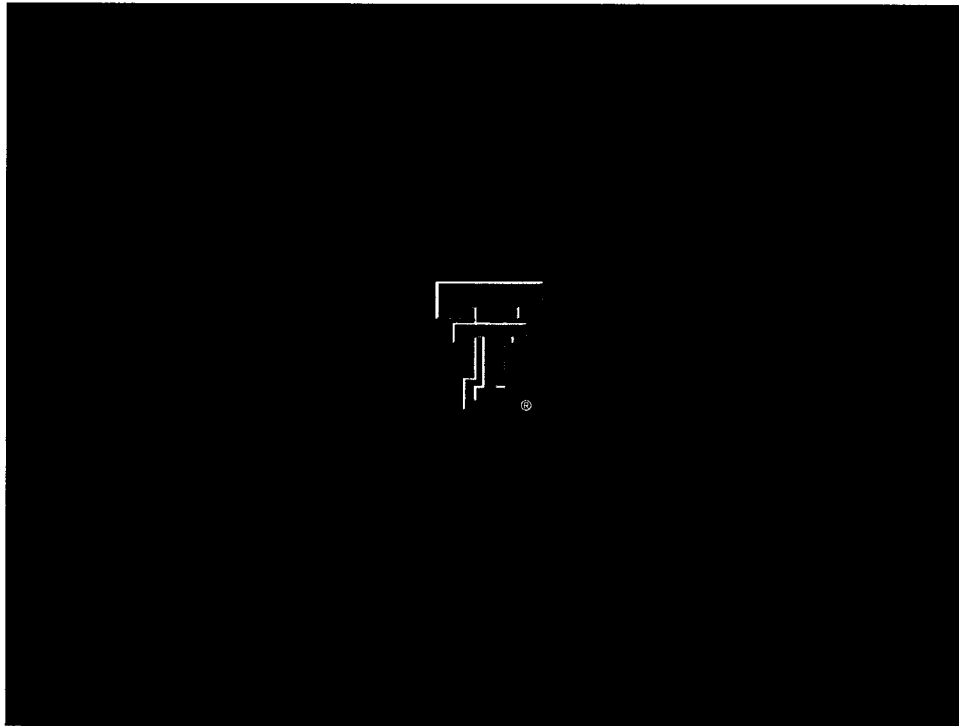
*Executive Vice President for Academic Affairs and
Dean, Graduate School of Biomedical Sciences*

December 14, 2006

Expenditures for Research & Development

(From THECB Report)







TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System

HUB Report Annual FY 2006

*Office of the Vice Chancellor
and Chief Financial Officer*

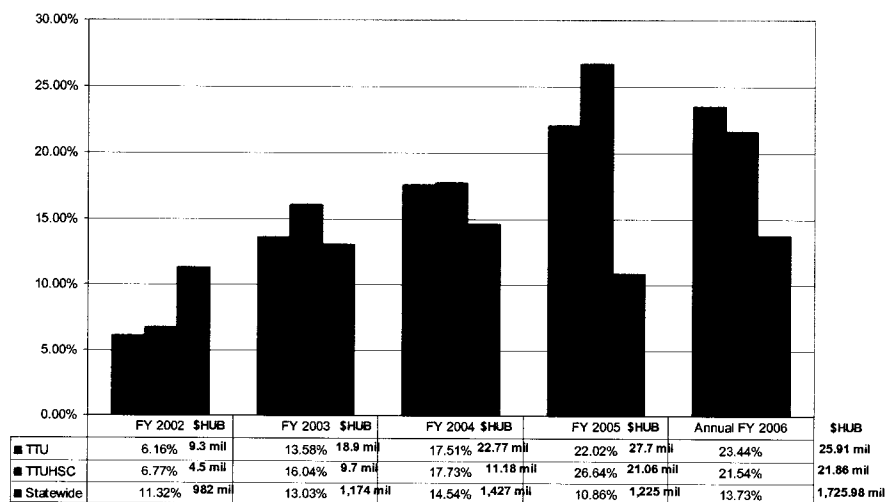
Board of Regents
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TTUS Chief Financial Officer
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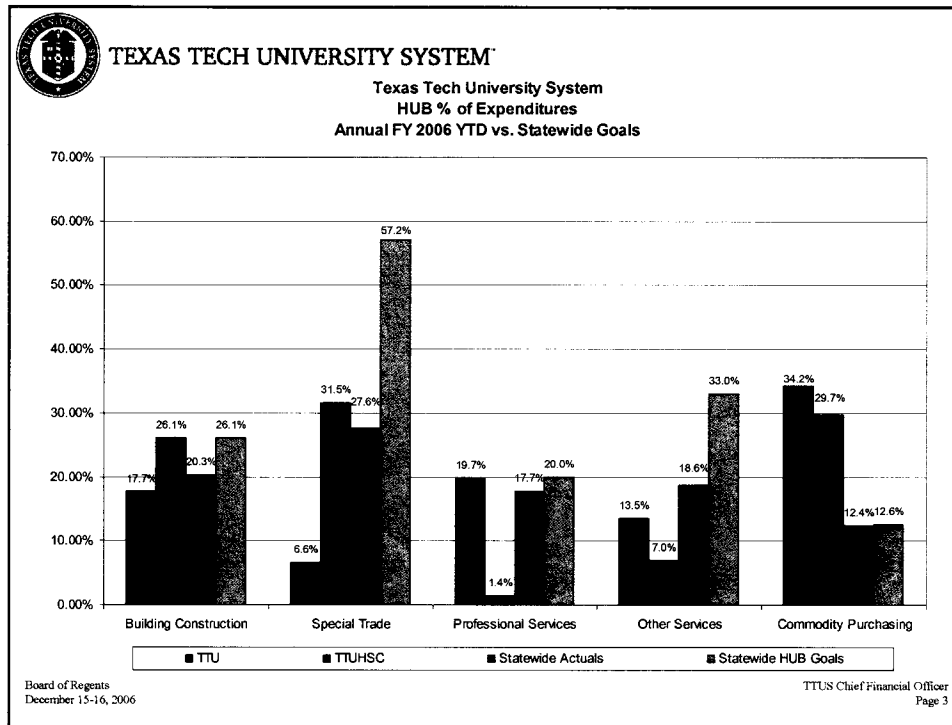
TEXAS TECH UNIVERSITY SYSTEM

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



Board of Regents
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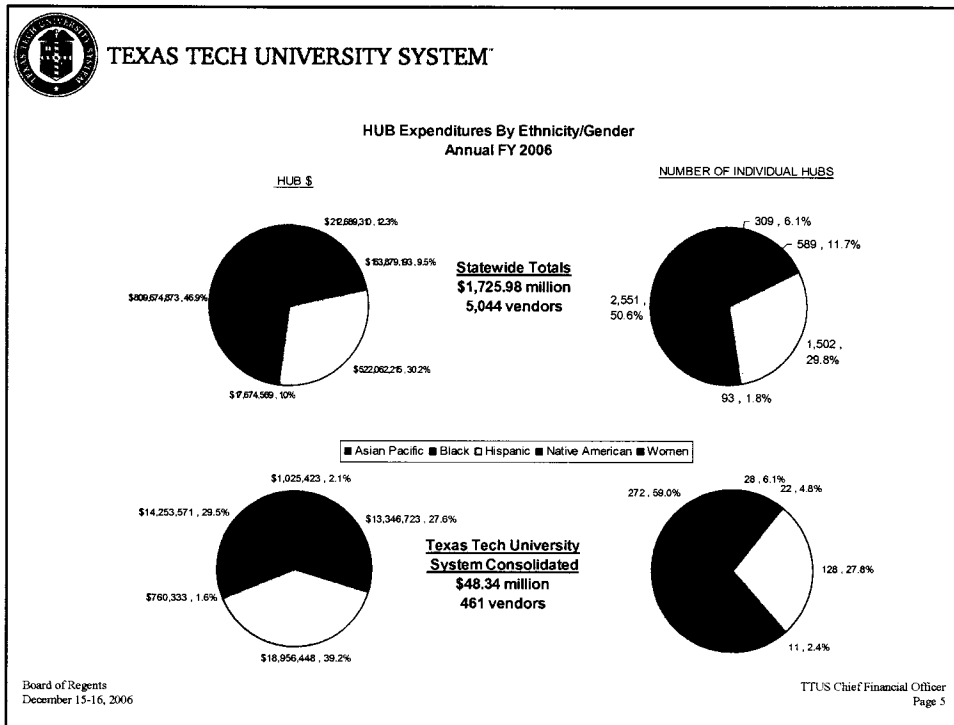
TEXAS TECH UNIVERSITY SYSTEM

**FISCAL YEAR 2006 ANNUAL HUB REPORT
TOP 50 AGENCIES BY TOTAL EXPENDITURES**

RANK	AGENCY #	AGENCY NAME	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % of EXPENDITURES
1	601	Texas Department of Transportation	\$6,349,221,361.19	\$700,374,421.20	11.03%
2	506	UT M D Anderson Cancer Center	\$714,476,862.85	\$44,062,930.23	6.17%
3	509	Health & Human Services Commission	\$502,862,919.69	\$146,002,632.78	29.03%
4	720	University of Texas System	\$456,373,868.37	\$85,588,541.35	18.75%
5	729	University of Texas Southwestern Medical Center	\$336,046,569.96	\$36,703,220.67	11.42%
6	723	University of Texas Medical Branch - Galveston	\$289,555,933.06	\$26,782,172.75	9.25%
7	096	Texas Department of Criminal Justice - Huntsville	\$263,716,840.96	\$24,027,236.66	9.47%
8	721	University of Texas at Austin	\$271,534,486.55	\$36,020,344.15	14.00%
9	547	Department of State Health Services	\$268,461,363.52	\$23,927,161.05	9.33%
10	711	Texas A&M University (Main University)	\$173,959,864.79	\$36,093,151.42	21.89%
11	562	Texas Lottery Commission	\$167,533,801.10	\$37,082,583.77	23.46%
12	701	Texas Education Agency	\$131,217,524.03	\$14,715,394.17	11.21%
13	405	Texas Department of Public Safety	\$128,490,300.30	\$17,872,440.15	13.91%
14	730	University of Houston	\$116,042,843.07	\$25,907,759.15	21.98%
15	733	Texas Tech University	\$110,513,767.07	\$25,926,487.18	23.44%
16	738	Texas Tech University Health Sciences Center	\$101,447,961.32	\$21,626,815.15	21.52%
17	754	University of Texas Health Sciences Center at Houston	\$101,283,575.63	\$13,194,254.79	13.03%
18	649	Texas Department of Aging & Disability Services	\$87,146,910.34	\$8,981,527.48	10.19%
19	710	The Texas A&M University System	\$86,481,270.46	\$17,516,485.78	21.77%
20	702	Office of the Attorney General	\$86,812,804.37	\$18,306,904.34	26.61%
21	763	University of North Texas System	\$68,462,531.54	\$13,384,510.71	19.56%
22	716	University of Texas Health and Science Center at San Antonio	\$64,226,771.75	\$6,191,898.13	14.31%
23	368	General Land Office	\$60,768,271.06	\$3,907,423.03	6.27%
24	582	Texas Commission on Environmental Quality	\$58,784,261.22	\$18,918,266.74	33.88%
25	714	University of Texas at Arlington	\$57,220,173.68	\$6,502,408.89	11.61%

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TEXAS TECH UNIVERSITY SYSTEM

FISCAL YEAR 2006 ANNUAL HUB REPORT
TOP 50 AGENCIES BY TOTAL EXPENDITURES

RANK	AGENCY #	AGENCY NAME	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % OF EXPENDITURES
26	952	Texas Parks & Wildlife Department	\$50,344,249.72	\$7,667,759.37	15.23%
27	754	Texas State University	\$754,258,125.37	\$4,060,944.94	0.54%
28	753	Sam Houston State University	\$53,381,141.87	\$12,452,186.38	23.33%
29	724	Lamar University - Beaumont	\$55,129,736.84	\$10,715,442.57	19.25%
30	755	Stephen F. Austin State University	\$47,489,853.43	\$4,742,799.33	10.00%
31	738	University of Texas at Dallas	\$41,751,812.67	\$13,337,936.25	32.00%
32	717	Texas Southern University	\$39,055,365.03	\$6,561,206.88	16.80%
33	731	Texas Woman's University	\$38,962,822.60	\$4,818,713.04	12.37%
34	743	University of Texas at San Antonio	\$37,413,077.85	\$10,379,597.07	27.74%
35	303	Texas Banking & Procurement Commission	\$36,035,069.51	\$10,296,031.87	28.57%
36	920	Texas Workforce Commission	\$46,162,416.42	\$11,340,850.72	24.57%
37	724	University of Texas at El Paso	\$33,840,540.84	\$4,122,908.29	12.18%
38	530	Texas Department of Family and Protective Services	\$11,760,855.12	\$12,704,001.83	108.00%
39	104	Comptroller of Public Accounts	\$33,292,527.38	\$12,364,854.52	37.16%
40	755	University of Texas Health Center at Tyler	\$22,768,113.11	\$3,760,778.88	16.52%
41	715	Pratt View A&M University	\$32,051,606.38	\$6,018,590.35	18.78%
42	719	Texas State Technical College System	\$28,290,394.02	\$3,416,744.11	12.07%
43	694	Texas Youth Commission	\$28,276,117.08	\$4,417,854.16	15.62%
44	746	Sul Ross State University	\$27,384,351.23	\$452,156.88	1.65%
45	556	Texas Agricultural Experiment Station	\$27,053,870.87	\$2,440,290.13	9.02%
46	718	Texas Engineering Extension Service	\$26,794,178.82	\$5,991,609.58	22.32%
47	736	University of Texas - Pan American	\$24,116,375.61	\$4,934,862.25	20.46%
48	536	Department of Assisted & Rehabilitative Services	\$23,397,936.60	\$8,348,176.90	35.70%
49	455	Railroad Commission of Texas	\$22,459,619.48	\$6,226,836.22	27.72%
50	763	University of North Texas Health Science Center at Fort Worth	\$21,976,962.46	\$4,321,852.64	19.67%

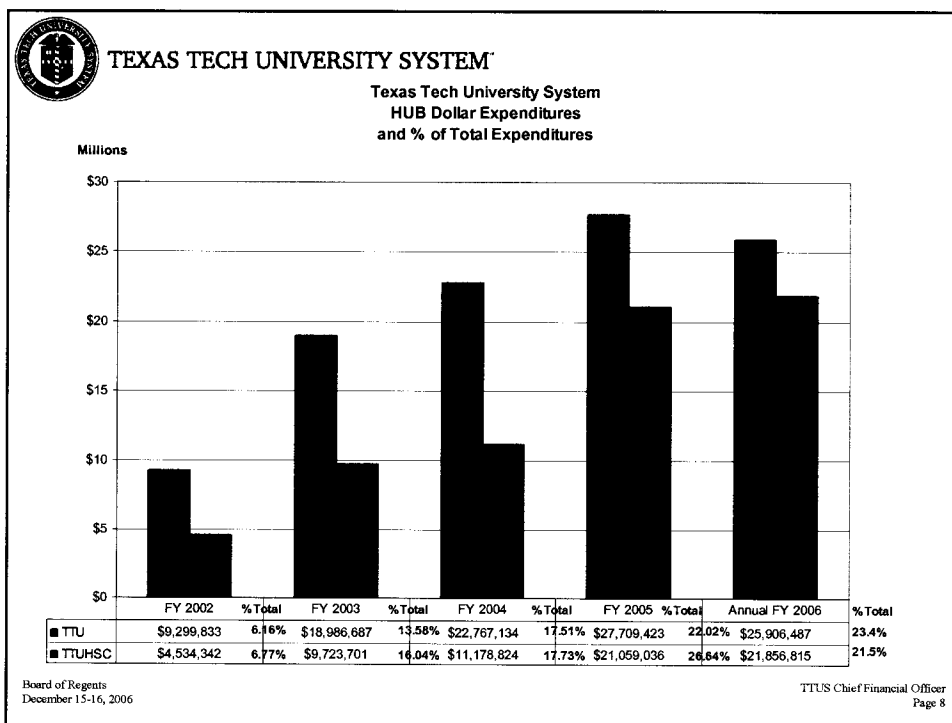
Board of Regents
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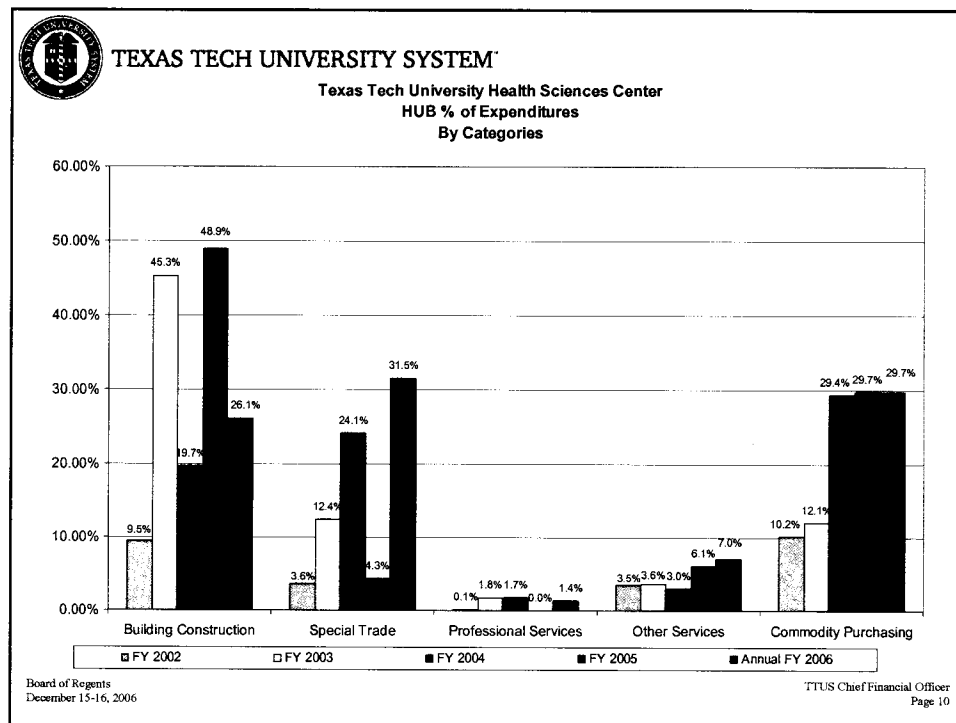
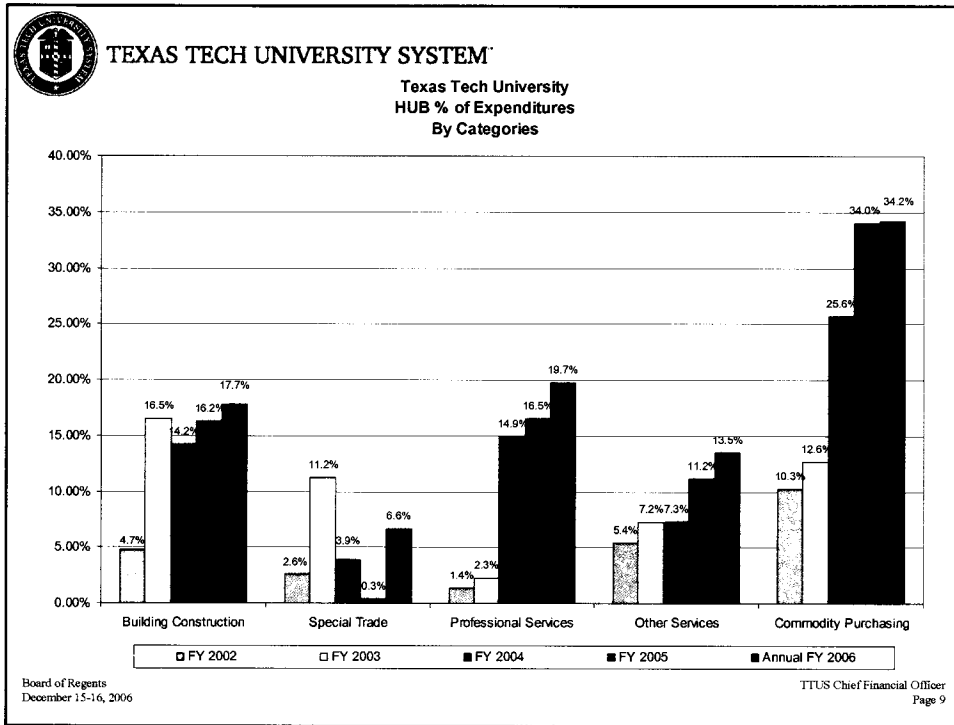
TTUS Chief Financial Officer
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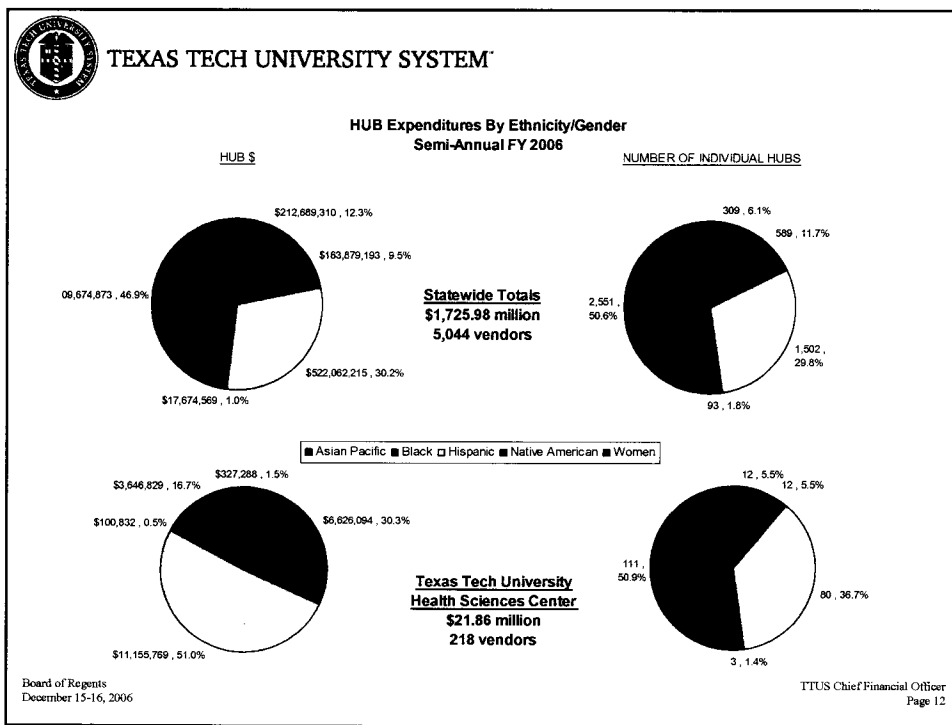
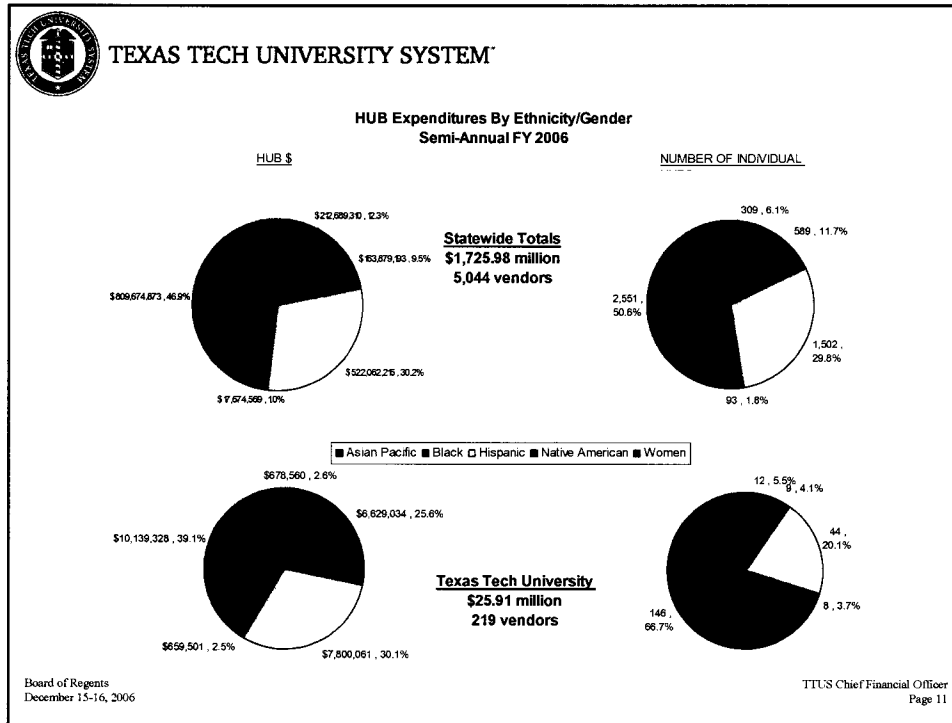
<div>  TEXAS TECH UNIVERSITY SYSTEM </div>				
HUB Vendors by Ethnicity FY 2006				
	HUB %	Black	Hispanic	Women
Texas Tech University	23.44%	\$ 6,629,034	\$ 7,800,061	\$ 10,139,328
UT @ Austin	14.00%	1,730,278	8,529,899	22,092,868
Texas A & M University	21.80%	2,055,792	9,514,025	24,824,028
University of Houston	21.90%	3,823,685	5,842,835	12,940,261
University of North Texas	19.50%	427,051	7,178,980	4,382,770

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TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System Combined	FY 2004	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	FY 2005	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	Annual FY 2005	% of HUB	# HUBS Receiving
	HUB \$				HUB \$				HUB \$		
Asian Pacific	\$ 909,021	2.35%	26	6.74%	\$ 819,352	1.51%	30	7.18%	\$ 1,025,423	2.12%	28
Black	\$ 9,947,793	26.95%	23	5.96%	\$ 12,367,716	24.37%	23	5.50%	\$ 13,346,723	27.61%	22
Hispanic	\$ 11,719,645	34.11%	113	29.27%	\$ 21,771,060	42.90%	115	27.51%	\$ 18,956,448	39.21%	128
Native American	\$ 963,325	2.77%	5	1.30%	\$ 1,190,098	2.35%	4	0.96%	\$ 780,333	1.57%	11
Women	\$ 10,930,690	31.61%	219	56.74%	\$ 14,699,049	28.77%	246	60.85%	\$ 14,293,571	29.46%	272
Total Expenditures	\$ 34,390,365	100.00%	396	100.00%	\$ 50,750,272	100.00%	418	100.00%	\$ 48,342,498	100.00%	461

Statewide Totals	FY 2004	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	FY 2005	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	Annual FY 2005	% of HUB	# HUBS Receiving
	HUB \$				HUB \$				HUB \$		
Asian Pacific	\$ 158,720,757	11.12%	287	6.53%	\$ 165,224,385	10.56%	308	6.37%	\$ 212,689,310	12.32%	309
Black	\$ 156,105,400	10.94%	553	12.67%	\$ 179,419,622	11.46%	590	12.00%	\$ 163,879,193	9.48%	589
Hispanic	\$ 450,060,363	32.16%	1,263	29.17%	\$ 483,818,282	30.91%	1,443	29.66%	\$ 522,062,215	30.26%	1,502
Native American	\$ 21,201,753	1.49%	64	1.51%	\$ 21,498,232	1.37%	64	1.74%	\$ 17,674,669	1.02%	93
Women	\$ 632,417,765	44.30%	2,191	49.82%	\$ 715,415,540	45.70%	2,418	60.03%	\$ 809,674,873	46.91%	2,551
Total Expenditures	\$ 1,427,506,040	100.00%	4,358	100%	\$ 1,565,474,073	100.00%	4,833	100%	\$ 1,725,880,162	100.00%	5,044

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TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University 733	FY 2004	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	FY 2005	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	Annual FY 2005	% of HUB	# HUBS Receiving
	HUB \$				HUB \$				HUB \$		
Asian Pacific	\$ 433,717	1.91%	12	6.78%	\$ 370,145	1.31%	13	6.80%	\$ 678,560	2.62%	12
Black	\$ 4,964,816	21.81%	12	6.78%	\$ 6,604,294	23.36%	11	5.50%	\$ 6,629,034	25.59%	9
Hispanic	\$ 8,102,234	35.59%	39	22.03%	\$ 11,430,235	40.44%	44	22.00%	\$ 7,900,061	30.11%	44
Native American	\$ 949,283	4.17%	4	2.26%	\$ 1,190,098	4.22%	4	2.00%	\$ 559,501	2.58%	6
Women	\$ 8,317,022	36.53%	110	62.15%	\$ 8,670,055	30.67%	128	64.00%	\$ 10,139,328	38.14%	146
Total Expenditures	\$ 22,767,134	100.00%	177	100%	\$ 28,267,829	100.00%	200	100%	\$ 25,905,487	100.00%	219

Texas Tech University Health Sciences Center 739	FY 2004	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	FY 2005	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	Annual FY 2005	% of HUB	# HUBS Receiving
	HUB \$				HUB \$				HUB \$		
Asian Pacific	\$ 341,857	3.06%	11	5.82%	\$ 423,232	1.95%	14	7.33%	\$ 327,268	1.50%	12
Black	\$ 4,790,341	42.88%	9	4.76%	\$ 5,620,019	25.42%	8	4.19%	\$ 6,626,094	30.32%	12
Hispanic	\$ 3,615,600	32.34%	71	37.57%	\$ 10,337,536	47.60%	66	34.56%	\$ 11,155,769	51.04%	80
Native American	\$ 4,043	0.04%	1	0.53%	\$ -	0.00%	-	0.00%	\$ 100,832	0.46%	3
Women	\$ 2,423,980	21.68%	97	51.32%	\$ 5,437,445	25.04%	103	53.93%	\$ 3,646,829	16.69%	111
Total Expenditures	\$ 11,178,824	100.00%	189	100%	\$ 21,718,234	100.00%	191	100%	\$ 21,856,815	100.00%	218

Texas Tech University System Administration 788	FY 2004	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	FY 2005	% of HUB	# HUBS Receiving	% HUBS Receiving Awards	Annual FY 2005	% of HUB	# HUBS Receiving
	HUB \$				HUB \$				HUB \$		
Asian Pacific	\$ 33,447	8.07%	3	15.00%	\$ 25,975	3.40%	3	11.11%	\$ 19,575	3.38%	4
Black	\$ 189,636	45.76%	2	10.00%	\$ 243,403	31.85%	4	14.81%	\$ 91,595	15.81%	1
Hispanic	\$ 1,751	0.42%	3	15.00%	\$ 3,289	0.43%	5	18.52%	\$ 618	0.11%	4
Native American	\$ -	0.00%	-	-	\$ -	0.00%	-	-	\$ -	0.00%	-
Women	\$ 189,678	45.75%	12	60.00%	\$ 491,546	64.32%	15	55.56%	\$ 467,414	80.70%	15
Total Expenditures	\$ 414,414	100.00%	20	100%	\$ 764,213	100.00%	27	100%	\$ 579,203	100.00%	24

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TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System Combined	Statewide Unadjusted HUB Goals	HUB Expenditures FY 2004		Total Expenditures FY 2004	HUB Expenditures Annual FY 2005		Total Expenditures Annual FY 2005	TTPC HUB Expenditures Annual FY 2006	
		HUB %	HUB \$		HUB %	HUB \$		HUB %	HUB \$
Heavy Construction	11.9%	98.96%	772,346	780,415	0.00%	-	259,459	96.81%	214,731
Building Construction	26.1%	15.50%	10,137,620	65,184,815	27.70%	20,011,556	72,224,506	21.99%	16,776,821
Special Trade	57.2%	10.09%	861,863	8,838,242	1.90%	146,826	7,711,462	18.33%	1,885,944
Professional Services	20.0%	2.28%	223,604	10,034,683	0.30%	39,683	12,031,625	1.83%	255,996
Other Services	33.0%	6.12%	2,130,373	34,777,509	10.32%	3,748,302	36,288,084	11.85%	4,184,078
Commodity Purchasing	12.6%	26.85%	20,234,559	75,353,743	32.60%	25,552,093	78,373,288	32.34%	25,024,932
Total Expenditures		17.65%	34,360,365	194,669,407	23.92%	49,498,460	206,888,524	22.63%	48,342,502

Statewide Totals	Statewide Unadjusted HUB Goals	HUB Expenditures FY 2004		Total Expenditures FY 2004	HUB Expenditures Annual FY 2005		Total Expenditures Annual FY 2005	TTPC HUB Expenditures Semi-Annual FY 2006	
		HUB %	HUB \$		HUB %	HUB \$		HUB %	HUB \$
Heavy Construction	11.9%	10.13%	381,221,829	3,763,144,782	5.68%	263,156,380	4,632,853,364	9.76%	521,239,620
Building Construction	26.1%	19.24%	226,209,061	1,175,256,588	18.36%	198,009,288	1,078,179,154	20.31%	194,075,396
Special Trade	57.2%	28.62%	78,310,902	273,549,441	8.99%	29,615,287	329,296,813	27.07%	94,900,724
Professional Services	20.0%	21.50%	108,141,099	502,957,355	15.88%	83,007,277	585,338,447	17.72%	110,703,328
Other Services	33.0%	16.01%	304,764,945	1,902,964,999	15.02%	308,544,942	2,053,041,450	18.63%	436,750,547
Commodity Purchasing	12.6%	14.96%	335,529,260	2,242,663,089	12.79%	332,317,035	2,596,888,418	12.44%	368,310,555
Total Expenditures		14.54%	1,434,177,099	9,860,536,256	10.86%	1,224,650,211	11,275,596,658	13.73%	1,725,980,161

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TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University 733	Statewide Unadjusted HUB Goals	HUB Expenditures FY 2004		Total Expenditures FY 2004	HUB Expenditures Annual FY 2005		Total Expenditures Annual FY 2005	TTPC HUB Expenditures Annual FY 2006	
		HUB %	HUB \$		HUB %	HUB \$		HUB %	HUB \$
Heavy Construction	11.9%	99.42%	595,909	599,335	-	-	1,780	100.00%	214,731
Building Construction	26.1%	14.19%	7,020,719	49,463,684	16.21%	7,595,097	46,841,156	17.73%	6,842,315
Special Trade	57.2%	3.88%	230,820	5,916,308	0.33%	15,644	4,660,280	6.00%	359,747
Professional Services	20.0%	14.86%	55,104	370,680	16.54%	39,683	240,005	18.74%	72,246
Other Services	33.0%	7.26%	1,588,838	21,878,707	11.16%	2,507,446	22,471,719	13.46%	2,782,796
Commodity Purchasing	12.6%	25.64%	13,275,941	51,787,307	34.00%	17,551,552	51,613,228	34.15%	15,824,850
Total Expenditures		17.51%	22,757,134	129,896,003	22.02%	27,708,423	125,828,151	23.44%	25,506,487

Texas Tech University Health Sciences Center 738	Statewide Unadjusted HUB Goals	HUB Expenditures FY 2004		Total Expenditures FY 2004	HUB Expenditures Annual FY 2005		Total Expenditures Annual FY 2005	TTPC HUB Expenditures Annual FY 2006	
		HUB %	HUB \$		HUB %	HUB \$		HUB %	HUB \$
Heavy Construction	11.9%	97.43%	176,437	181,080	-	-	257,899	26.06%	10,134,106
Building Construction	26.1%	19.68%	3,085,794	15,942,601	48.91%	12,416,459	25,383,450	31.51%	1,526,097
Special Trade	57.2%	24.06%	620,214	2,614,475	4.32%	131,182	3,095,136	1.35%	183,750
Professional Services	20.0%	1.74%	168,500	9,856,014	0.00%	-	11,719,173	6.96%	947,178
Other Services	33.0%	2.95%	352,437	11,927,775	6.07%	787,813	12,630,274	29.71%	9,005,683
Commodity Purchasing	12.6%	29.37%	6,786,440	23,135,575	29.74%	7,743,582	26,034,876	21.54%	21,856,815
Total Expenditures		17.72%	11,178,824	63,057,523	26.83%	21,058,036	78,060,809	21.54%	21,856,815

Texas Tech University System Administration 768	Statewide Unadjusted HUB Goals	HUB Expenditures FY 2004		Total Expenditures FY 2004	HUB Expenditures Annual FY 2005		Total Expenditures Annual FY 2005	TTPC HUB Expenditures Annual FY 2006	
		HUB %	HUB \$		HUB %	HUB \$		HUB %	HUB \$
Heavy Construction	11.9%	-	-	-	-	-	-	-	-
Building Construction	26.1%	34.22%	61,107	178,330	-	-	16,046	0.00%	900
Special Trade	57.2%	27.20%	2,029	8,006	0.00%	-	72,447	-	-
Professional Services	20.0%	-	-	-	-	-	-	-	-
Other Services	33.0%	19.47%	189,068	971,027	39.88%	473,043	1,186,091	44.56%	444,104
Commodity Purchasing	12.6%	35.97%	162,178	450,861	35.43%	256,959	725,184	25.45%	134,569
Total Expenditures		25.64%	414,414	1,615,887	36.50%	730,003	1,899,770	36.27%	579,203

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President's Report
Texas Tech University
Board of Regents Meeting
December 15, 2006

President Whitmore distributed his Report on Accomplishments. The first item listed is about the Phi Beta Kappa chapter. That can never be discussed too many times as it is a major step forward for the University. There are 35 public universities in the state of Texas and only three have Phi Beta Kappa chapters. The Alpha chapter is at the University of Texas and it was formed in 1905. The Kappa chapter is at Texas A&M and it was authorized in 2003. Now, Texas Tech has the Lambda chapter which was authorized in 2006. This is a major accomplishment for the university. Phi Beta Kappa chapters are only hosted at about 10 percent of the universities in America.

Also listed in the report are a number of other accomplishments by the faculty and staff. Because only a few people can be introduced and recognized at each Board meeting, this report attempts to show all the extraordinary accomplishments the faculty, students and staff of Tech have achieved.

The Red Raiders will play the Minnesota Golden Gophers at the Insight Bowl. We are very proud of the accomplishment of our football team—both academically and on the football field. The game is scheduled for December 29, 2006.

The discussion from students has occurred on various occasions about the initiation of a fall break that would occur before Thanksgiving. A committee that was appointed has developed a positive recommendation which will soon be forwarded to the President's Office. The interest of the students should be met for the coming fall semester.

We will be graduating over 2,000 students starting on Friday evening with the Graduate School commencement at 4 p.m. The two undergraduate commencements will take place on Saturday, December 16. We continue to turn out a viable and effective work force for this region of Texas and for all of Texas. We are proud of these graduates and we look forward to the Board's participation in those ceremonies.

President Whitmore announced that was the conclusion of his report.

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 15, 2006

President Mitemeyer began by wishing the Board a blessed Christmas season and a great 2007. He also thanked the regents for their exemplary support over the past year.

A campus by campus tour was just completed by Chancellor and Mrs. Hance. The enthusiasm and the attendance at each of the regional academic health centers and in Lubbock was tremendous. That reflects the excitement at each campus in the anticipation of the chancellor's leadership, his direction and his vision for the Health Sciences Center—not only in Lubbock but also in each of our regional centers. That will have a tremendous impact on the mission of our HSC. On behalf of the HSC team, thanks were extended to the Chancellor and Mrs. Hance. This was a very important mission for the HSC. This is the first time this has been seen at Tech in the past 20 years.

Dr. Mitemeyer also thanked the Board for their involvement in the visits to the regional campuses.

In regard to the Senate Finance Hearings on November 14, 2006, those hearings were conducted in Austin at which time the HSC institutional priorities were laid out along with the legislative appropriations requests for the upcoming biennium. This was a follow-up to a previous presentation to the Legislative Budget Board and the Governor's office staff which was conducted in Lubbock in September 2006. At the Senate finance hearings, most of the discussion led by Senator Ogden, centered on the funding for the El Paso School of Medicine. In this regard, a follow up meeting was conducted by Chancellor Hance, Senator Ogden and Vice President Nairn on December 1, 2006 in Austin to further discuss in more detail the physical requirements for the establishment of the El Paso School of Medicine and specifically to initiate the educational programs there in the summer of 2009.

In regard to institutional advancement, several reports are in order. On November 13, 2006, the School of Medicine in Amarillo received a donation of \$1 million for the establishment of the J. Avery and Janie Rush chair of excellence in women's health in oncology given by the J. Avery Rush family in honor of Janie Rush, Dr. Avery's mother, an ovarian cancer survivor. On December 6, 2006, Terry and Kelly Crofoot and their parents, Jay and Virginia Crofoot, endowed the Crofoot Epilepsy Program with a gift of \$2 million. This gift will also establish the Crofoot Chair in Epilepsy. The Crofoot family recognizes the need to make quality health care available for epilepsy patients in this region. This will take us a long way in providing that care.

On December 11, 2006, a gift of just under \$40,000 was received to establish a multiple sclerosis endowment. That is being worked on as well.

Yesterday, the School of Medicine received a check from Roger Allen Volkner estate for muscular dystrophy research in the amount just under \$250,000. These are the kinds of gifts that will make a difference as we grow the Health Sciences Center. With Chancellor Hance's enthusiasm and contacts, we should go a long way.

These chairs and financial donations will make major differences and enhance our vision and our mission in our goal to establish the Texas Tech University Health Sciences Center as a leading educational, research and care giving institution throughout West Texas.

From our regional center's personnel standpoint, it is a pleasure to announce the establishment of two of our leaders who were introduced to the Board earlier in the day. They will make a major difference as we prepare both the Permian Basin and the El Paso campus for the students who we hope to initiate there at the first year level in El Paso in the fall 2009 as well as students at the third and fourth year levels in the Permian Basin.

The search for a regional dean for the School of Medicine's position in Amarillo is progressing quite well. There have been some excellent candidates who are in the process of being interviewed. In the meantime, Dr. Rush Pierce has served as the interim regional dean there assuming the responsibilities of Dr. Berk when he came over to become the dean of the School of Medicine in Lubbock.

It is also a pleasure to announce the appointment of Jan Kim Hall as regional dean for the School of Pharmacy in Abilene. Further information will be provided to the Board in the future regarding the Pharmacy School in Abilene. During a recent visit to Abilene, it was obvious that the construction of the Pharmacy School there is progressing on schedule with the enrollment of the first class scheduled for the fall of 2007. Regent Dueser and the City of Abilene are thanked for their support and efforts on the Pharmacy School endeavor as well as for the Family Practice Program which is being built. Thanks also go to the hospital in Abilene and its CEO. The community response is that we have over 90 faculty volunteering to help us with the resident program. This is a great indication of the community support.

Under the leadership of Dr. Robert Suskind, the timeline for the El Paso School of Medicine expansion is right on schedule with the completion of construction of the third floor of the Medical Science Building in the spring of 2007. In February 2007, the LCME will be notified of our request for evaluation while continuing the basic science faculty recruitment. This LCME is a very critical step on our timeline now which is right on schedule.

In regards to facilities and construction, the appropriations requests have been submitted to the Legislature to include the request for the necessary funding, not only for the completion of academic building and faculty development support for the School of Medicine in El Paso but also for construction of the Research Tower in Amarillo as well as expansion of the Pharmacy School in Amarillo. In addition, \$2 million have been set aside for design of the Research Tower in Lubbock as was mentioned by Mr. Cavin yesterday as well as an additional \$1 million set aside of the monies that we have now

from our Higher Education Assistance Funds for the design of the Clinical Simulation Center in Lubbock.

In the Permian Basin, plans for expansion of the Department of Obstetrics and Gynecology and Internal Medicine in Midland in affiliation with the Midland Memorial Hospital are in progress. In addition, transfer expansion of the Physician's Assistance Program in affiliation with Midland College affirm with construction scheduled to begin in the near future. Mr. Cavin and I have personally visited with both Dr. David Daniel, president of Midland College, as well as with Mr. Russell Myers, CEO of the Midland Memorial Hospital in conjunction with these projects. Everything seems to be well on track.

At the Board of Regents meeting in the fall, the School of Medicine informed the Board that one of the primary objectives for the new year was to increase commercial insurance pay and development of a new branding strategy for the clinical operations. To this effort, at the last Board meeting, a carry over of practice plans to set aside for this initiative was approved. Today a brief update will be provided on the status of this very important project for TTUHSC, specifically the School of Medicine. A research study was conducted on all four campuses to gage the consumer understanding and perception of the services that we offer. A similar study was also conducted to test names for re-branding of practices. Previously the clinics operated under a variety of names and some would not even reference Texas Tech. The name Texas Tech Physicians, with campus identification: Texas Tech Physicians of El Paso, of Lubbock, of Amarillo, of the Permian Basin, was selected. This new name immediately informs the patient who we are and builds on a tradition of this institution. Operating under one name, Texas Tech Physicians, will be positioned as the health care providers of choice for commercially insured patients with a network of over 500 physicians, the largest network of providers in West Texas. It is important to note that this new initiative will be the first of its kind for Tech where we have collectively pooled our resources and marketed the clinical practices under one name finally. The goal of this initiative is to increase commercial pay by 5 percent. That may not seem like a lot but it could amount to over \$4 million of additional collections yearly. The marketing campaign will launch January 28, 2007 throughout all the campuses and will include television, newspaper, direct mail, radio and billboards. (Samples of television and newspaper ads were shown to the Board that will be running in various cities in Texas.) Shown were two of the four major focused ads representing each of our regional centers and the regions we serve. Because the research showed, across the board, that our consumers are unsure of who we are and what we offer, this initial campaign develops name awareness for the Texas Tech physicians. In addition to the advertising elements, a dedicated patient care website will launch in the spring of 2007. TexasTechPhysicians.com is the website. This is yet another first for the School to have a website for patient care completely dedicated to healthcare information. The School has also conducted an internal review of its operating procedures to ensure availability for appointments throughout all the clinics. With the opening of the new Texas Tech Physician's Medical Pavilion and launching of the new marketing campaign, we are making significant progress in meeting the needs and interests of our patients and their wellbeing. This exciting yet ambitious project was led by Angila Faison, the Vice President for Communications and Marketing and Jo Vaughn, Director of

Marketing for the School of Medicine, Lubbock campus. This happens to be Angila's last day as a member of our team. Dr. Mittemeyer recognized Angila and Jo for their work.

With the permission of the Board, at the summer Board meeting, another update will be given on the progress of the campaign.

In closing, again it will be stated that we have much to accomplish and we will do so as a team. Our stated mission to improve the health of people by providing educational opportunities for students and health professions throughout the region, advancing knowledge through scholarship and research, and providing patient care and service, is our mission and continues to be my pledge and that of our Health Sciences Center's team to you. Thank you.

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
December 15, 2006

Mr. Hance began by stating that one of the first priorities that he had when he joined Texas Tech, was the presidential search for the Health Sciences Center. Today, a search committee approval of five members is requested. A charge is ready for that search committee. An advisory committee will also be announced within the next week. The Search Committee will consist of Regent Stafford, who is a retired orthopaedic surgeon; he will serve as chairman of that Committee. Regent Rick Francis, who has been involved in a many issues regarding health care, will also serve on that committee. Other members include, Kay Cash, from Lubbock. Her husband Don is a member of the Foundation Board. She has been very close to the ties of the Garrison Center. When the Cash's lived in Utah, Kay was the lay appointment on the Governor's selection committee of seven people who selected their judges. She is very well qualified to serve and will do an outstanding job. Dr. Wayne Isom is another member of that committee. He attended Texas Tech and is in the cardiovascular surgery division of the Cornell Medical School. Wayne originally grew up in Idalou, and he will bring a lot to the committee. Finally, Dr. Ted Mitchell from Dallas will serve on this committee. He has served as director of the Cooper Clinic. He has been a presidential appointee. President Bush appointed him to the National Fitness Council. He also writes columns for the U.S.A. Today on medical issues. He is immensely well-qualified as he was President Bush's physician while he was governor and still maintains that position along with the Surgeon General of the United States. Something that was just learned within the last few weeks is that he is Chairman Francis' doctor and has been my doctor for about 15 years. Those five individuals will do an outstanding job. The charge is to solicit, review and screen candidates for the position and then recommend a slate of highly qualified candidates that I can discuss with the Board to make a decision. This is a big priority which needs to get moving as fast as possible.

The Advisory Committee will involve all the deans but will also include other people from different parts of the HSC and the different communities involved so that there will be a lot of information exchanged and a lot of opportunity to have input to this committee. With that, the Board's approval is requested for the five-committee members as mentioned.

Chairman Francis gave his approval of the members as selected by Mr. Hance and stated that they should proceed as necessary.

Mr. Hance continued. The second issue to cover regards the collaborative research initiative where the University has put in \$500,000 and the HSC has put in \$500,000 to work together. We have a unique position here with having the Medical School and the undergraduate school and the Law School all on one campus. That is very rare anywhere in the United States. Regent Serna had requested that we look at the System putting in \$500,000. We want to help. The first thing that should be done, is appoint someone from the System to work with the individuals to make sure that there is

not any conflicts or that there are not any problems between the two just wanting to do something for their entity. This needs to be a joint venture. So, I will appoint someone to work in that regard. The \$500,000 has been discussed with Mr. Jim Brunjes. We do have the money, but these are policy matters that the Board needs to decide on. One, does the Board want to get into the System making donations that would in the past have been made by the undergraduate school and by the HSC? If we do, how does that affect our budget as we are compared with other systems? I don't know if other systems do this. So, this is a new issue. This needs to be researched further. We have some time left as the fiscal year we are in goes until next August. The first thing to do within the next week is to get someone working with the other individuals that are already working on this from our office to let them know the importance of working together and why we are for this effort. Guidance from the Board is needed on this issue.

Regent Miller stated that this issue should be studied by the Finance and Administration Committee. Regent Dueser do you agree?

Regent Dueser stated that the Finance and Administration Committee would look at that issue.

Mr. Hance stated that he would visit with Regent Dueser and Regent Serna. We can get the background information needed fairly quickly. We will be bringing that information forward soon.

Mr. Hance stated that was the conclusion of his report.

Regent Sitton requested that in regards to the charge that has been given to the chancellor in regards to enrollment, that issue be added to the agenda for every meeting until further notice. This report should be given to the Board regarding enrollment during the Academic, Clinical and Student Affairs Committee.

Mr. Hance concurred with Regent Sitton's request.

Regent Miller stated that the issue brought forth by Regent Serna should also merit a report at every Board meeting as well to show how the collaboration is going.

Regent Francis agreed. The future and the great opportunity that we have at our University is going to be collaboration between our components in going after federal research dollars. The Board would like to focus on some of that.

Regent Miller also remarked about his excitement of having Mr. Hance as the new chancellor of Texas Tech.