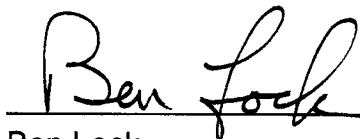


INDEX OF ATTACHMENTS

Attachment 1	TTUS Draft MOA For Closed Point of Dispensing ("POD") Sites
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Attachment 23	ASU SGA President's Report

I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on December 13-14, 2007.


Ben Lock
Secretary

Seal

MEMORANDUM OF AGREEMENT
FOR CLOSED POINT OF DISPENSING (POD) SITES

This Memorandum of Agreement (MOA) is entered into by and between the City of Lubbock Health Department and _____.

I. Purpose

The City of Lubbock Health Department ("Department") is required, by the City of Lubbock/Lubbock County Emergency Management Plan and by grant directives, to plan and prepare for public health emergencies which may result from natural or man-made causes. During such an emergency, it may be necessary to immunize large numbers of people in the area served by the Department. The City of Lubbock may do this through open or closed Point of Dispensing (POD) sites. Open POD sites will serve the general population and are open to the public. Closed POD sites, also called "Push" sites, are closed sites for specific populations, such as businesses or community organizations. Prior public health experience has shown that creating closed POD sites by delivering medication and medical supplies to corporate or community partners to be beneficial to all parties because: 1) delivery allows businesses to dispense medication to their staff and families, decreasing employee absenteeism, and their clientele; and 2) delivery decreases number of citizens to be medicated at open public PODs.

II. Public Health Emergency

This agreement will go into effect only if the State Commissioner of Health or the Lubbock Health Authority declares that large scale immunizations or treatment is necessary as a control measure for an outbreak of communicable disease or if mass prophylaxis against a bioterrorism agent or other infectious disease is required.

III. The Strategic National Stockpile (SNS) and the Receiving, Staging, and Storing (RSS)

The Strategic National Stockpile (SNS) is a federal resource of critical medical assets made available to the State during a public health emergency, disaster, or catastrophic incident to augment local and state resources. The Receiving, Staging, and Storing (RSS) site carries out storage and routine movement of SNS product, including the delivery of materiel to open and closed POD sites. The operation of the RSS is a state responsibility managed at the Department of State Health Services (DSHS) Health Service Region (HSR) level.

IV. Responsibilities

A. City of Lubbock Health Department

1. The Department agrees to identify possible POD sites for closed populations and maintain a Memorandum of Agreement (MOA) with corporate and/or community partners.
2. SNS materiel will be delivered to a site designated by the Recipient, with map and directions on file with the Department. The SNS medical materiel will be delivered with a manifest, handling instructions, and State of Texas treatment guidelines for the use of antibiotics and handling of controlled substances.
3. The Department will provide training to the Recipient on SNS functions and overall POD management.

B. Recipient

1. Recipient agrees that upon delivery of the SNS medical materiel, the Recipient is responsible for maintaining the physical security and integrity of the SNS medical materiel. Recipient agrees to comply with the handling instructions provided by the State of Texas, and applicable federal and State of Texas laws and regulations. Recipient further agrees to comply with State of Texas treatment guidelines for the use of antibiotics and handling of the controlled substances.
2. Recipient agrees to provide SNS medical materiel free-of-charge to the organization's staff and their immediate family members, as well as the clientele according to the organization's mission. Documentation including demographics and drug information will be provided to the Department following the event.
3. The CDC retains title to all unused SNS medical materiel or portions thereof. Recipient agrees to assist Department of State Health Services (DSHS) Health Services Region 1 (HSR1) and the Department to reassemble locally all unused SNS medical materiel. Recipient agrees to be responsible for storing unused medical materiel until it is returned to the RSS.
4. A complete inventory manifest of all SNS medical materiel delivered will be provided to the recipient. Recipient agrees to maintain and provide copies of, or access to, records accounting for SNS medical materiel received, used, returned, or disposed of, to the DSHS HSR1 and to the Department.
5. The Recipient is responsible for determining a dispensing site, developing a dispensing plan, establishing a clinic, and providing personnel needed to administer the medication within 24 hours of notification by the Department.

6. The Recipient will provide and maintain an after hours emergency contact to the Department.
7. The Recipient is responsible for attending POD training provided by the Department or a training of similar content.
8. The Recipient is responsible for maintaining an estimated number of dosages needed and providing dosage requirements to the Department at least 24 hours prior to delivery.
9. All or portions of this document are confidential under Texas Government Code Chapter 418. Recipient agrees not to release this agreement outside the recipient agency without consulting the Department.

V. Term

This agreement becomes effective after approval by the governing bodies of the Recipient and Department as indicated below. It may be canceled by either party by giving thirty days notice to the other party, otherwise it remains in effect for five years and may be renewed by mutual agreement expressed in writing.

This agreement executed this _____ of _____, 2007.

<RECIPIENT>

BY: _____

TITLE: _____
Authorized by Governing Body to Execute the Agreement

CITY OF LUBBOCK

DAVID A. MILLER, MAYOR

ATTEST:

REBECCA GARZA, CITY SECRETARY

APPROVED AS TO CONTENT:

TOMMY CAMDEN, HEALTH DIRECTOR

APPROVED AS TO FORM:

DON VANDIVER, ATTORNEY OF COUNSEL



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System

Investments

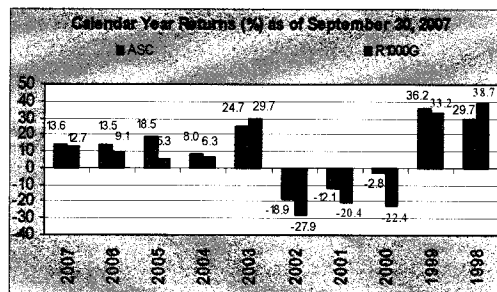
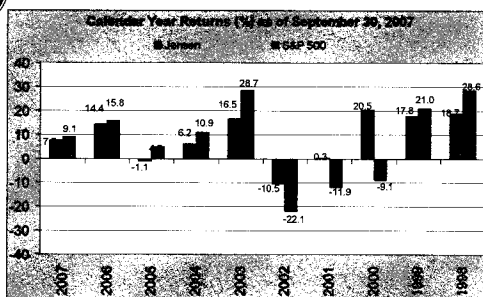
*Office of the Vice Chancellor
and Chief Financial Officer*

Board of Regents
December 13-14, 2007

ITTUS Chief Financial Officer



TEXAS TECH UNIVERSITY SYSTEM



Board of Regents
December 13-14, 2007

2TTUS Chief Financial Officer

U.S. Large-Cap Growth Manager Summary

Atlanta Sosnoff Capital, LLC

Performance Versus Benchmark as of September 30, 2007¹

Inception Date of Composite: January 1979	
3-Year Excess Return vs. R1000G (%)	6.8
5-Year Excess Return vs. R1000G (%)	2.5
10-Year Excess Return vs. R1000G(%)	5.3
Confidence Level for Skill (3 Years, %)	91
Confidence Level for Skill (5 Years, %)	57
Confidence Level for Skill (10 Years, %)	75
Tracking Error vs. Index (5 Years, ± %)	5.1
Volatility vs. Index (5 Years, %)	9.3 vs. 9.8
R ² to the Index (5 Years, %)	75

¹All statistics are based on quarterly returns.

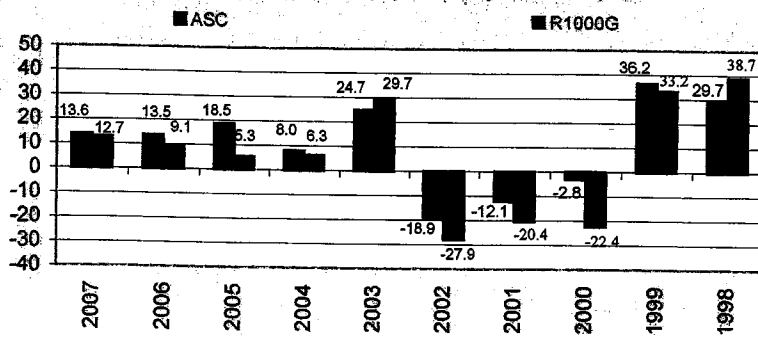
Peer Rankings ¹	Return (%tile)	Risk (%tile)	Number of Peers
1 Year	81	85	635
3 Years	98	12	534
5 Years	96	9	461
10 Years	17	11	272

¹ The lower the number, the better is the ranking.

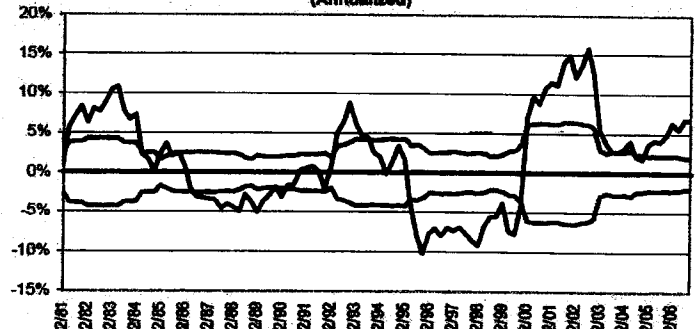
Excess Returns since Inception

Frequency of Rolling 4-Qtr. Outperformance (%)	46
Frequency of Rolling 12-Qtr. Outperformance (%)	65
Worst 4-Qtr. Excess Return (%) (September 1996)	-15.1

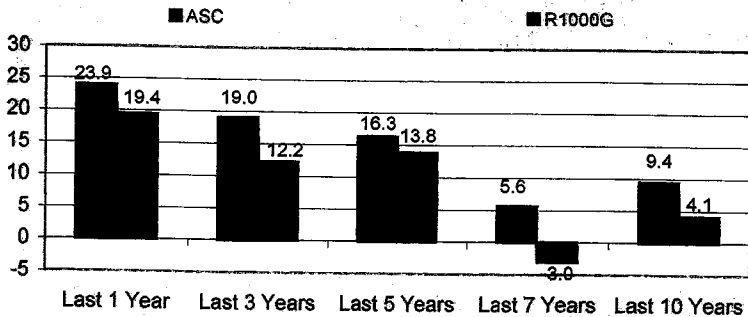
Calendar Year Returns (%) as of September 30, 2007



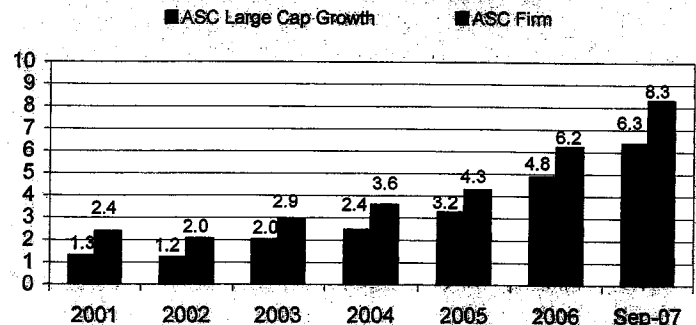
Rolling 12-Quarter Excess Return (Annualized)



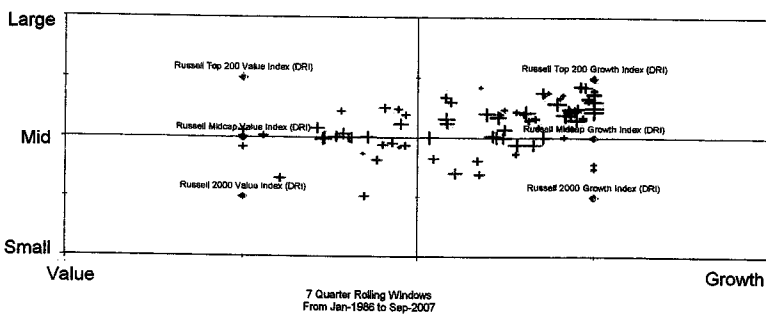
Trailing Returns (%) as of September 30, 2007



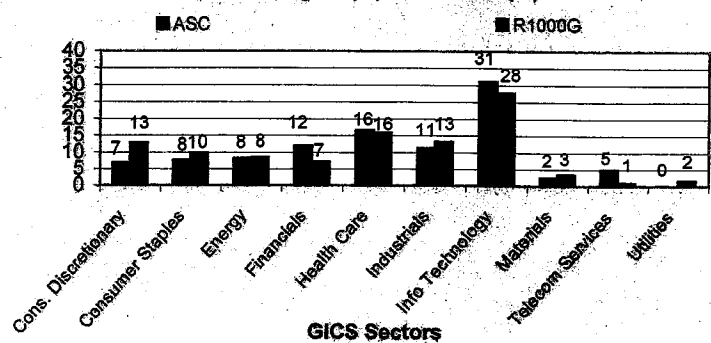
Assets Under Management (\$Billions)



Atlanta Sosnoff



Sector Weights (%) vs. R1000G (%)



All data are as of September 30, 2007. Returns beyond one year and standard deviations are annualized. The fund's returns are net of fees for the minimum size separate account.

Hammond Associates serves as an independent investment consultant and receives no remuneration from investment managers for any advice or recommendations given. All information presented herein is accurate to the best of our knowledge.

Pat Little, PhD
Senior Research Analyst

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U.S. Large-Cap Quality Manager Summary

Jensen Investment Management, Inc.

Performance Versus Benchmark as of September 30, 2007

Inception Date of Composite: January 1997

3-Year Excess Return vs. S&P 500 (%)	-3.8
5-Year Excess Return vs. S&P 500 (%)	-5.3
10-Year Excess Return vs. S&P 500(%)	2.2
Confidence Level for Skill (3 Years, %)	-
Confidence Level for Skill (5 Years, %)	-
Confidence Level for Skill (10 Years, %)	75
Tracking Error vs. Index (5 Years, ± %)	4.5
Volatility vs. Index (5 Years, %)	8.9 vs. 9.7
R ² to the Index (5 Years, %)	81

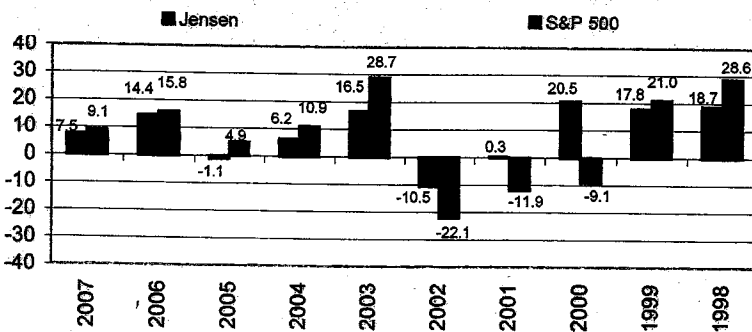
Peer Rankings ¹	Return (%tile)	Risk (%tile)	Number of Peers
3 Years	95	3	534
5 Years	98	19	461
10 Years	12	12	277

¹ The lower the number, the better is the ranking.

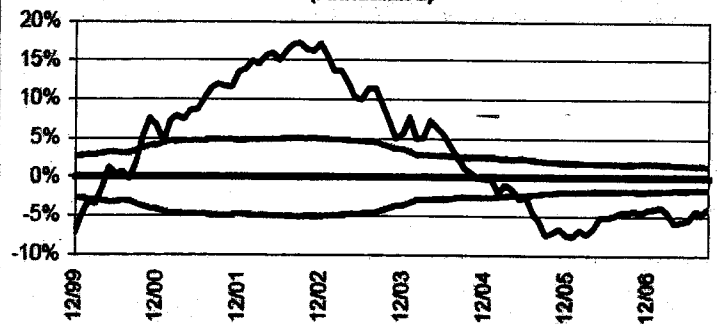
Excess Returns

Frequency of Rolling 12-Month Outperformance (%)	36
Frequency of Rolling 36-Month Outperformance (%)	56
Worst 12-Month Excess Return (%)	-13.3

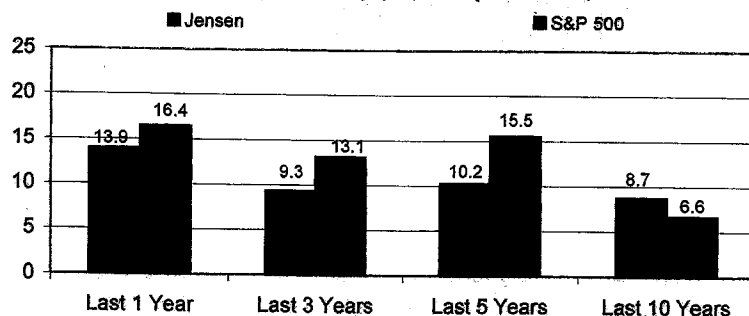
Calendar Year Returns (%) as of September 30, 2007



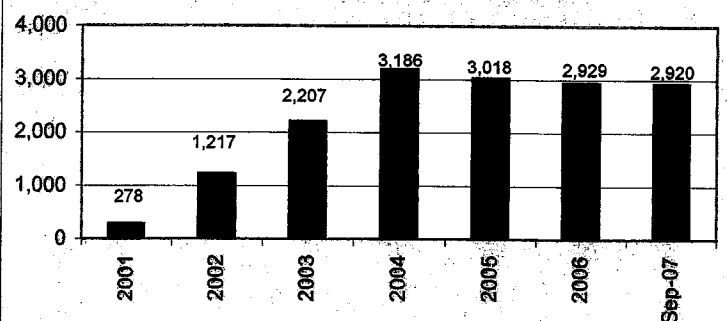
Rolling 36-Month Excess Return (Annualized)



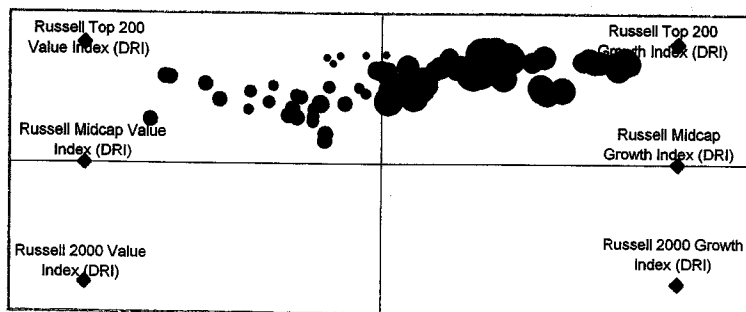
Trailing Returns (%) as of September 30, 2007



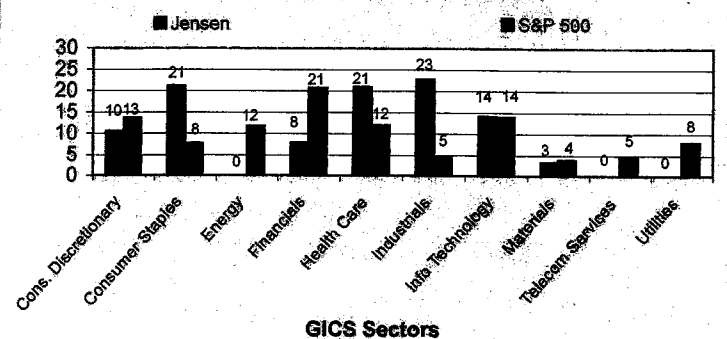
Assets Under Management (\$Millions)



From Oct-1997 To Sep-2007 - 18 Month Rolling Windows



Sector Weights (%) vs. S&P 500 (%)



All data are as of September 30, 2007. Returns beyond one year and standard deviations are annualized. The fund's returns are net of fees for the minimum size separate account.

Hammond Associates serves as an independent investment consultant and receives no remuneration from investment managers for any advice or recommendations given. All information presented herein is accurate to the best of our knowledge.

Pat Little, PhD
Senior Research Analyst

Asset Allocation

	With			Current Ranges
	Current	October 23rd Changes	Policy	
Growth Assets				
US Large Stocks	16%	20%	17%	
US Mid Stocks	4%	4%	4%	
US Small Stocks	3%	3%	2%	
<i>US Stocks</i>	23%	27%	23%	15-30%
Intl Large Stocks	15%	14%	17%	
Intl Small Stocks	3%	3%	2%	
Intl Emerging Market Stocks	5%	5%	4%	
<i>Intl Stocks</i>	23%	22%	23%	10-30%
GMO Global Allocation	4%	3%		
Private Equity / Special Situations	11%	10%	15%	15-30%
Total Growth Assets	61%	62%	61%	40-90%
Risk Reduction Assets				
Cash	8%	7%		
US / Global Fixed Income	6%	6%	4%	5-15%
Hedge Funds	18%	18%	20%	15-30%
Total Risk Reduction Assets	32%	31%	24%	20-45%
Inflation Protection Assets				
Real Assets	7%	7%	15%	
Total Inflation Protection Assets	7%	7%	15%	5-15%
Total	100%	100%	100%	
Nominal Return				
L/T Compound Expected Return	8.7%	8.6%	9.2%	
10 Yr. Horizon Expected Return	7.3%	7.3%	8.0%	
Risk (10-Yr Horizon Expectations)				
Standard Deviation (1 Yr.)	±11.6%	±11.8%	±12.4%	
Standard Deviation (10 Yr.)	±3.7%	±3.7%	±3.9%	
Probability of Loss Year	24.6%	25.1%	24.2%	
Probability of 10% or Worse Loss	6.1%	6.5%	6.6%	
Lowest Likely Return (1 Yr.)	-19.0%	-19.6%	-20.2%	
Lowest Likely Return (10 Yr.)	-3.3%	-3.5%	-3.2%	
Sharpe Ratio	0.28	0.27	0.31	

* Numbers may
not add due to
rounding

October 23, 2007 Portfolio Changes

Sources of Cash:

Gift	\$45 M
Oakbrook Holdings	\$32 M
GMO Foreign	\$10 M
SSgA S&P 500	\$10 M
INTECH	\$10 M
SSgA Emerging Mkts	\$6 M

Uses of Cash:

Jensen	\$25 M
Atlanta Sosnoff	\$35 M
SSgA Fixed Income	\$10 M
Cash (for future investments)	\$30 M
Davidson Kempner	\$3 M
Taconic	\$4 M
King Street	\$5 M

*Items in red have already occurred and are
reflected in the current allocation

Hammond Associates
INSTITUTIONAL FUND CONSULTANTS, INC.

**Texas Tech
Board of Regents**

Investment Review
December 13-14, 2007

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- I. Executive Summary
- II. Performance Review
- III. Asset Allocation

Executive Summary

Executive Summary *(as of October 2007)*

Assets

- As of October 31, 2007 Texas Tech University System assets stood at almost \$650 million.
- Five years ago, in October 2002, the assets were about \$250 million.

Performance – Last 1 Year

- For the last year the University's portfolio has returned 18.8%, which is in line with the policy index, and outperforms the 70% S&P 500/30% Lehman bond index by 700bps.
- Total equity returned 20.6%:
 - Recent manager underperformance brought US equity returns down to 8.7%;
 - International equity was strong returning 36.5% for the year;
 - Global Allocation returned 15.7% for the year, outperforming the S&P 500.
- Fixed income (excluding cash) is in line with the Lehman Bond returning 5.3%.
- Hedge funds have also done well posting a 14.6% return.

Asset Allocation Issues

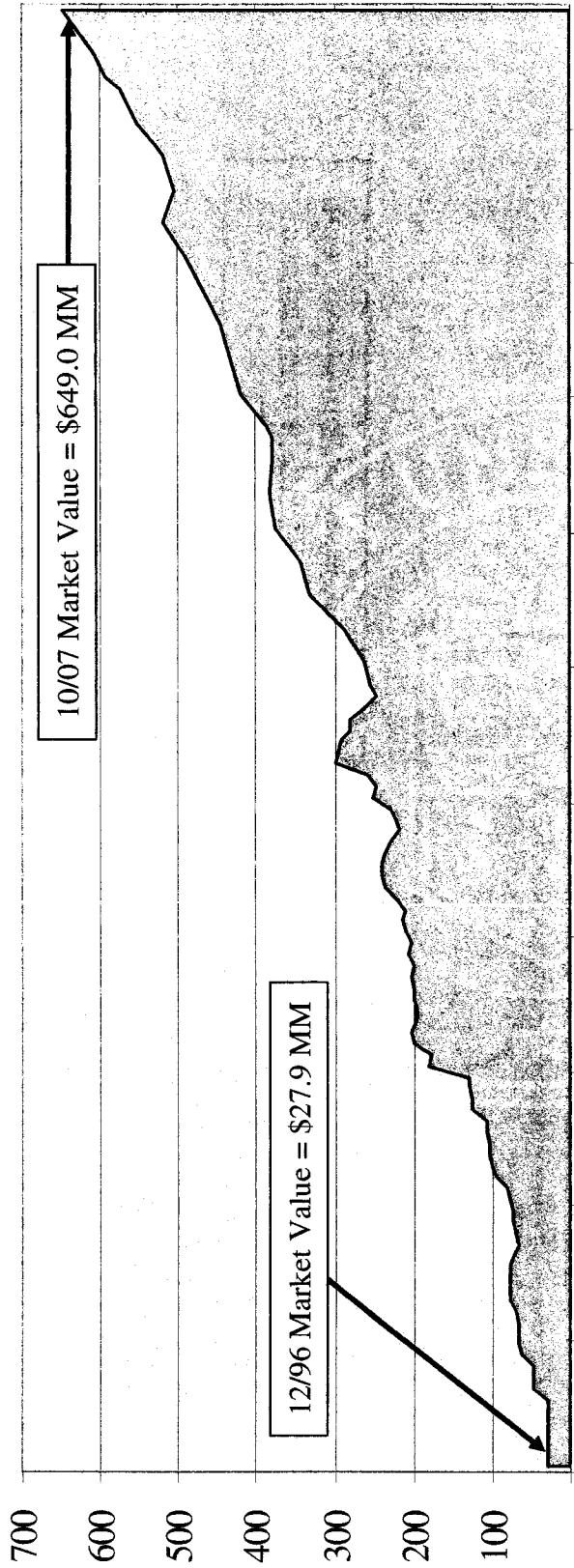
- A number of portfolio changes were implemented at the October 23rd Investment Advisory Committee meeting.
- The Endowment received an additional \$45 million in October.
 - Details of these changes can be seen on pages 11 and 18.

Other

- OCM Emerging Markets will be fully liquidated at the end of 2007.
- Hotchkis & Wiley are being monitored due to poor performance.

Performance Review

Long Term Investment Fund Growth Over Time *(as of October 2007)*



Dec-96 Dec-97 Dec-98 Dec-99 Dec-00 Dec-01 Dec-02 Dec-03 Dec-04 Dec-05 Dec-06

10 Years 10 Months \$649.0 MM Increase¹ 11.3% Annualized Return²

¹ Includes net additions/withdrawals.

² Excludes net additions/withdrawals. Net investment performance only.

Market Value (\$'s, MM's)	
Oct-07	649.0
Oct-06	532.3
Oct-05	468.7
Oct-04	388.5

Estimated NACUBO Rankings (as of June 30, 2007)

	1 Year	3 Yrs	5 Yrs	10 Yrs
Texas Tech University System	20.6	16.1	14.2	10.1
<i>NACUBO Estimated Top Quartile Return</i>	19.5	14.3	12.7	9.6
<i>NACUBO Preliminary Median Return</i>	17.5	12.3	11.3	8.4

The NACUBO top quartile is estimated by Hammond Associates.

The median return is preliminary data from NACUBO.

Hammond Associates estimates that Texas Tech University System is once again solidly in the top quartile, perhaps the top decile, of NACUBO in performance for the one-, three-, five-, and ten-year period ending June 30, 2007.

Composite(s) Performance Review

Market Value (\$'s, MM)		FYTD (Sept - Oct)	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception	Inception Date	
		% Returns as of October 2007							
Texas Tech University System	649.0	5.7	13.8	18.8	17.0	17.1	11.3	Aug-96	
		6.7	13.7	18.6	16.6	17.1	11.0		
		4.3	9.1	11.8	10.4	11.1	9.1		
Marketable Securities	532.7	6.2	12.3	17.6	16.0	16.4	11.1	Aug-96	
		7.1	13.9	19.2	16.6	17.2	11.1		
Domestic Equity	151.6	3.9	4.9	8.7	12.2	14.4	7.8	Jul-01	
		5.6	11.2	15.1	14.1	15.2	7.2		
International Equity	153.6	12.8	25.9	36.5	31.2	29.3	19.1	Jul-01	
		12.6	24.4	33.0	27.4	26.4	16.4		
Fixed Income Composite (ex Cash)	36.9	1.7	4.8	5.3	3.8	4.4	5.1	Jul-01	
		1.7	4.8	5.4	3.9	4.4	5.1		
Hedge Fund Composite	115.5	3.3	10.6	14.6	13.2	10.8	9.4	May-02	
		4.9	11.0	15.1	11.1	9.8	8.5		
		1.3	7.3	9.0	8.3	7.0	6.9		
Private Equity Composite(IRR)	\$71.7	29.9							May-02
Illiquid Real Assets Composite(IRR)	\$44.9	26.9							May-02

Returns are net of fees. Returns greater than one year are annualized.

Performance is compared to the most appropriate index. Equity outperformance by greater than 100 bps is indicated in green; underperformance by greater than 100 bps is indicated in red. Fixed income outperformance by greater than 50 bps is indicated in green; underperformance by greater than 50 bps is indicated in red.

Domestic Manager Performance

	Market Value (\$'s, MM's)	FYTD (Sept-Oct)	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception	Manager 5 Year Sharpe Ratio	Inception Date
<i>US Equity Composite</i>	<i>151.7</i>	<i>3.9</i>	<i>4.9</i>	<i>8.7</i>	<i>12.2</i>	<i>14.4</i>	<i>7.8</i>		<i>Jul-01</i>
Dow Jones Wilshire 5000		5.6	11.2	15.1	14.1	15.2	7.2		
<i>Oakbrook Holdings</i>	<i>32.2</i>	<i>2.8</i>	<i>3.1</i>	<i>7.3</i>			<i>11.8</i>	<i>0.86</i>	<i>Sep-05</i>
Standard & Poors 500		5.4	10.9	14.6			13.9		
<i>SSga S&P 500 Index CTF</i>	<i>53.8</i>	<i>5.4</i>	<i>10.9</i>	<i>14.6</i>			<i>13.6</i>	<i>1.29</i>	<i>Jan-06</i>
Standard & Poors 500		5.4	10.9	14.6			13.6		
<i>Intech Large Growth Fund</i>	<i>21.2</i>	<i>7.2</i>	<i>8.8</i>	<i>10.9</i>			<i>9.5</i>	<i>1.40</i>	<i>Sep-05</i>
S&P 500/Citigroup Growth Index		6.6	12.9	15.6			12.5		
<i>Hotchkis & Wiley MidCap Value</i>	<i>23.3</i>	<i>(1.0)</i>	<i>(7.4)</i>	<i>(3.6)</i>	<i>10.0</i>		<i>21.7</i>	<i>1.35</i>	<i>Mar-03</i>
Russell MidCap Value		2.8	5.2	9.7	16.5		22.5		
<i>DFA US MicroCap Portfolio</i>	<i>9.4</i>	<i>3.2</i>	<i>3.5</i>	<i>7.6</i>	<i>13.2</i>		<i>21.0</i>	<i>1.18</i>	<i>Jan-03</i>
Russell 2000		4.6	6.1	9.3	13.7		19.7		
<i>Martingale SmallCap Value</i>	<i>11.8</i>	<i>2.2</i>	<i>(1.6)</i>	<i>3.4</i>	<i>9.3</i>		<i>18.4</i>	<i>1.00</i>	<i>Jan-03</i>
Russell 2000		4.6	6.1	9.3	13.5		20.3		

Returns are net of fees. Returns greater than one year are annualized. Performance is compared to the most appropriate style index. Outperformance by greater than 100 bps is indicated in green; underperformance by greater than 100 bps is indicated in red.

International Manager Performance

	Market Value (\$'s, MMs)	FYTD (Sept-Oct)	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception	Manager	
								5 Year Sharpe Ratio	Inception Date
								% Return as of October 2007	
<i>International Equity Composite</i> MSCI ACWI ex US (Gross)	153.6	12.8 12.6	25.9 24.4	36.5 33.0	31.2 27.4	29.3 26.4	19.1 16.4		Jul-01
<i>GMO Foreign Markets Fund</i> MSCI EAFE (Net)	49.1	8.7 9.5	16.7 17.6	24.1 24.9	23.4 23.5		20.5 20.3	2.11	Jan-04
<i>Julius Baer Inst. Int'l Strategy Fund</i> MSCI EAFE (Net)	47.1	12.1 9.5	22.3 17.6	32.5 24.9	28.0 23.5		23.7 20.3	1.90	Dec-03
<i>GMO International Small Companies</i> S&P/Citigroup EMI-EPAC	9.4	10.6 8.2	21.4 17.1	32.4 27.3	29.8 28.3		25.4 25.1	2.32	Jan-04
<i>Acadian International SmallCap Fund</i> S&P/Citigroup EMI-EPAC	12.6	8.9 8.2	26.2 17.1	38.2 27.3	34.9 28.3		32.2 25.1	2.66	Jan-04
<i>GMO Emerging Markets Fund III</i> MSCI Emerging Markets Free Index	34.9	22.1 23.4	51.0 49.5	68.7 67.8	46.5 44.7		44.8 41.3	2.34	Jun-03

Returns are net of fees. Returns greater than one year are annualized.

Performance is compared to the most appropriate style index. Outperformance by greater than 100 bps is indicated in green; underperformance by greater than 100 bps is indicated in red.

Fixed Income and Cash, Global Performance

	Market Value (\$'s, MM's)	FYTD (Sept-Oct)	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception	Manager 5 Year Sharpe Ratio	Inception Date
% Return as of October 2007									
Fixed Income Composite	88.8	1.3	4.6	5.2	4.0	3.9	4.4		Jul-01
		1.7	4.8	5.4	3.9	4.4	5.2		
State Street Passive Bond Market CTF	36.9	1.7	4.8	5.3	3.8	4.4	5.1	0.34	Apr-02
		1.7	4.8	5.4	3.9	4.4	5.1		
Cash	51.8	0.8	4.2	5.1	4.0	2.6	2.5		Mar-02
		0.6	3.9	4.8	4.1	2.9	2.8		
GMO Global Allocation Absolute Return	23.1	4.4	11.3	15.8	14.5		13.0	1.63*	Mar-04
		5.4	10.9	14.6	13.2		11.3		

*Sharpe ratio is since inception

Returns are net of fees. Returns greater than one year are annualized. Performance is compared to the most appropriate style index. Cash & fixed income outperformance by greater than 50 bps is indicated in green; underperformance by greater than 50 bps is indicated in red.

Portfolio Changes

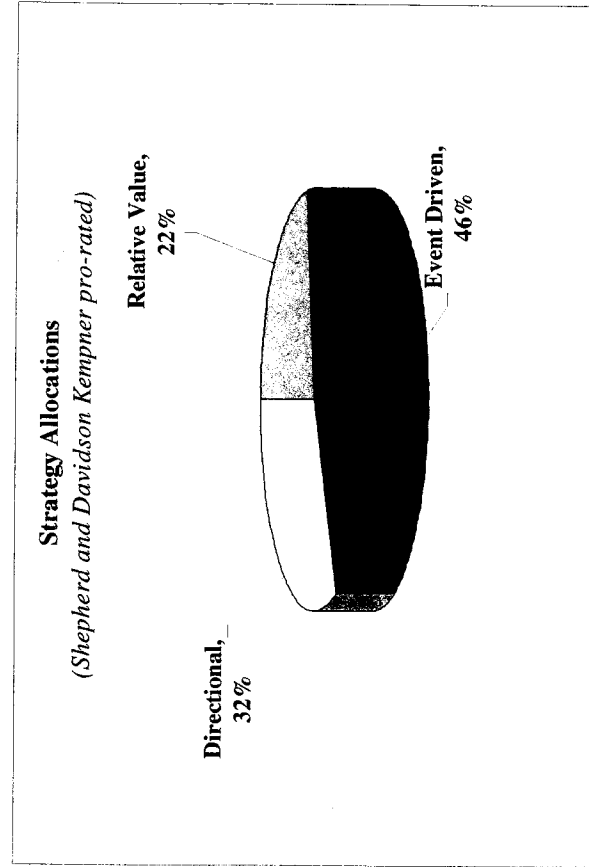
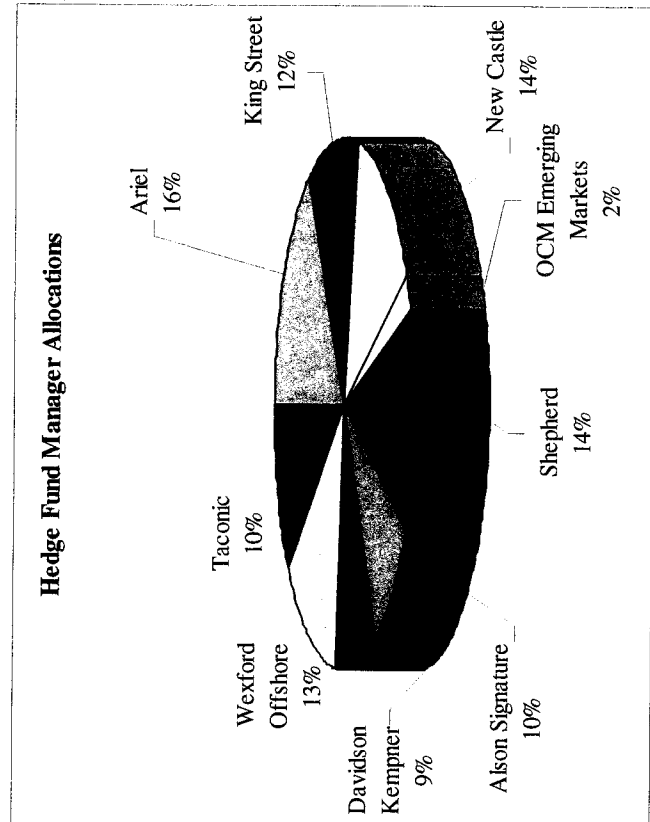
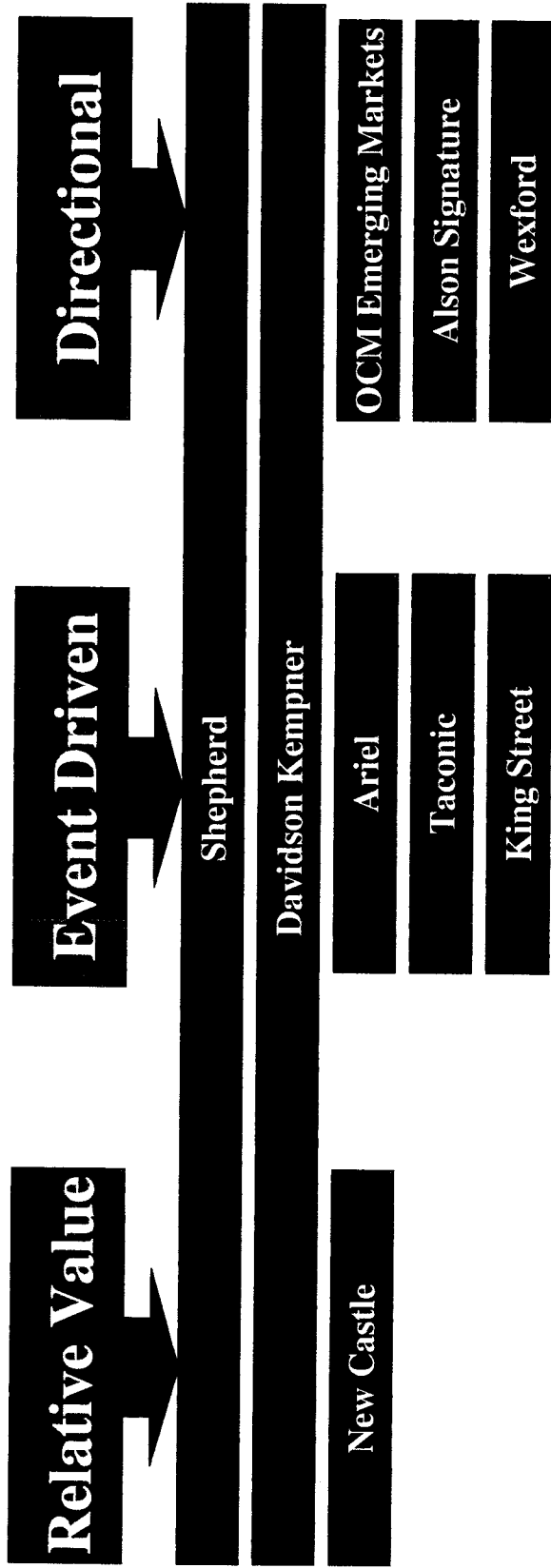
Domestic Equity Prior Changes

- Oakbrook was terminated August 2007.
- Hotchkis & Wiley was reduced \$2.0 million in February 2005, and \$10.0 million in December 2006.
- Martingale was reduced \$2.0 million in April 2004, \$2.0 million in February 2005, and \$8.4 million in December 2006.

Portfolio Changes October 23, 2007

- Sources of cash:
 - Oakbrook holdings and SSgA Emerging Markets were both liquidated for \$32.0 million and \$6.0 million, respectively;
 - \$10.0 million was taken from GMO Foreign, SSgA S&P 500, and INTECH;
 - The endowment received a \$45 million dollar gift.
- Uses of cash:
 - Jensen, a US large-cap quality manager, will receive \$25.0 million, and Atalanta Sosnoff, a US large-cap growth manager, will receive \$35.0 million;
 - \$10.0 million will be added to fixed income (SSgA), and \$30.0 million will be added to cash for future investments;
 - Hedge fund managers King Street, Taconic, and Davidson Kempner will receive an additional \$5.0 million, \$4.0 million, and \$3.0 million, respectively.

Hedge Fund Overview (as of October 2007)



Final liquidation for OCM Emerging Markets in 2007.

Hedge Fund Manager Performance

	Market Values (\$'s, MM's)	FYTD (Sept- Oct)	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception	Inception Date
		% Return as of October 2007						
<i>Hedge Fund Composite</i>	115.5	3.3	10.6	14.6	13.2	10.8	9.4	May-02
Hedge Fd Resh, Inc. Fund of Fund		4.9	11.0	15.1	11.1	9.8	8.5	
91-Day Treasury Bill +4%		1.3	7.3	9.0	8.3	7.0	6.9	
<i>Ariel Fund Ltd.</i>	18.7	0.7	6.4	11.2	15.1		13.9	Dec-02
<i>King Street Capital</i>	13.7	4.5	13.8	18.9	14.9		14.1	May-03
<i>New Castle Market Neutral</i>	16.1	4.3	11.0	13.0	15.9		10.5	Dec-02
<i>OCM Emerging Markets Fund</i>	2.5	(2.7)	2.9	4.2	5.9		6.4	May-03
<i>Taconic Opportunity Offshore Fund Ltd.</i>	12.1	1.3	8.8	11.2	11.9		11.4	May-03
<i>Shepherd Investments Int'l</i>	15.8	4.4	14.8	21.3			15.6	Feb-06
<i>Alson Signature Fund Offshore</i>	11.0	3.6	10.2				10.2	Dec-06
<i>Davidson Kempner Inst.</i>	10.8	2.8	8.0				8.0	Dec-06
<i>Wexford Offshore Spectrum</i>	14.8	5.9	17.8				17.8	Dec-06

Note: Returns are annualized if greater than one year. Returns are reported net of all fees.

Private Equity/Real Assets Update – Performance (as of October 2007)

Fund	Inception	Commitment	Capital Called	Remaining Commitment	Distributions	Capital Account Balance	Last Capital Account Statement	Capital Account Plus Distributions	Multiple of Invested Capital	Net IRR
OCM Opportunities Fund IV B	2002	5,000,000	6,000,000	-	9,759,460	20,417	9/30/2007	9,779,877	1.6	44.6%
Sterling Group Partners I	2003	6,000,000	4,395,116	-	9,298,139	4,709,459	9/30/2007	14,007,598	3.2	58.8%
OCM Principal Opportunities III	2004	10,000,000	10,000,000	289,960	4,894,344	11,052,488	9/30/2007	15,946,832	1.6	26.0%
Stone Point Capital Trident III	2004	15,000,000	14,830,869	1,418,322	2,895,275	16,994,216	6/30/2007	19,889,491	1.3	21.5%
Sterling Group Partners II	2005	6,000,000	3,752,929	2,478,620	246,769	3,458,524	6/30/2007	3,705,293	1.0	-1.2%
Reservoir Capital Overseas Partners II	2005	15,000,000	13,500,000	1,500,000	-	13,575,439	9/30/2007	13,575,439	1.0	0.7%
OCM Principal Opportunities Europe Fund	2006	5,000,000	5,050,000	700,000	814,439	5,732,740	9/30/2007	6,547,179	1.3	27.1%
Bear Stearns Merchant Banking III	2006	12,000,000	3,849,067	8,150,933	-	3,613,738	6/30/2007	3,613,738	0.9	-10.3%
Main Street Capital II	2006	5,000,000	2,500,000	2,500,000	189,762	2,310,238	NA	2,500,000	1.0	0.0%
Goldman Sachs Vintage Fund IV	2006	10,000,000	2,659,155	7,340,845	102,842	2,792,668	6/30/2007	2,895,510	1.1	22.4%
OCM Principal Opportunities IV	2006	12,000,000	4,800,000	7,200,000	633,824	4,376,906	9/30/2007	5,010,730	1.0	10.5%
Stone Point Capital Trident IV	2007	15,000,000	1,630,985	13,369,015	-	1,630,985	NA	1,630,985	1.0	-5.6%
OCM Opportunities Fund VII	2007	5,000,000	1,500,000	3,500,000	-	1,473,891	9/30/2007	1,473,891	1.0	-14.1%
OCM Opportunities Fund VIII	2007	20,000,000	-	20,000,000	-	-	NA	-	NA	NA
Texas Tech University Private Equity		141,000,000	74,468,121	68,447,695	28,834,854	71,741,709		100,576,563	1.4	29.9%
EnCap Investment Fund IV-B	2002	15,000,000	16,413,443	-	26,407,945	2,759,263	9/30/2007	29,167,208	1.8	51.7%
EnCap Investment Fund V-B	2004	20,000,000	18,464,067	1,535,933	4,667,180	19,550,806	9/30/2007	24,217,986	1.3	21.5%
CDK Realty	2004	15,000,000	10,907,500	5,000,000	921,800	10,698,270	3/31/2007	11,620,070	1.1	3.4%
E2M Partners Value Added Fund	2006	10,000,000	5,164,593	4,835,407	529,507	4,504,472	9/30/2007	5,033,979	1.0	-3.3%
Halcyon Real Estate Partners Parallel Fund	2006	10,000,000	1,224,423	8,775,577	-	778,386	9/30/2007	778,386	0.6	-51.4%
EnCap Investment Fund VI-B	2006	20,000,000	5,446,661	14,553,339	-	5,623,829	9/30/2007	5,623,829	1.0	5.9%
Savanna Real Estate Fund I	2007	10,000,000	-	10,000,000	-	-	NA	-	NA	NA
EnCap Investment Fund VII-B	2007	15,000,000	610,500	14,389,500	-	610,500	NA	610,500	1.0	0.0%
Texas Tech University Real Assets		115,000,000	58,231,187	59,089,756	32,526,432	44,525,526		77,051,958	1.3	26.9%
Total		256,000,000	132,699,308	127,537,451	61,361,286	116,267,235		177,628,521	1.3	28.6%

Valuations reflect capital account balance from the last capital account statement adjusted for interim capital calls and distributions.

*OCM Opportunities Fund Irb, Opps III, Opps Europe Fund

*Sterling Group I

*E2M, Bear Stearns MB III, Halcyon RE and EnCap VI-B

*Stone Point Trident IV

Valuation of non-public securities is performed by the General Partner (GP) given current market and company conditions. Thus the Capital Account Balance reflects GP valuation. There can be no guarantee that such valuations accurately reflect the market value of such securities.

Capital Account Balance (and thus IRR) is net of potential incentive allocation (estimated GP carry). Remaining commitment is zero because the fund has decided to end the commitment period. Future capital calls for Sterling I will be limited to payment of fund fees and expenses and follow-on investments in existing portfolio companies. IRR at such an early stage of the partnership's life is not particularly meaningful. Negative IRR is due to interest paid in a closing other than the fund's first.

Private Equity/Real Assets Update – Performance (as of October 2007)

Fund	Inception	Multiple of Money Invested	IRR	Too Early	Below Goal	Meeting Goal	Exceeding Goal
<u>Private Equity</u>							
OCM Opportunities Fund IVb	2002	1.6	45%				✓
Sterling Group Partners I	2003	3.2	59%				✓
Stone Point Trident III	2004	1.3	22%	✓		✓	
OCM Principal Opportunities III	2004	1.6	26%	✓		✓	
Sterling Group Partners II	2005	1.0	-1%	✓			
Reservoir Capital Overseas Partners II	2005	1.0	1%	✓			
OCM Principal Opportunities Europe Fund	2006	1.3	27%	✓		✓	
Bear Stearns Merchant Banking III	2006	0.9	-10%	✓			
Goldman Sachs Vintage IV	2006	1.1	22%	✓		✓	
Main Street Capital II	2006	1.0	0%	✓			
OCM Principal Opportunities IV	2006	1.0	11%	✓			
Stone Point Trident IV	2007	1.0	-6%	✓			
OCM Opportunities VII	2007	1.0	-14%	✓			
OCM Opportunities VIIB	2007	NA	NA	✓			
<u>Real Assets</u>							
CDK Realty	2004	1.1	4%		✓		
Haleyon Ventures Real Estate Opps Fund	2006	0.6	-51%	✓			
E2M Partners	2006	1.0	-3%	✓			
Savanna Real Estate Fund I	2007	NA	NA	✓			
EnCap Energy Capital Fund IV-B	2002	1.8	52%				✓
EnCap Energy Capital Fund V-B	2004	1.3	22%	✓		✓	
EnCap Energy Capital Fund VI-B	2006	1.0	6%	✓			
EnCap Energy Capital Fund VII	2007	NA	NA	✓			

Asset Allocation

Texas Tech LTIF Portfolio Objectives

Investment Objectives - Long Term Investment Fund (LTIF):

Return Objectives ¹ (%)	
Spending Rate	4.5
Inflation (CPI)	2.5
Investment Management Fee	0.5
Real Growth	0.5
Net Compound Return Needed	8.0

Distribution²:

4.5% spending policy and 0.5% investment management fee based on previous 12 quarters' rolling average, distributed quarterly.

¹ Source: *Texas Tech University Performance Evaluation Report For Periods Ending May 31, 2001.*

² Source: *Investment Policy Statement for Long Term Investment Fund and Certain Long-Term Institutional Funds.*

Asset Allocation

		With October 23rd Changes		Policy	Current Ranges
Current					
Growth Assets					
US Large Stocks	16%	20%	17%		
US Mid Stocks	4%	4%	4%		
US Small Stocks	3%	3%	2%		
	23%	27%	23%		15-30%
<i>US Stocks</i>					
Intl Large Stocks	15%	14%	17%		
Intl Small Stocks	3%	3%	2%		
Intl Emerging Market Stocks	5%	5%	4%		
	23%	22%	23%		10-30%
<i>Intl Stocks</i>					
CMO Global Allocation	4%	3%			
Private Equity / Special Situations	11%	10%	15%		15-30%
Total Growth Assets	61%	62%	61%		40-90%
Risk Reduction Assets					
Cash	8%	7%			
US / Global Fixed Income	6%	6%	4%		5-15%
Hedge Funds	18%	18%	20%		15-30%
Total Risk Reduction Assets	32%	31%	24%		20-45%
Inflation Protection Assets					
Real Assets	7%	7%	15%		
Total Inflation Protection Assets	7%	7%	15%		5-15%
Total	100%	100%	100%		
Nominal Return					
L/T Compound Expected Return	8.7%	8.6%	9.2%		
10 Yr. Horizon Expected Return	7.3%	7.3%	8.0%		
Risk (10-Yr Horizon Expectations)					
Standard Deviation (1 Yr.)	±11.6%	±11.8%	±12.4%		
Standard Deviation (10 Yr.)	±3.7%	±3.7%	±3.9%		
Probability of Loss Year	24.6%	25.1%	24.2%		
Probability of 10% or Worse Loss	6.1%	6.5%	6.6%		
Lowest Likely Return (1 Yr.)	-19.0%	-19.6%	-20.2%		
Lowest Likely Return (10 Yr.)	-3.3%	-3.5%	-3.2%		
Sharpe Ratio	0.28	0.27	0.31		

* Numbers may
not add due to
rounding

October 23, 2007 Portfolio Changes

Sources of Cash:

Gift	\$45 M
Oakbrook Holdings	\$32 M
GMO Foreign	\$10 M
SSgA S&P 500	\$10 M
INTECH	\$10 M
SSgA Emerging Mkts	\$6 M

Uses of Cash:

Jensen	\$25 M
Atalanta Sosnoff	\$35 M
SSgA Fixed Income	\$10 M
Cash (for future investments)	\$30 M
Davidson Kempner	\$3 M
Taconic	\$4 M
King Street	\$5 M

*Items in red have already occurred and are reflected in the current allocation

Dennis Hammond Chief Executive Officer	Russ LaMore, CFA President	Anthony Brown, CFA Chief Investment Officer	
Higher Education Dick Anderson, Ph.D. Practice Director	Foundations Keith Mote, CFA Practice Director	Healthcare Jonathan Evans, CFA Practice Director	Corporate Retirement Plans Rich Marra Practice Director
		Public Retirement Plans Jerry Woodham Practice Director	Private Wealth Michael Pompian, CFA Practice Director

January 22, 2008
April 22, 2008
July 22, 2008
October 21, 2008

RESEARCH REPORT

Higher Education

Fall 2007

In this report . . .

- ✓ The Global Credit Crunch
- ✓ The Risk of a Recession is Rising
- ✓ Domestic Equities: Reliant on International Growth?
- ✓ Small-Caps Likely to Underperform in the Coming Years

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Unless otherwise noted, asset class performance throughout this report is represented by the following indices: *US Large Stocks* – S&P 500, *US Large Value Stocks* – Russell 1000 Value, *US Large Growth Stocks* – Russell 1000 Growth, *US Mid Stocks* – Russell Mid-Cap, *US Small Stocks* – Russell 2000, *US Small Growth Stocks* – Russell 2000 Growth, *US Small Value Stocks* – Russell 2000 Value, *Intl Large Stocks* – MSCI EAFE, *Intl Small Stocks* – S&P/Citigroup EMI EPAC, *Intl Emerg Stocks* – Morgan Stanley Emerging Markets Free, *US Fixed Income* – Lehman Aggregate Bond, *US High Yield Fixed* – S&P/Citigroup High Yield Bond, *Inflation-Protected Bonds* – Lehman TIPS, *Cash* – Citigroup 3-Month T-Bill, *REITS* – Dow Jones Wilshire REIT, *Funds of Hedge Funds* – HFR Fund of Funds, *Commodities* – Dow Jones AIG Commodity, *Natural Resource Stocks* – Goldman Sachs Natural Resources Index

Overview

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Executive Summary

- Equity markets shook off turmoil in credit markets with the S&P 500 gaining 2.0% during the quarter. The MSCI EAFE index benefited from a weak dollar. The index declined 2.5% in local currency terms, but rose 2.2% in US\$ terms. Emerging markets continued to soar, rising 14.4%.
- The risk tolerance of investors continues to shift. Credit spreads widened substantially during the summer, with the option-adjusted-spread on high yield bonds moving from a low of 2.33% on June 1st to 4.04% at the end of the third quarter. Sub-prime mortgage debt continued to plummet in value and demand for leveraged loans slowed substantially.
- Treasuries benefited from a flight to quality with the yield on the 10-year Treasury falling from 5.03% to 4.59%. Treasuries were among the best performing asset class, earning 3.8% for the quarter. Uncertainty concerning the exposure of banks to losses in the credit markets caused money market rates to behave very erratically during the quarter.
- The dollar continues to tumble in value. The trade-weighted dollar declined 5.4% during the third quarter and has fallen by 8.6% so far in 2007. A weak dollar should help improve the current account deficit by improving the competitiveness of US exports. While the dollar is undervalued on a purchasing power parity basis, it is likely to fall further in value in order to improve the trade deficit.
- Surging commodity prices, rising wage growth, a weak dollar, and excess global liquidity are placing upward pressure on inflation. With inflation risk skewed to the upside, we continue to recommend meaningful investments in real assets.
- A slowing US economy is likely to place downward pressure on the profits for domestic companies. Falling productivity growth coupled with rising wage growth is likely to hurt profit margins. US companies are benefiting from strong export growth, and overseas profits have risen 20% over the last year. Nonetheless, slowing profit growth seems likely and will act as a drag on domestic equities.
- Large-caps have outperformed small-caps by 6 percentage points this year (9.1% vs. 3.2%) and should continue to outperform in coming years. Small-caps are trading at a premium relative to large-cap stocks. Moreover, large-cap companies are better positioned to benefit from global decoupling as they generate a larger percentage of their profits from overseas.
- Emerging markets are now trading at a premium to developed market stocks. They have benefited from rapid economic growth and higher commodity prices. However, history suggests caution, as emerging market firms have failed to grow their earnings at higher levels than developed market stocks.
- Tighter credit markets are likely to slow the pace of mega-buyouts. Distressed debt and venture capital appear more attractive at the present time.

par value. As a result, they will likely end up taking substantial losses on the loans that they made.

Additionally, the value of sub-prime mortgage debt also tumbled further, causing further market turmoil. As market participants were unsure of the extent of losses related to sub-prime mortgages and bridge loans, they became less willing to lend capital. As an example, the asset backed commercial paper market grinded to halt as issuers, many of which are special purpose investment vehicles (SIVs) set-up by banks, became unable to roll their commercial paper. SIVs often invest in long-dated asset-backed securities (such as CDOs and CLOs) funded in part with short-term commercial paper. The outstanding amount of asset-backed commercial paper fell by \$250 billion from late-July to mid-August. Trading volumes slowed and bid/ask spreads widened in other markets such as in credit default swaps. While spreads on higher-rated bonds also increased during the quarter, bond investors who avoided exotic debt securities were able to weather the storm with relatively little damage.

Equity Market's Reaction

	7/1 to Peak	Peak to Trough	Trough to 9/28	Third Quarter
S&P 500	3.4	-9.3	8.8	2.0
Russell 2000	2.7	-12.1	7.4	-3.1
MSCI Europe	3.6	-13.9	14.0	1.7
MSCI Japan	3.6	-6.0	3.5	-0.9
MSCI Emerging Markets	9.9	-17.6	26.3	14.4

In previous editions of this report, we argued that a change in credit conditions would likely have a negative impact on equity prices. This proved to be the case, at least for a little while. Equity markets sold off in reaction to problems in the credit markets. Between its peak on July 19 and August 15, the S&P 500 declined 9.3%, while small-caps fell 12.1% from their peak on July 16 through their low on August 15. Emerging markets, which have been a high beta play on global markets, tumbled the most falling 17.6% between July 23 and August 16. Japan held up well in dollar terms, losing just 6.0%. The yen surged 7.0% during the downturn as carry traders pulled back on the risk. Europe dropped 13.9% from its peak on July 16 through its trough on August 16, due in part to the exposure of its banks to sub-prime related debt. All these losses, however, proved fleeting, as the Federal Reserve and other central banks stepped in.

Market Commentary

October 2007

The turmoil in the credit markets during the quarter awakened many investors to risk in other areas of the market. Capital markets have benefited from very favorable conditions over the last few years—ample liquidity, low interest rates, cheap credit, muted volatility, record high profit margins, and strong global economic growth. This appeared to cause complacency and encouraged excessive risk taking, particularly in credit markets as evidenced by razor-thin credit spreads. However, a shift in risk tolerance among investors began in June and continued into the third quarter. Worsening problems in the sub-prime mortgage market seemed a catalyst. As sub-prime mortgages losses continued to mount, investors seemed to recognize risks in other areas of the market. Many observers have called the recent problems a sub-prime contagion. More likely, sub-prime was the first symptom of the fallout from a period of excessive risk taking.

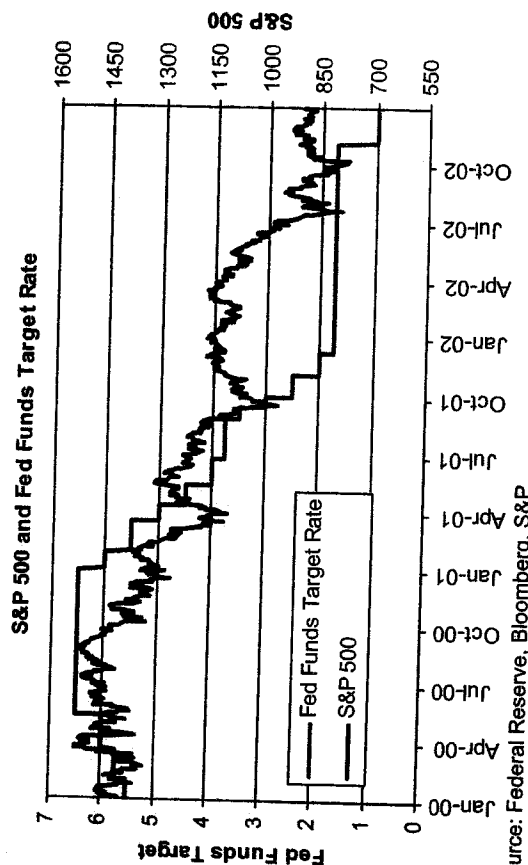
Credit Market Upheaval

In fixed income markets, credit spreads continued to rise during the quarter. For example, the option-adjusted-spread on the Lehman High Yield Index jumped by 113 basis points during the quarter. Additionally, a drop in demand for securitized debt instruments such as collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), and asset-backed commercial paper roiled credit markets. The securitization of debt has played a critical role in capital markets in recent years by helping spread credit risk among a greater number of counterparties. However, securitization does not reduce aggregate credit risk. Furthermore, recent problems have shown that it can in fact increase credit risk because originators do not intend to hold loans to maturity, and therefore, have less incentive to ensure borrowers are likely to repay.

The leveraged loan and CLO markets have played a critical role in financing the buyout boom. Investment banks would act as a principal and provide debt financing for buyout deals. Banks would turn around and sell that debt to managers that operated CLO funds. However, when risk tolerance levels shifted, investments banks were suddenly unable to offload these loans at

Global central banks responded to the market turmoil by adding liquidity to markets. In a surprise move, the Fed cut the discount rate (the rate banks are charged for overnight loans by the Federal Reserve) by 50 basis points on August 17. This was a largely symbolic action because the discount window was so rarely used, but it had the desired calming effect. S&P 500 futures were pointing to an ugly open on August 17, but the pre-market announcement sent futures into positive territory and the S&P closed the day 2.5% higher. On September 18, the Fed proceeded to cut the target Fed Funds rate (the rate banks charge each other for overnight loans) by 50 basis points, which was higher than the market's expectation of 25 basis points. The S&P soared 3% in response to this cut, and went on to reach new record highs in October. Investors seemed to bet that easier monetary conditions would more than offset the damage done to the economy and markets by the credit crunch.

There are some interesting parallels to 1998. The S&P 500 plunged 15% from July through October 1998 as the Asian currency crisis and Russian debt default unfolded. Similar to recent events, credit spreads spiked and the markets experienced a liquidity crunch. The Fed cut the Fed Funds target rate by 25 basis points in September and again in October of that year, which helped spark a rebound and arguably contributed to the subsequent inflation of the tech bubble. Some observers have speculated that emerging market equities might be the parallel to tech in this cycle. The 26% rebound in emerging markets from their August trough lends some weight to this argument.



Source: Federal Reserve, Bloomberg, S&P

However, Fed rate cuts can't always prop-up an overvalued equity market, as was shown 2001. Equity markets sold off significantly in the latter part of 2000, as it became clearer that the economy was at risk of entering a recession. The Fed made a surprise inter-meeting rate cut on January 3, 2001. The S&P 500 surged 5.5% that day. The market traded downward over the next couple of months, but then rallied 19% over a seven week period in April and May as the Fed continued to aggressively cut rates. Alas, the market could not hold on to these gains either. The S&P 500 went on to lose 12% in 2001 and 22% in 2002 even as the Fed slashed the overnight lending rate to 1%. Granted, equity markets are nowhere near as expensive as they were in 2000/01.

Outlook

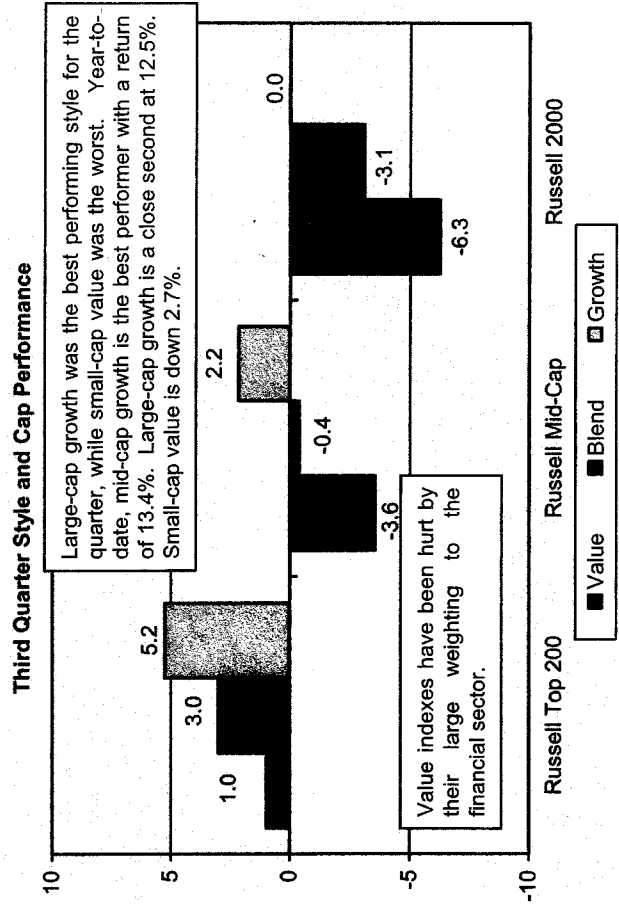
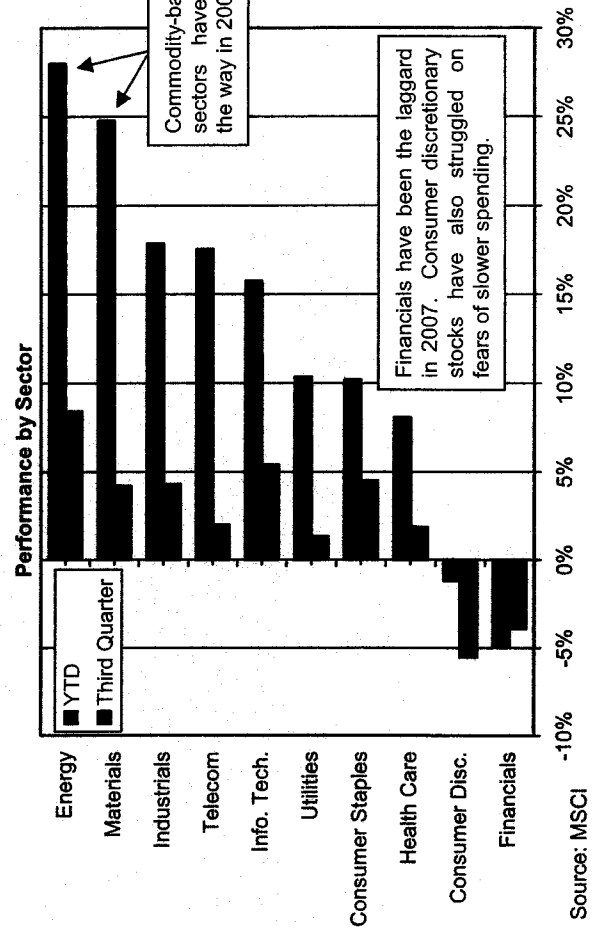
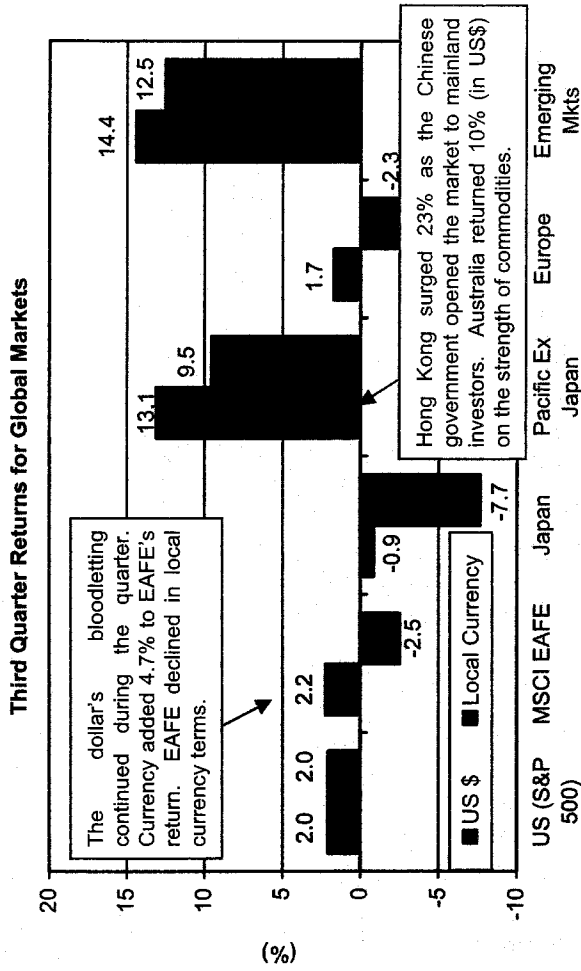
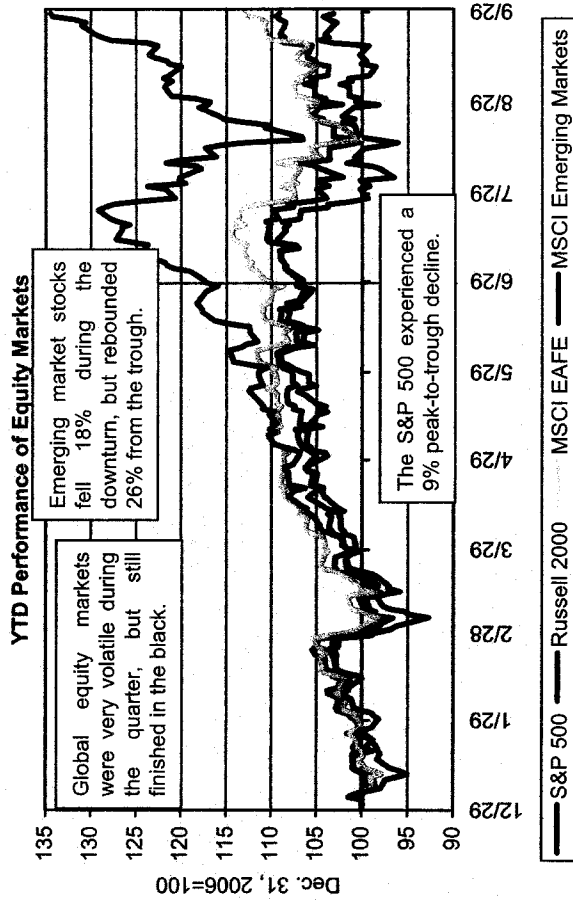
The impact of higher spreads will be felt over the coming months, as less credit-worthy borrowers will be forced to borrow at higher rates if financing is available at all. With the tighter credit conditions, large LBO activity has dried-up. Prices that made sense two months ago are now too high given current credit conditions, and banks have stopped providing bridge financing. At least for the near-term, equity markets have lost a significant source of capital.

Market conditions have eased after the Fed rate cuts; however, we wouldn't bet that the worst is behind us. The easy financial conditions of the past few years created significant excesses, and the events of the third quarter were not enough to shake those excesses out. We have yet to see the effects that a slowdown in the economy resulting from the housing bust might have on capital markets. We would not be surprised to see a second leg to this credit crunch as corporate defaults rise. If conditions do deteriorate further, the silver lining is that it will create new opportunities to profit. The key is to protect assets in the meantime and be willing to accept risk when it pays well. The bear market earlier this decade created tremendous opportunities in international equities, particularly emerging market equities, and the wave of defaults also provided attractive distressed debt opportunities. While its hard to say at this point exactly what these opportunities will be, distressed debt again seems a likely candidate.

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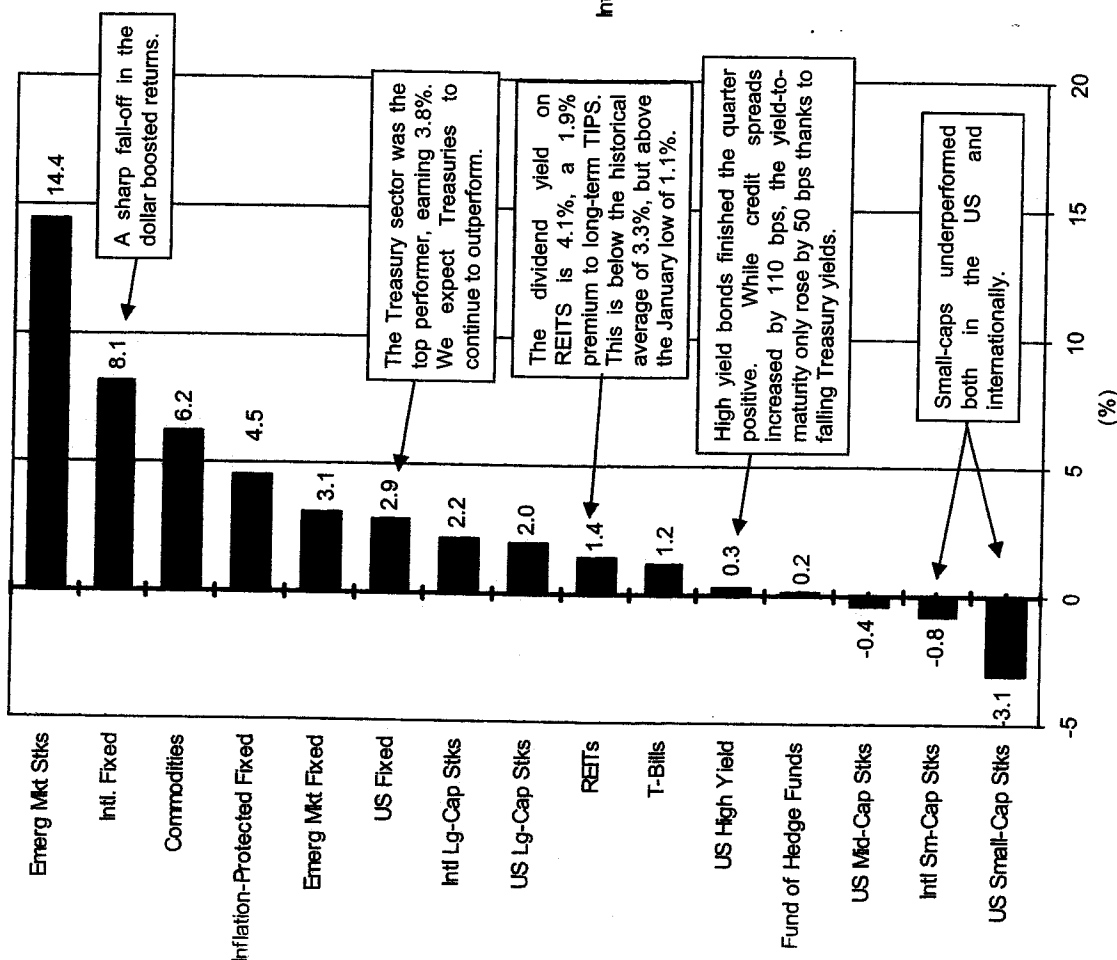
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Global Equity Markets Shrugged-Off the Credit Turmoil

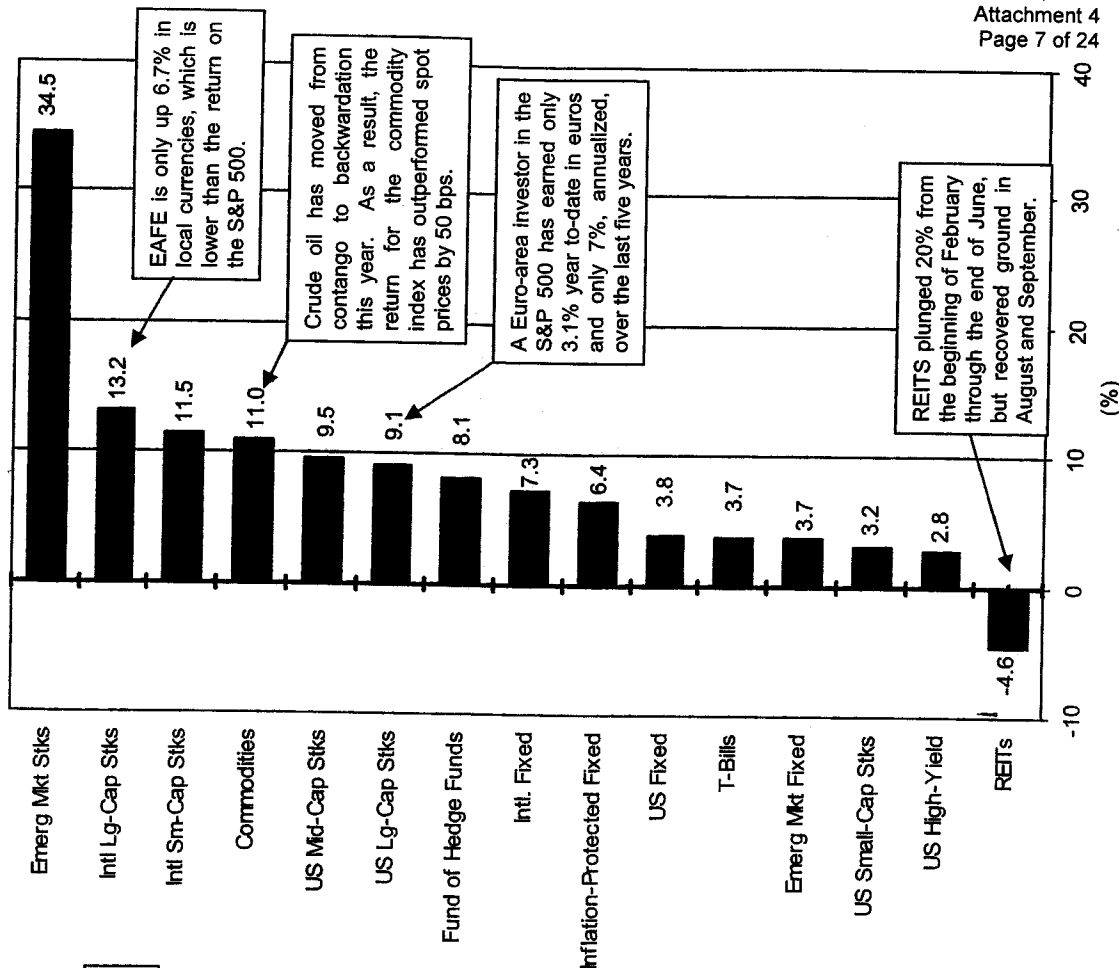


Global Equity Markets Shrugged-Off the Credit Turmoil (cont.)

Third Quarter Performance

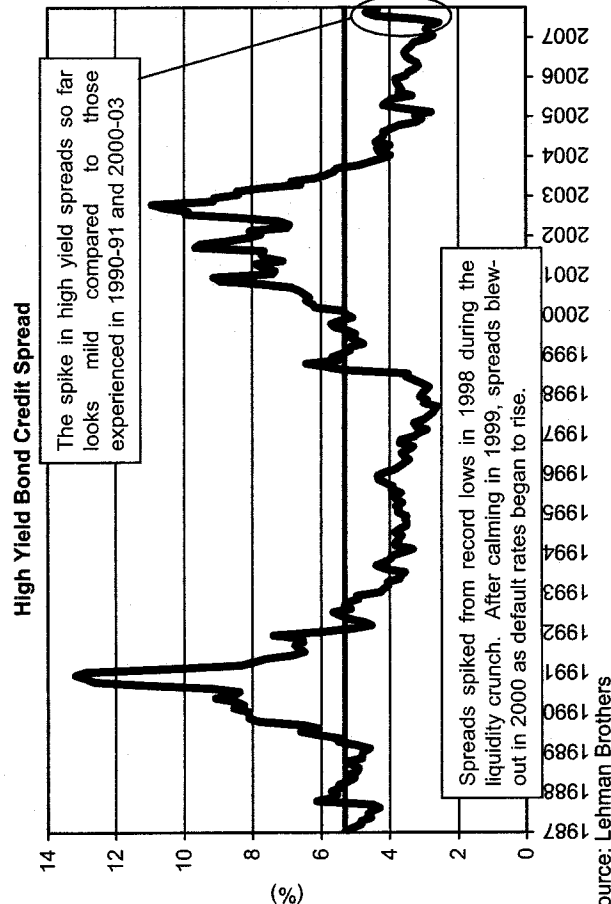
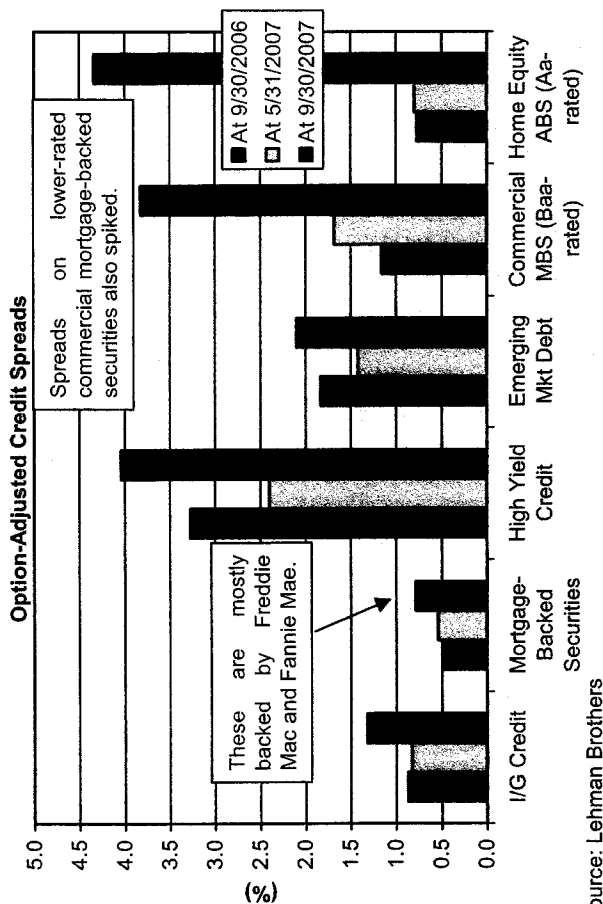


YTD Performance



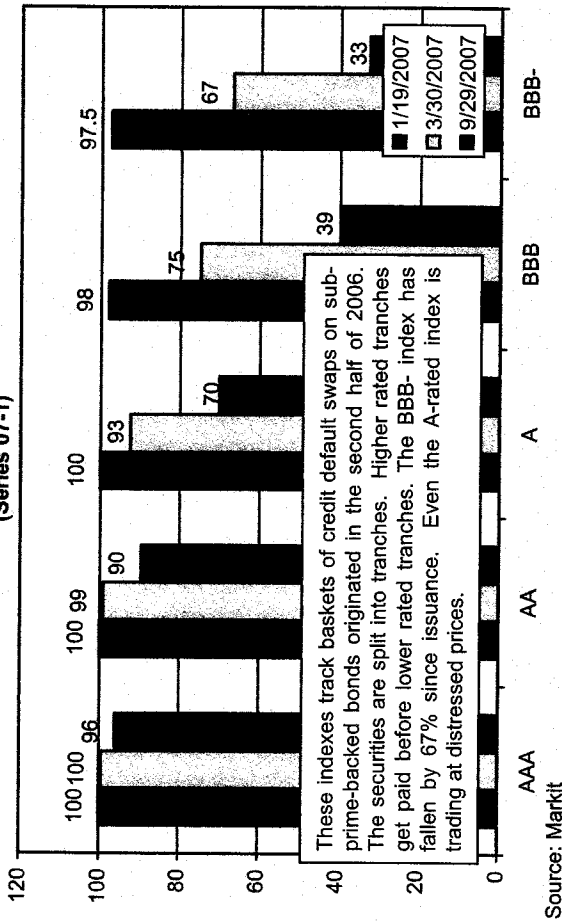
The Global Credit Crunch

- The remarkable period of cheap credit that borrowers have enjoyed came to an abrupt end during the summer. Credit spreads widened substantially as investors' appetite for risky debt declined. The first fault lines were evident in sub-prime mortgage-backed securities where problems first surfaced in late 2006. In June, spreads in other areas of the market widened, as investors realized reckless lending was not limited to sub-prime mortgages.
 - The option-adjusted spread on high yield bonds reached a record low of 2.33% on June 1. Over the following 14 weeks, it jumped to 4.64% and ended the quarter at 4.04%.
 - Loans used to finance leveraged buyouts became non-marketable at par. The banks that provided loans in LBOs (in anticipation of selling the loans to others) found themselves stuck with more than \$300 billion of debt. Banks have been able to sell some of the highest quality issues at about a 4% discount to par.
 - Subprime mortgage-backed securities continued to get pummeled. Based on the pricing of credit default swaps, bonds rated single-A by agencies in the second half of 2006 are worth \$0.60 on the dollar, and those rated BBB- (the lowest tier considered investment-grade) are worth about \$0.33 on the dollar.
 - Global equity markets sold off in reaction to the turmoil in credit markets, with financial companies bearing the brunt of it. The S&P 500 declined by 9% from 7/16 to 8/15 and emerging markets declined by 18% from 7/23 to 8/16.
- In reaction to this turmoil and the possible economic impact it might have, global central banks poured liquidity into markets. The Fed reacted by cutting the discount rate by 50 bps on August 17, which gave markets a psychological boost. The Fed cut the Fed Funds rate and the discount rate by 50 bps on September 18.
- With the exception of sub-prime mortgages and firms heavily involved in the area, the credit crunch was arguably a liquidity issue rather than a solvency issue. The default rate on high yield bonds and leveraged loans is still below 1%. The true test will come over the next 12 to 18 months. With the easy credit conditions of the last few years, many businesses with questionable credit quality were able to load up on debt. With economic growth likely to slow in the coming quarters (with a risk of recession) and the option to re-finance away problems likely off the table, a cyclical upswing in default rates seems inevitable. Even with higher spreads, it does not appear that the market has properly priced this risk. While spreads on high yield bonds are 70% above their June low, they remain stubbornly below their historical average.
- Credit markets have calmed since the height of the turmoil in August, and equity markets have proceeded to set new highs. Nevertheless, it is no time to relax. We suspect that there will be another chapter to this credit crunch as companies begin defaulting, and equity markets might not so easily shake-off the effects in the next one.

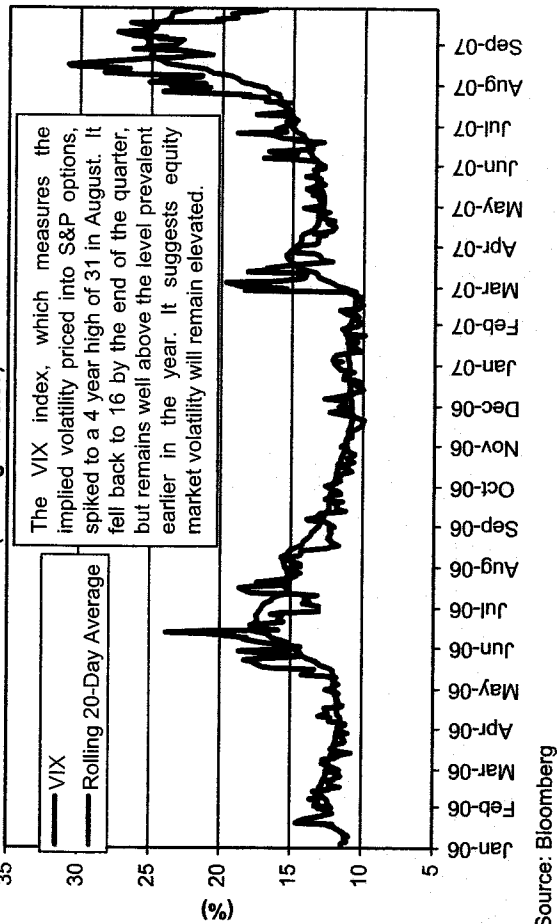


The Global Credit Crunch (cont.)

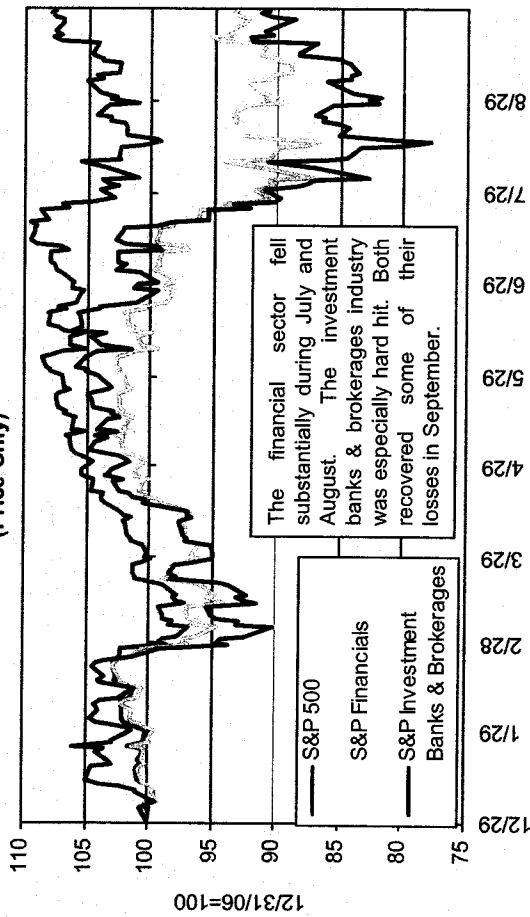
Prices for ABX Indexes
(Series 07-1)



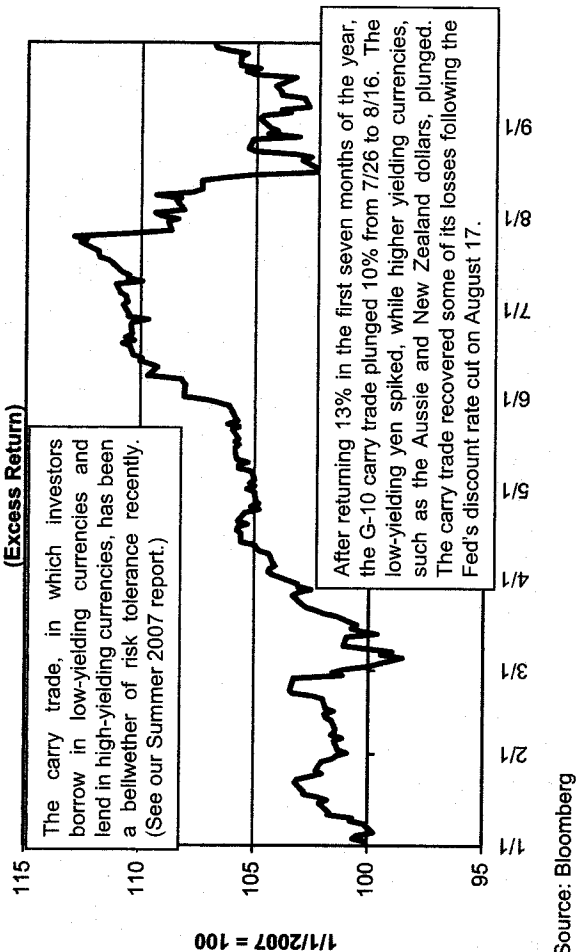
CBOE S&P Volatility Index
(Through 9/30/07)



Year-to-Date Equity Performance
(Price Only)



G-10 Currency Carry Trade Simulation Performance
(Excess Return)



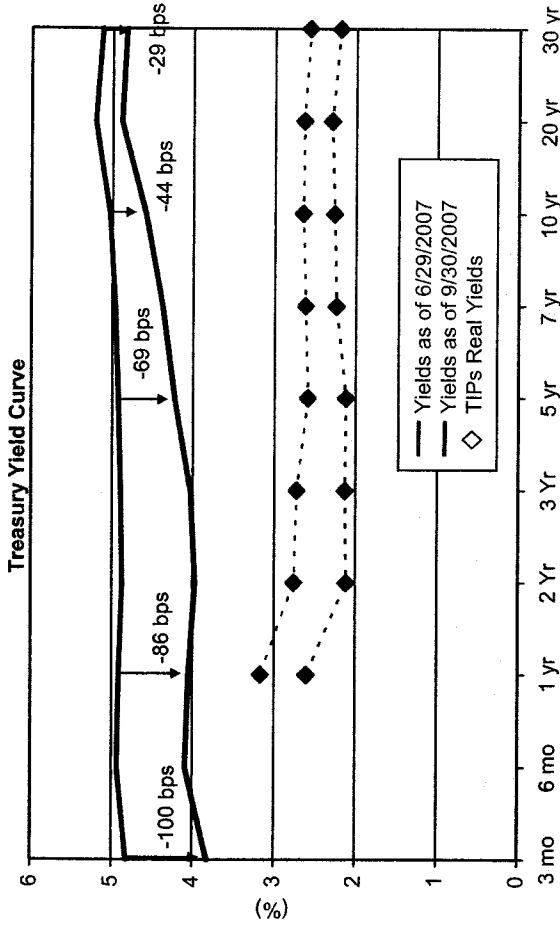
Treasuries Benefited from a Flight to Quality

■ Turmoil in credit markets sparked a flight to Treasuries. Treasury yields declined across maturities during the quarter. The yield on the 10-year Treasury fell from 5.03% to 4.59%. Uncertainty concerning the extent of the losses banks might suffer in the mortgage and leveraged loan markets caused money market instruments to behave erratically.

■ Typically, the 3-month T-bills trade at yields just below the Fed Funds rate (15 bps less, on average). However, the yield on the 3-month T-bill at one point traded 225 bps below the target Fed Funds rate (on an intra-day basis, the spread was even higher at some points).

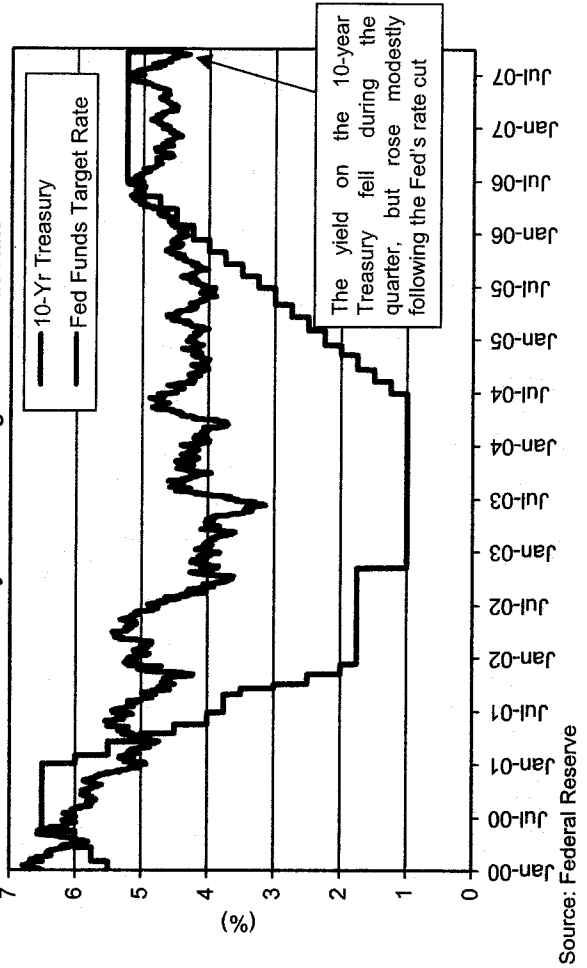
■ The London Inter-bank Offering Rate (LIBOR), which is the rate at which a group of London banks lend to each other, usually yields slightly more than the Fed Funds rate. Three-month LIBOR traded 60 bps above the Fed Funds target at one point, suggesting that this group of banks was nervous about lending to one another. LIBOR is significant because many floating rate loans are priced at a spread to it.

■ The Fed's rate cuts helped calm money markets, but markets are not back to normal. Money market spreads still suggest unease. Fed Funds futures predict that the Fed is likely to pause at the October meeting and cut again by 25 bps at the December meeting.



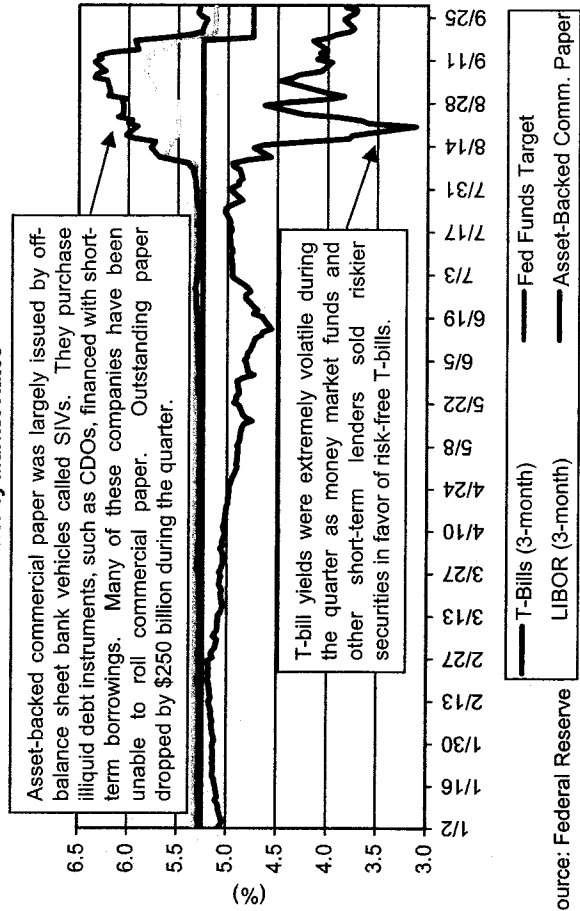
Source: Federal Reserve

10-Year Treasury Yield and Target Fed Funds Rate



Source: Federal Reserve

Money Market Rates

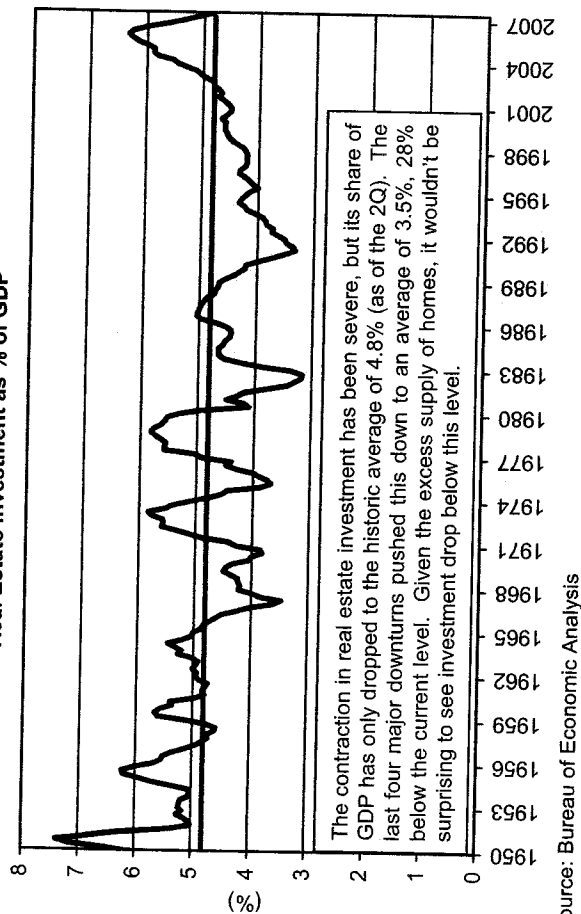


Source: Federal Reserve

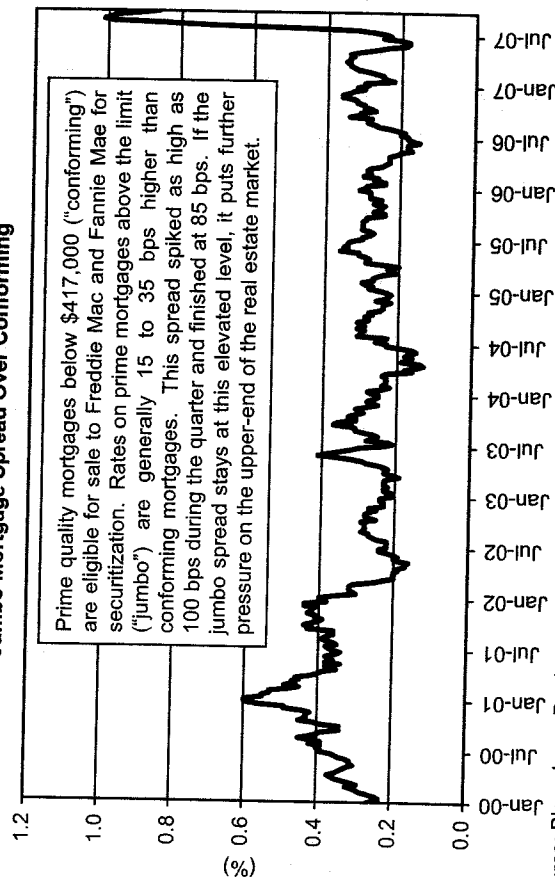
The Housing Market Shows No Signs of Bottoming

- The residential housing situation continues to deteriorate. In August, housing starts were down 19% year-over-year and 42% below their January 2006 high. Despite the slowdown in new construction, homebuilders are sitting on a glut of homes. Builders have an eight month supply of unsold homes, which is twice the average level for the first half of this decade.
- There is a 10-month supply of existing homes up for sale, relative to the average supply of five months from 2000 through 2005. While many of these sellers can wait, there are a rising number of forced sellers because of ARM resets and foreclosures. According to the Case-Shiller Housing Index, home prices are already down 4.5% year-over-year through July. Futures on the index predict prices will decline 6.6% in this calendar year and by 5.8% in 2008 (although trading volume on these futures is very light).
- Real estate slowdowns of this magnitude have usually been associated with recessions. Will the US economy be able to sidestep a recession this time?

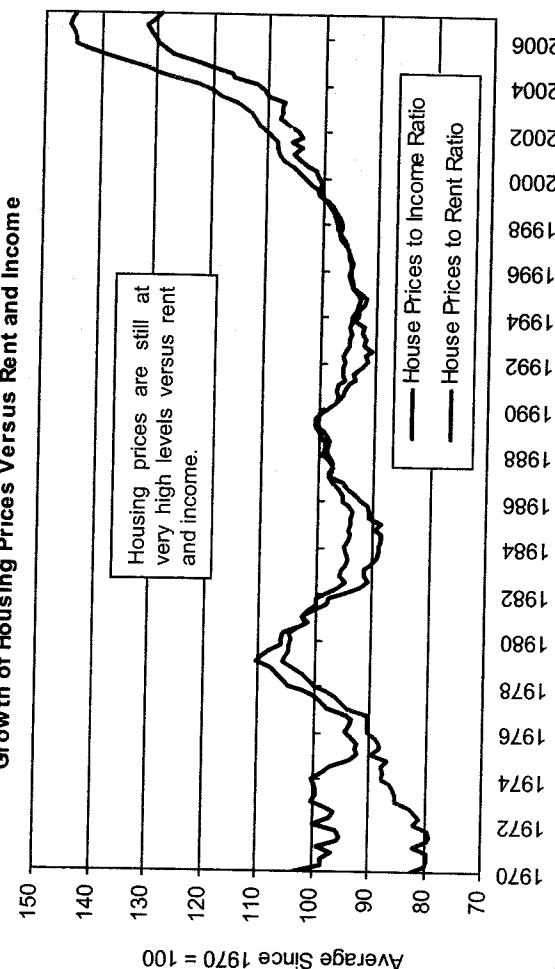
Real Estate Investment as % of GDP



Jumbo Mortgage Spread Over Conforming



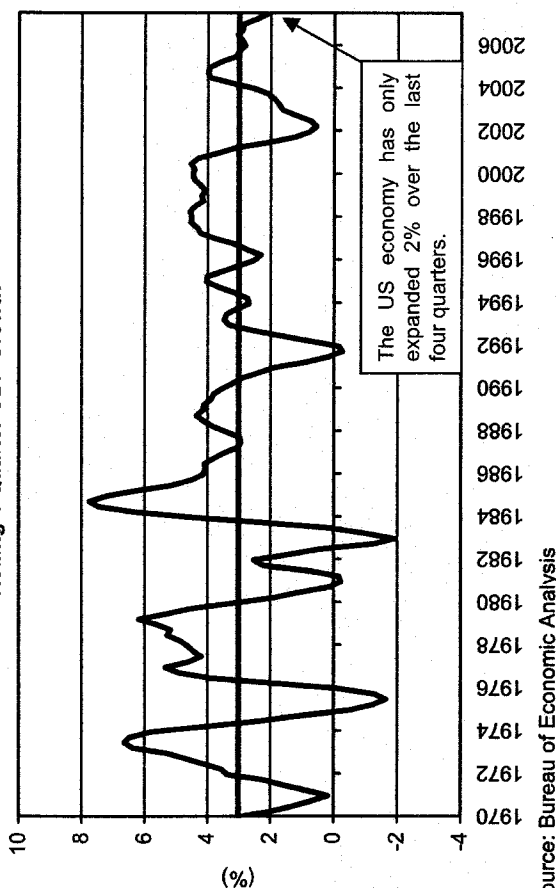
Growth of Housing Prices Versus Rent and Income



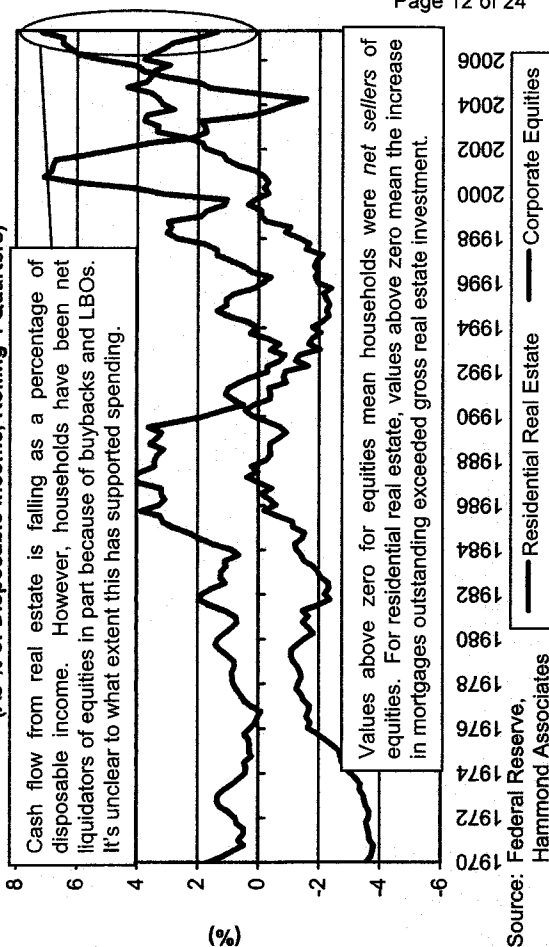
The Risk of a Recession has Risen

- The economy grew at a 3.8% annualized rate during the second quarter compared to a 0.8% growth rate in the first quarter. The details of the second quarter report were weaker than the overall growth rate suggested. Personal consumption expenditures expanded only 1.4%. Third quarter growth was probably around 3% on a rebound in personal consumption and a narrower trade deficit.
- Over the last four quarters, the economy has grown 2%, less than the long-term trend growth of 3%. As a result of the worsening housing market and tighter credit conditions, many economists are now predicting below trend growth through 2007 and into 2008. Economists polled by Bloomberg expect 1.8% growth in the fourth quarter and 2.4% growth in 2008. Economists are also seeing a rising risk of a recession. A poll by the Wall Street Journal showed that the average economist believes there is a 34% chance of a recession over the next 12 months.
- Whether we enter a recession or not will come down to consumer spending, which makes up 70% of the economy. The good news is that employment growth still appears solid. Over the last 12 months, non-farm payrolls rose by 1.2%, more than enough to absorb new entrants. In addition, wage growth is trending upwards, as the Employment Cost Index has risen by 3.5% over the last year, exceeding inflation. Growing wages have helped keep spending robust in the face of the housing market slump. The unfolding effects of the housing bust are the primary concern.
 - Plunging real estate investment has already been a significant drag on the economy over the last year, subtracting 1% from overall growth. Real estate investment is likely to continue its decline through 2008, albeit perhaps at a slower pace. Employment in construction and other real estate-related industries is likely to see significant declines in coming months.
 - A negative wealth effect from falling prices, tightening debt markets, and mortgage resets will act as a headwind to spending. Mortgage equity withdrawals are likely to continue to decline. Furthermore, about \$500 billion in adjustable-rate mortgage loans will be reset to higher rates over the next 12 months, which will add to an already high debt service burden.
- It's hard to say whether a technical definition of recession will be triggered over the next year. Even if a recession is avoided, we're likely to experience an extended period of sub-par spending growth. Long-term, this could be healthy as it should increase the savings rate and help to correct the trade deficit. However, an extended period of slow growth could present challenges for the buoyant equity market.

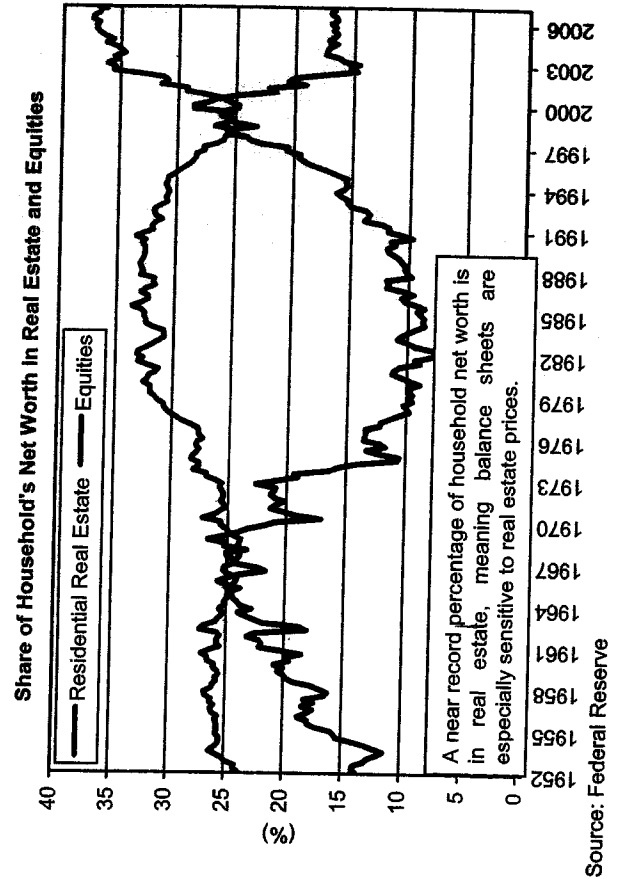
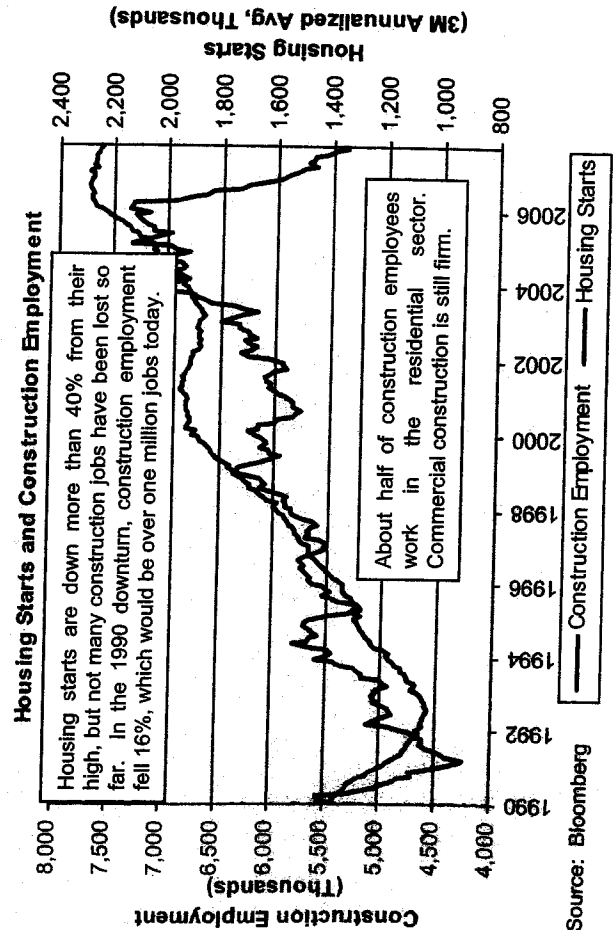
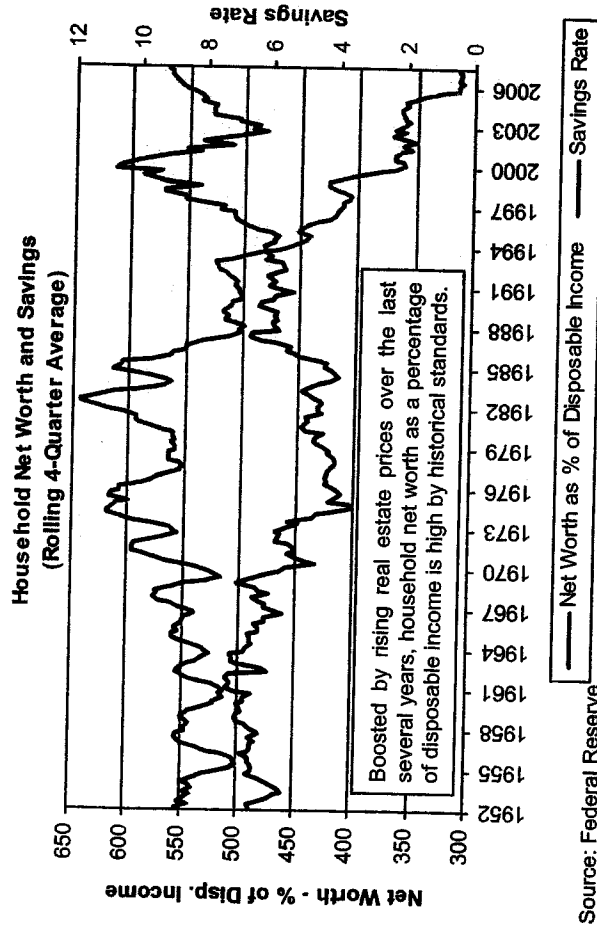
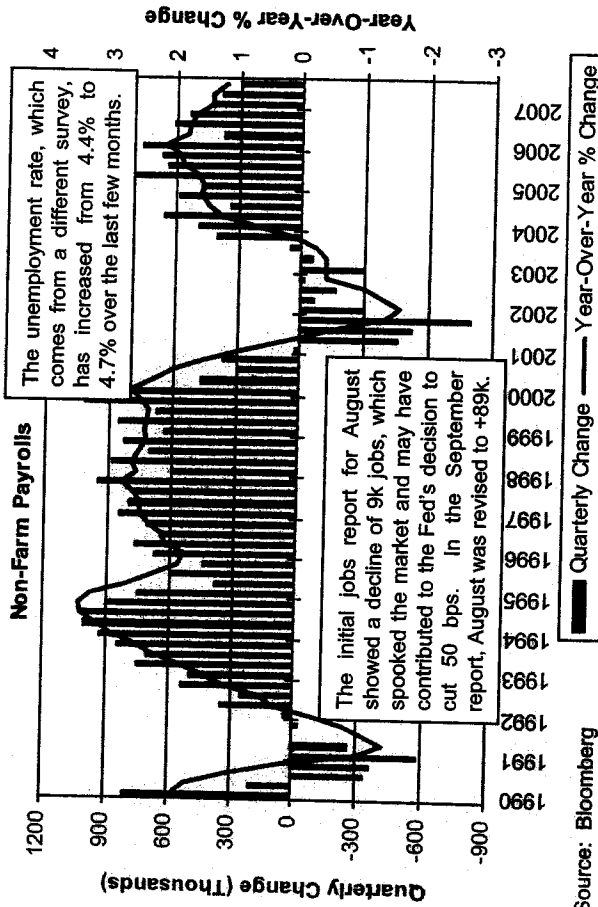
US Economic Growth
Rolling 4-Quarter GDP Growth



Household Flows From Real Estate and Corporate Equities
(As % of Disposable Income, Rolling 4 Quarters)

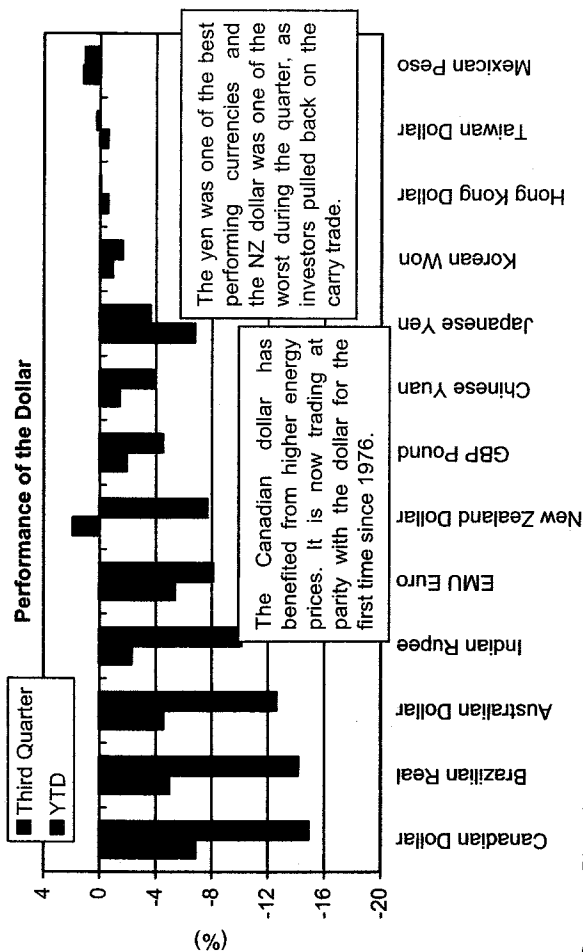


The Risk of a Recession has Risen (cont.)

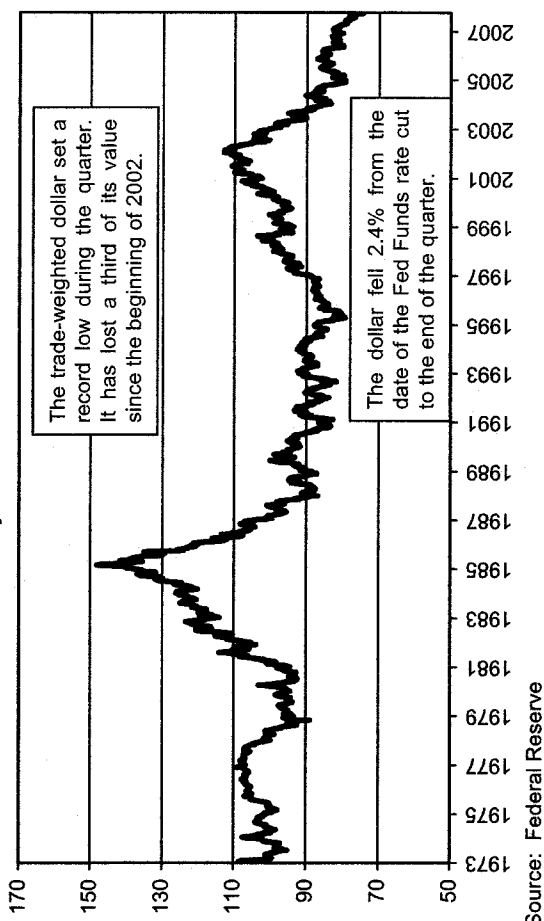


The Dollar Fell to a Record Low

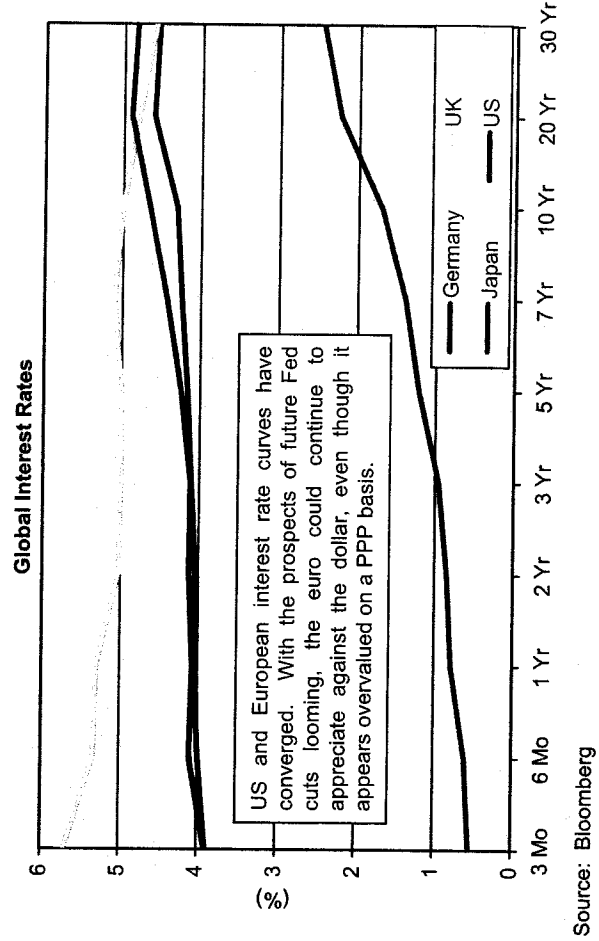
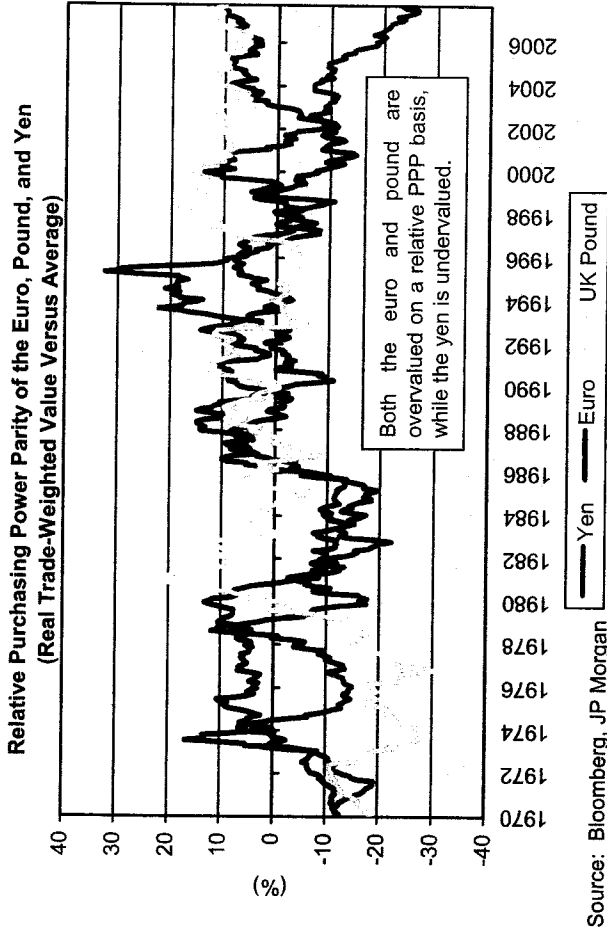
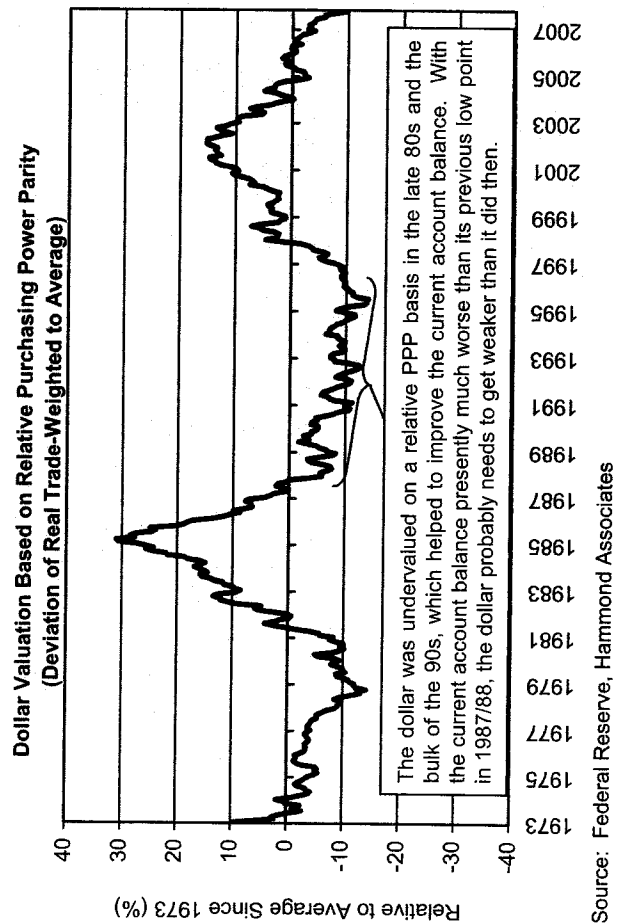
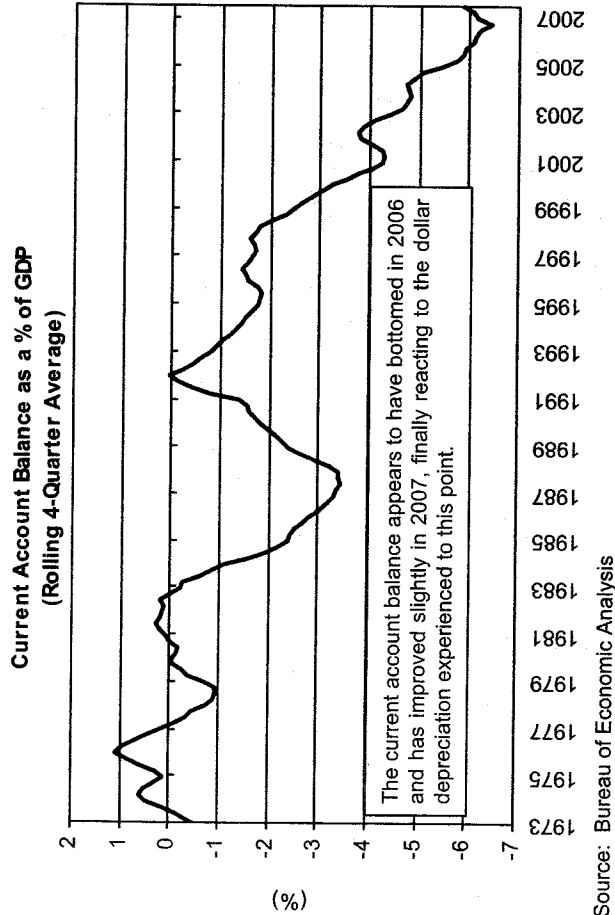
- The dollar continued to drop during the third quarter, with the trade-weighted dollar falling by 5.4%. The dollar traded stronger on a flight to quality during the turmoil (rising 2.4% from 7/26 through 8/16), but proceeded to drop sharply in anticipation of and then in reaction to the Fed Funds rate cut. So far in 2007, the dollar has declined by 8.6% on a trade-weighted basis. A weak dollar is likely to have a mixed impact on the economy.
 - On the positive side, a weak dollar should boost the attractiveness of US exports, which may help to cushion the economy in the event of a slowdown in consumption. Furthermore, it should slow import growth. Coupled with higher exports, this may help to correct our unsustainably large current account deficit. For example, even though oil prices have soared (we are net importers of oil), the size of the current account deficit has declined this year, moving from 6.3% of GDP to 5.8%.
 - The bad news is that a weak dollar reduces the wealth of the US in relation to the rest of the world. Furthermore, a weak dollar means we have to pay more for imports, which puts upward pressure on inflation.
- The dollar still appears vulnerable. While the dollar is undervalued on a purchasing-power-parity (PPP) basis, it is likely to stay that way for an extended period in order to reduce the current account deficit to a more sustainable level. The dollar has benefited from relatively high interest rates and strong economic growth in the US; however, with the Fed easing and economic growth slowing, the buck might face increased downward pressure.
- The wildcards are the actions of China and other countries who peg their currencies to the dollar. These countries have amassed huge foreign currency reserves in order to prevent their currencies from appreciating against the dollar. Most of the reserves consist of US dollar-denominated assets. These countries have accepted low returns on dollar assets to maintain export competitiveness. However, a problem with this approach is that it forces countries to issue debt to fund their reserve growth, resulting in rapid money supply growth, potentially sparking inflation and asset speculation in local markets. With dollar peggers resisting appreciation, freely floating currencies have born much of the appreciation and may continue to do so.
- We continue to believe that investors should diversify into foreign currency-denominated assets. While the euro and pound appear overvalued, they may continue to find support. Additionally, the yen can serve as a good hedge against a rise in risk aversion.



Trade-Weighted Dollar Index
Major Currencies



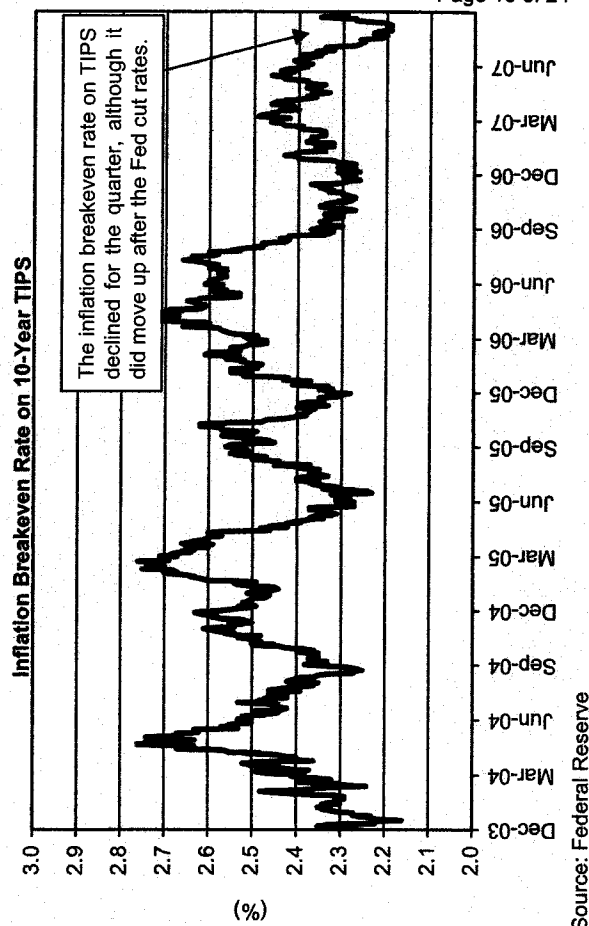
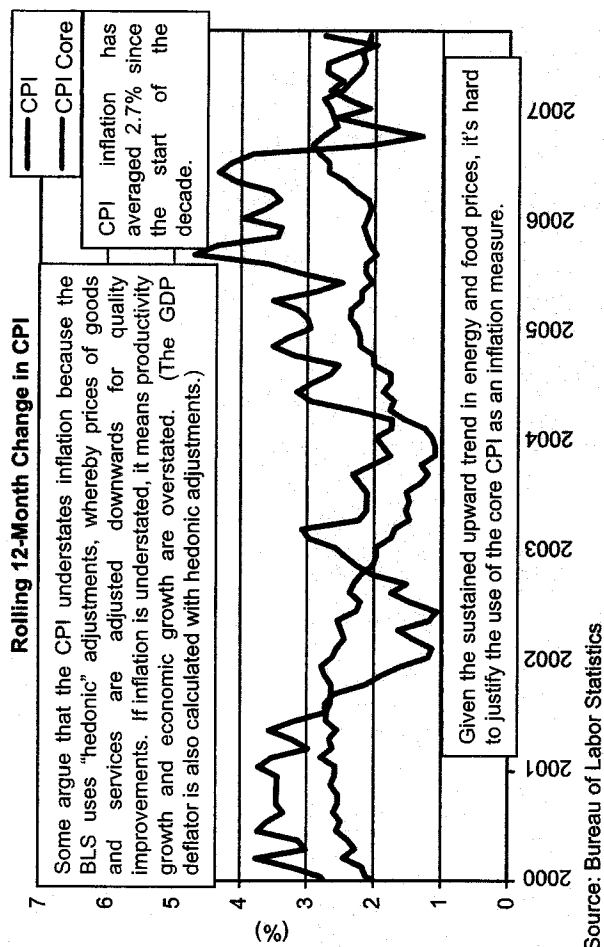
The Dollar Fell to a Record Low (cont.)



Are Inflationary Pressures Building?

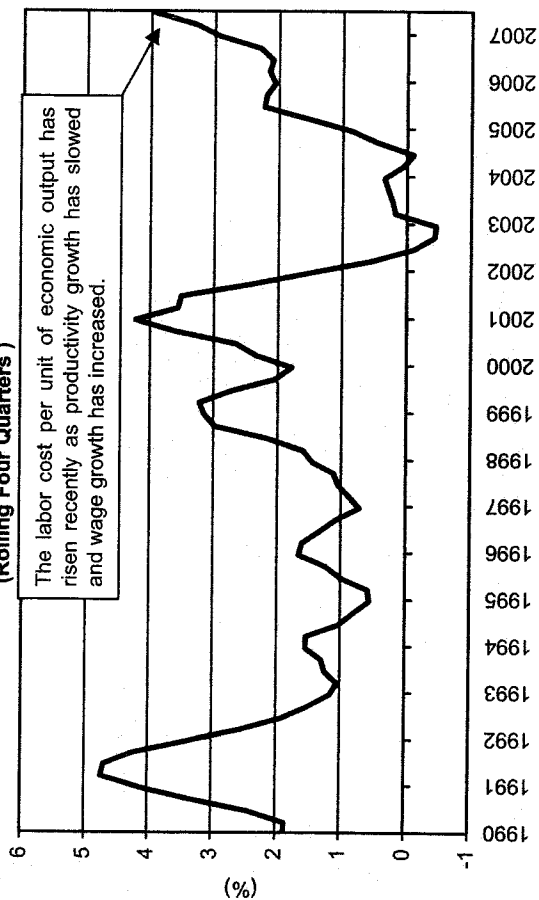
- The Fed's aggressive rate cut at the September meeting reinforced inflation fears among some. Indeed, a number of forces are at work that suggest a rising risk of inflation.
 - *Commodity prices* – Commodity prices continue to rise. Oil topped \$80 a barrel in the third quarter. All major commodity sectors are up strongly over the last few years.
 - *Declining productivity growth* – Productivity growth has slowed significantly over the last year, while wages have increased. As a result, unit labor costs have risen 4% over the last four quarters.
 - *Falling dollar* – The trade-weighted dollar fell another 5% in the third quarter. This has an inflationary impact because import prices will rise. Before the dollar began its decline in 2002, import prices were falling. Import prices excluding petroleum have been rising over the last few years, whereas they were declining before the dollar's depreciation.
 - *Excess global liquidity* – With central banks in emerging markets continuing to accumulate massive currency reserves, which are then lent back to the US, there is still a glut of global liquidity. China is feeling the impact of this excess liquidity with inflation in China running at 6%. Imports from China used to be deflationary with prices falling over 2% a year. This helped keep a lid on domestic inflation. Now, prices for imports from China are rising, albeit at only 1%.

- "Global labor arbitrage" continues to be a deflationary force. While labor costs are rising in emerging markets, they still represent a fraction of US labor costs. These savings are passed along, at least in part, to consumers.
- Looking ahead, the heavy debt load of the US economy is a concern. US households hold record levels of debt and much of that is ultimately lent by foreign investors (especially central banks). Furthermore, demographics and entitlement spending make long-term budget assumptions bleak. As a result, there may be a temptation for the Federal Reserve to print money, thus lowering the real value of outstanding debt. History is rife with examples of governments using the printing press (and debasement of coins in earlier times) to pay debts.
- Inflation risks seem weighted to the upside. Since the liabilities of many institutions are sensitive to inflation, we continue to recommend meaningful investments in real assets to hedge this risk. For bond allocations, TIPS appear preferable to nominal bonds. At a 2.3% inflation break-even rate, TIPS offer cheap insurance.

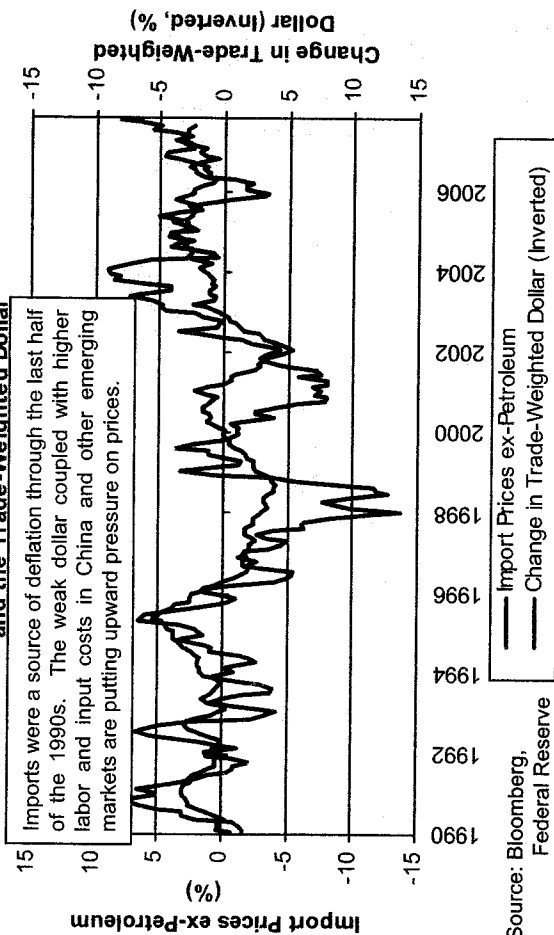


Are Inflationary Pressures Building? (cont.)

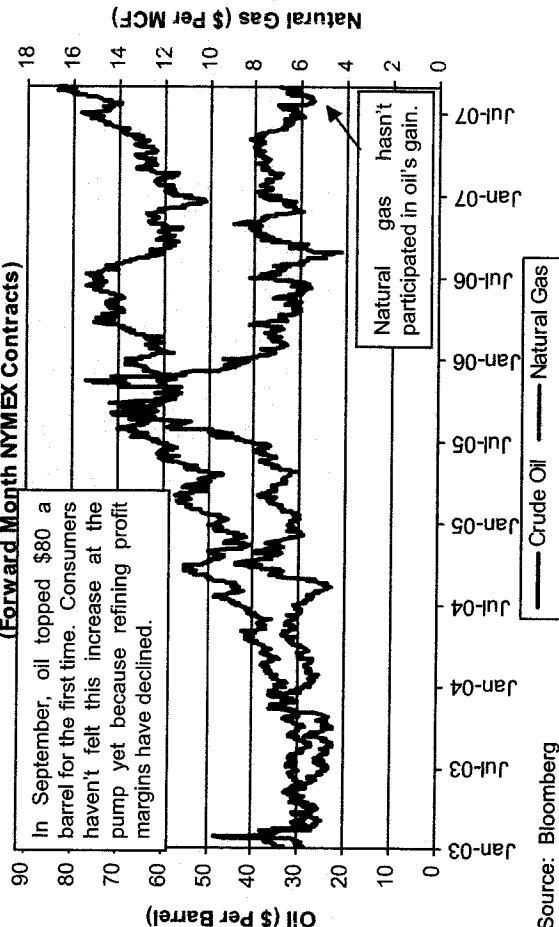
**Non-Farm Business Unit Labor Costs
(Rolling Four Quarters)**



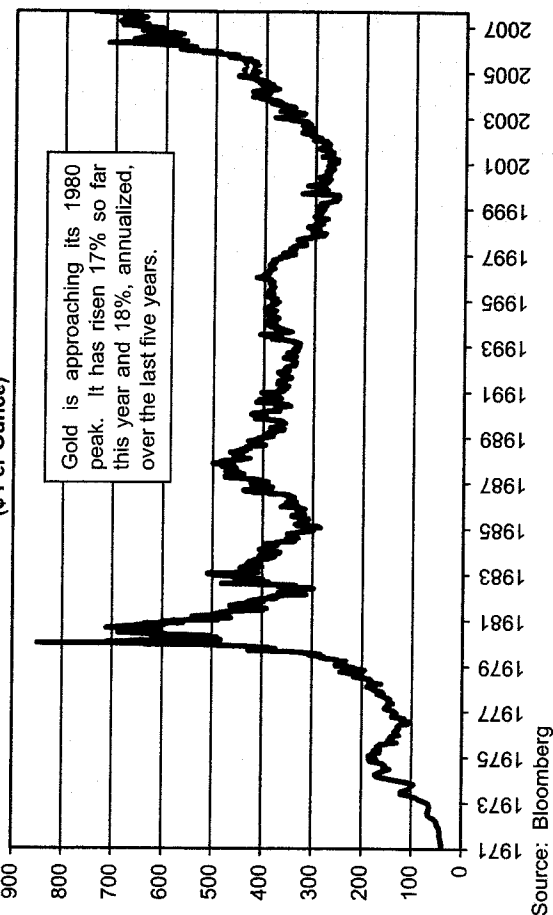
**Rolling 12-Month Change in Import Prices (ex-Petroleum)
and the Trade-Weighted Dollar**



**Oil and Natural Gas Prices
(Forward Month NYMEX Contracts)**



**Gold
(\$ Per Ounce)**



Domestic Equities: Reliant on International Growth?

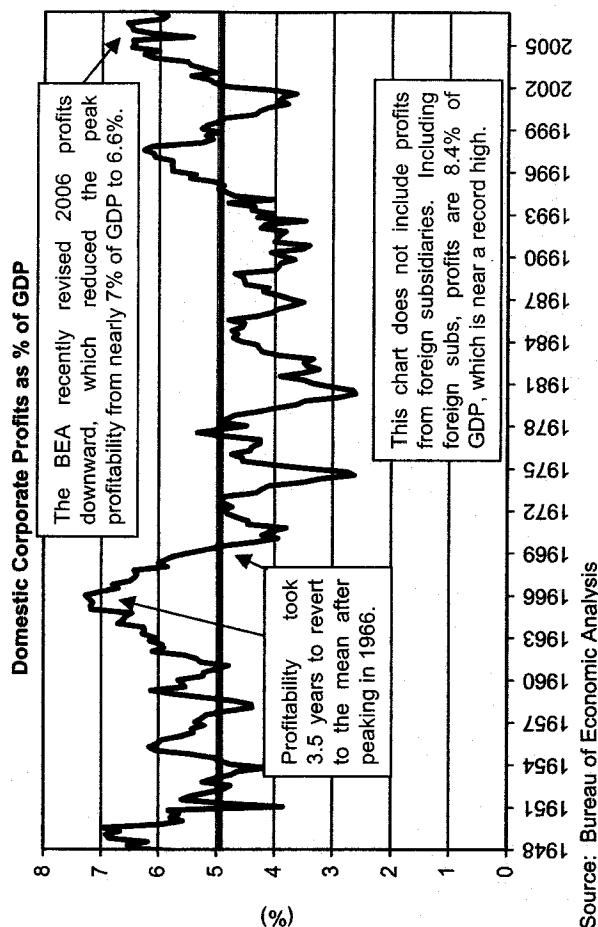
- Despite rising concerns over the health of the domestic economy and slowing earnings growth, the S&P 500 is up 9.1% in 2007. S&P projects that operating profits for the index fell 2% in the third quarter and only rose 1% year-over-year. However, S&P estimates that this will be a short-term event and operating profits will expand 13% in 2008. Stock analysts polled by First Call are similarly optimistic.
- Absent aggressive accounting, projections of such robust profit growth seem aggressive. Even if the US avoids a recession, it is likely that the economy is in store for an extended period of slow growth, which is unfavorable for the profit outlook. Data produced by the Bureau of Economic Analysis shows that profits from domestic operations are already under pressure.

- Productivity growth in the US continues to decline. High productivity growth was a significant contributor to margin expansion from 2002 through 2005. Corporations were very successful in growing output, while cutting costs. More recently, productivity growth has tumbled. Over the last four quarters, productivity has only increased 0.6%, a 12-year low. Rising wages are compounding the problem. Real compensation per hour expanded 1.9% over the last four quarters. Naturally, profit margins tend to decline when wage growth exceeds productivity growth. Corporate profits as a percentage of GDP have slipped from 6.6% in 2006 to 6.1%.

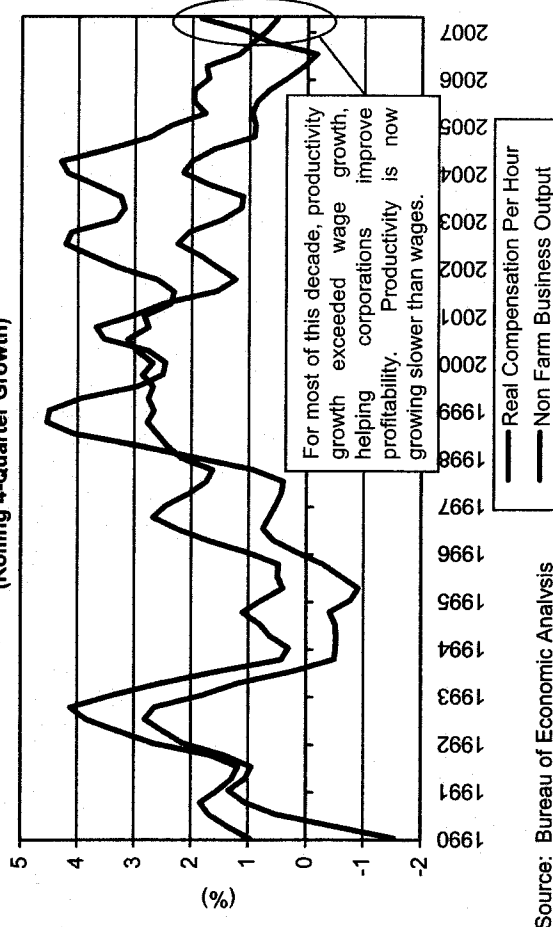
- Profits from financial companies have been a tremendous contributor to total profits over the last decade. The BEA reports that financials contributed 38% of total profits in 2006. Over the last decade, financial profits have expanded at a 13.9% annualized rate versus only 2.5% for non-financials. The recent troubles in credit markets are sure to take a bite out of profits. In addition, they threaten to put pressure on fee income going forward if corporate activity declines.

- The good news is that US companies are capitalizing on international growth. Export growth exceeds 10% a year, and the continued free-fall in the dollar should help to keep growth elevated. Profits from foreign subsidiaries of US corporations are also enjoying strong growth. Over the last year, profits from foreign operations have grown nearly 20%. If the US can avoid a recession, there is cause for optimism in the global decoupling argument.

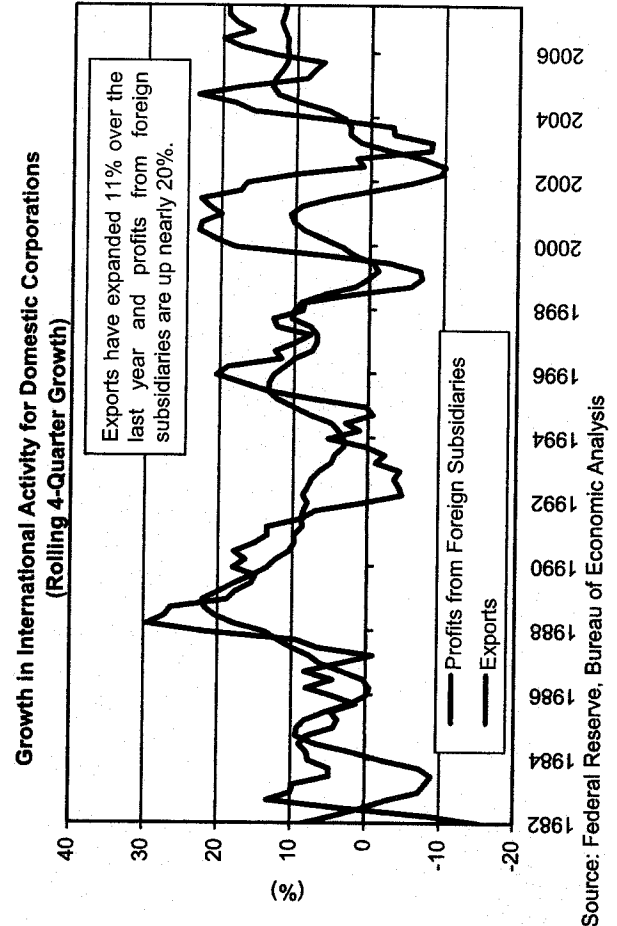
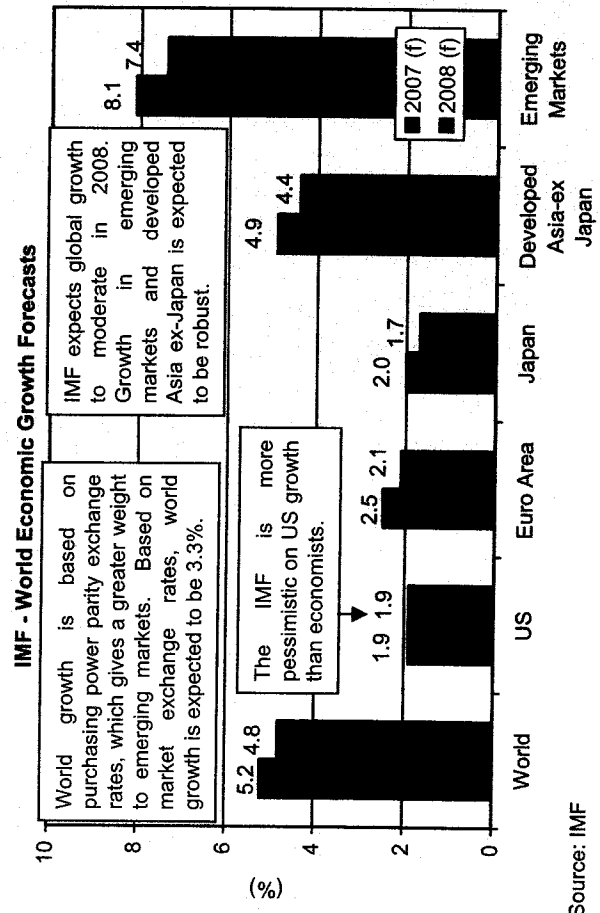
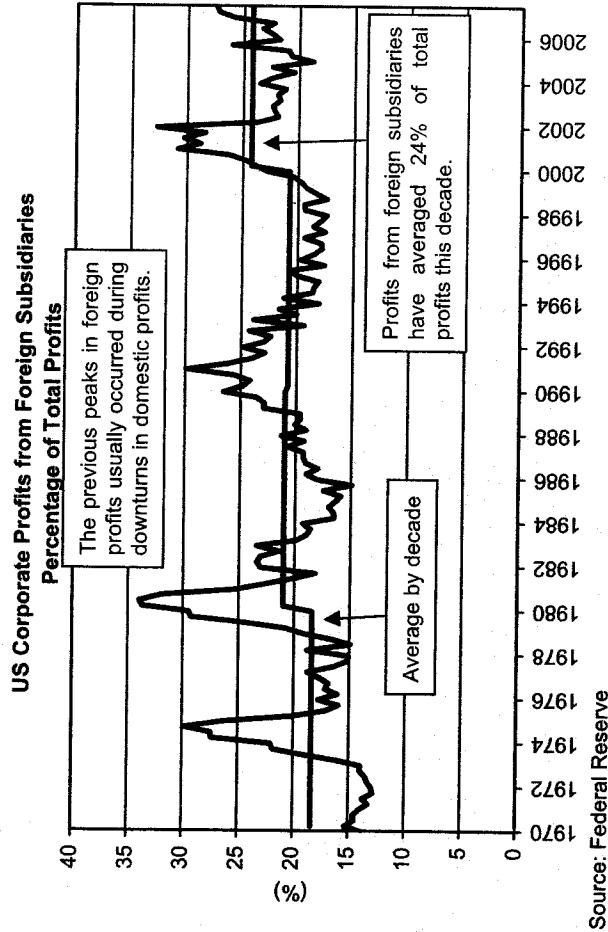
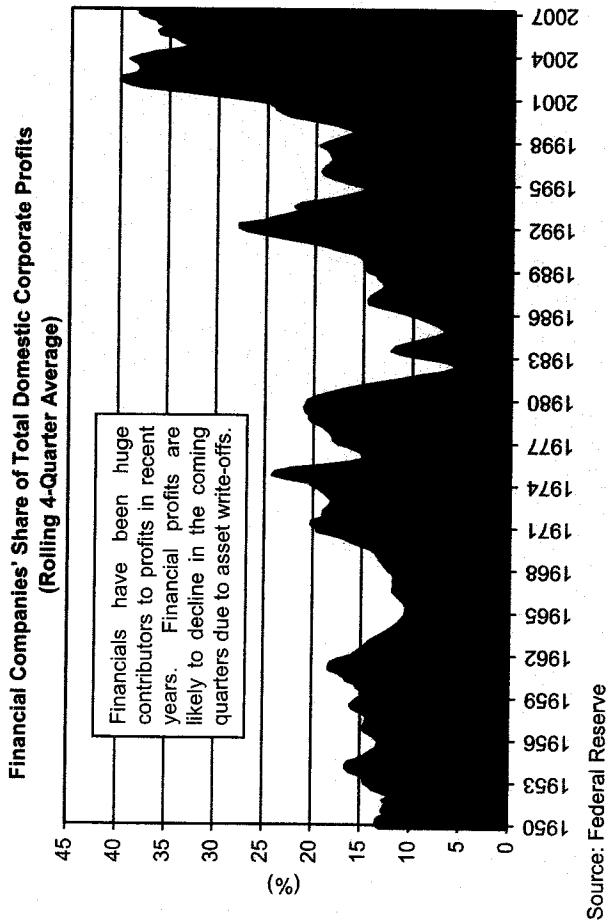
- Even with profit growth from overseas, we are skeptical that US corporations can maintain profit margins at these elevated levels. The recent decline in margins is likely to continue, and this could be a fierce headwind for equities in the coming years.



Productivity and Wage Growth
(Rolling 4-Quarter Growth)

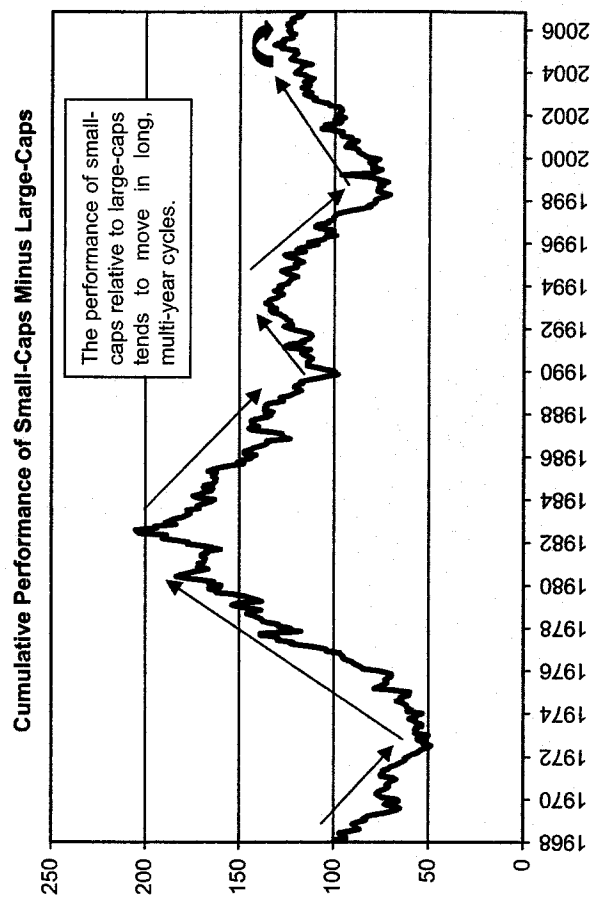


Domestic Equities: Reliant on International Growth? (cont.)

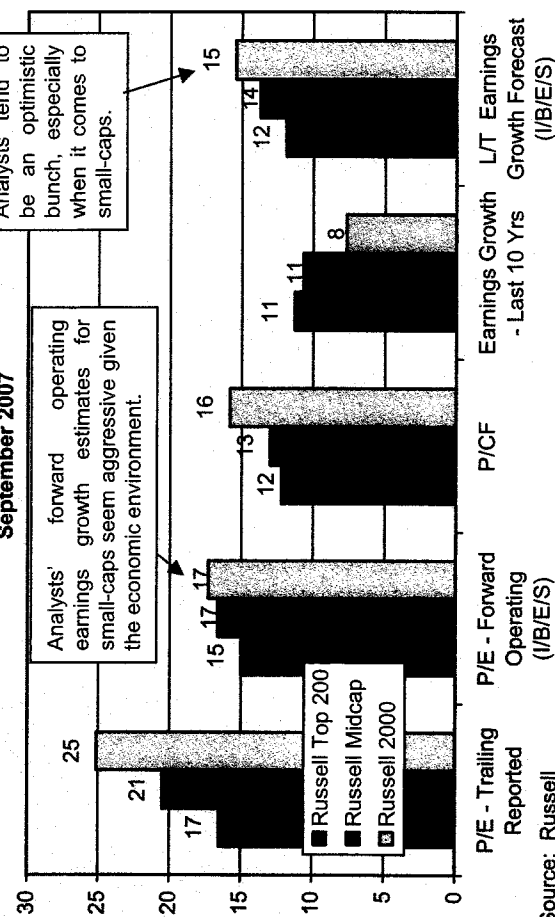


Small-Caps Likely to Underperform in the Coming Years

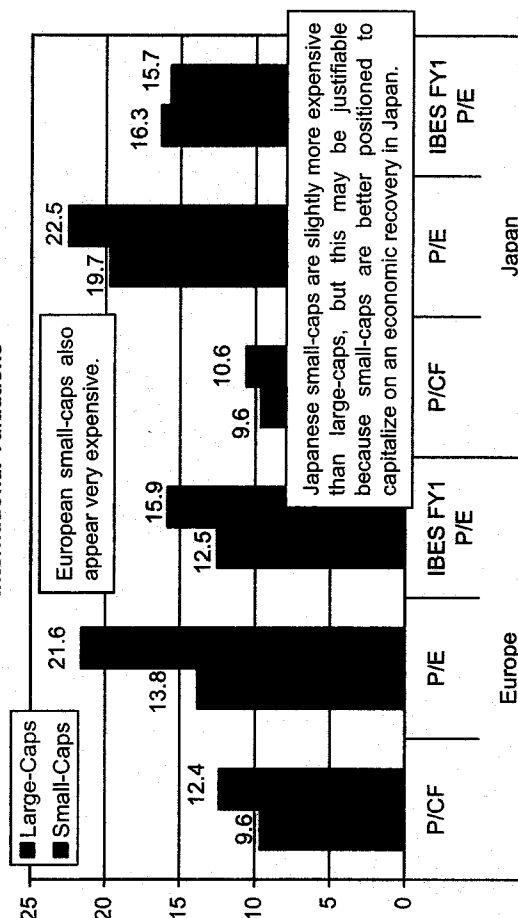
- The Russell 2000 index of small-cap stocks outperformed the S&P 500 in all but one calendar year from 1999 through 2006. However, the momentum appears to have shifted. The Russell 2000 index has underperformed the S&P 500 by 6 percentage points so far in 2007 (3.2% vs. 9.1%).
- Relative valuations favor large-caps over small-caps. Historically, small-caps have typically traded at a discount to large-caps. Currently, small-caps trade at a sizeable premium. The Russell 2000 is trading at a trailing P/E ratio of 25 versus 17 for the Russell Top 200, which contains the largest 200 stocks in the US market. The price-to-cash flow for the Russell 2000 is 33% higher than for the Russell Top 200.
- The economic environment also seems to favor large-caps. Large-caps are better positioned to capitalize on international growth than more domestic-oriented small-caps. According to the Financial Times, the S&P 500 receives 30% of its revenue from overseas compared to 15% for the Russell 2000.
- It is likely that we are near the beginning of a multi-year period of large-cap outperformance. With small-caps comprising only 10% of the US stock market, the potential value-added from underweighting them is limited. More aggressive investors might consider shorting the Russell 2000 against either a long position in the S&P 500 or in a basket of multinational quality growth stocks.



US Equity Valuations by Capitalization September 2007

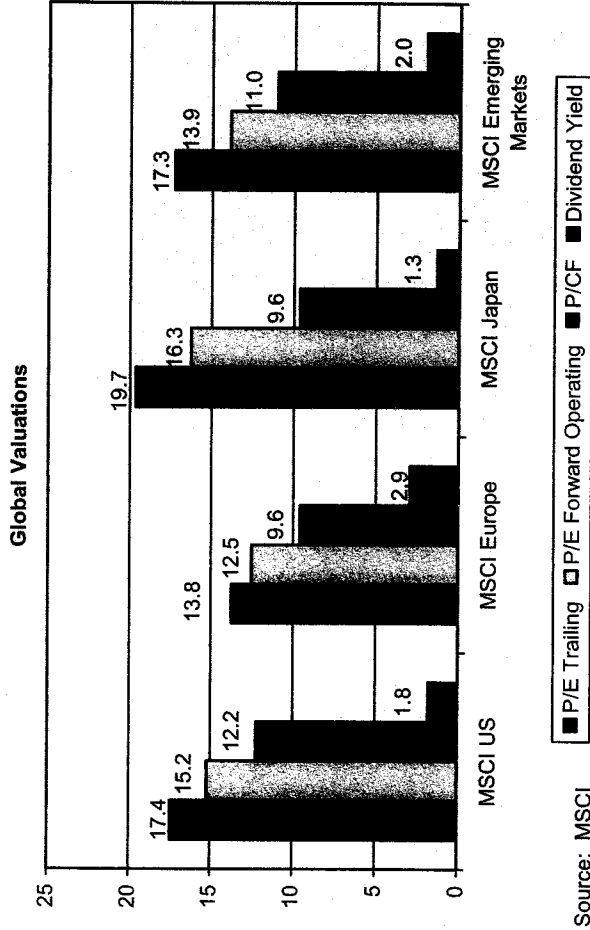


International Valuations

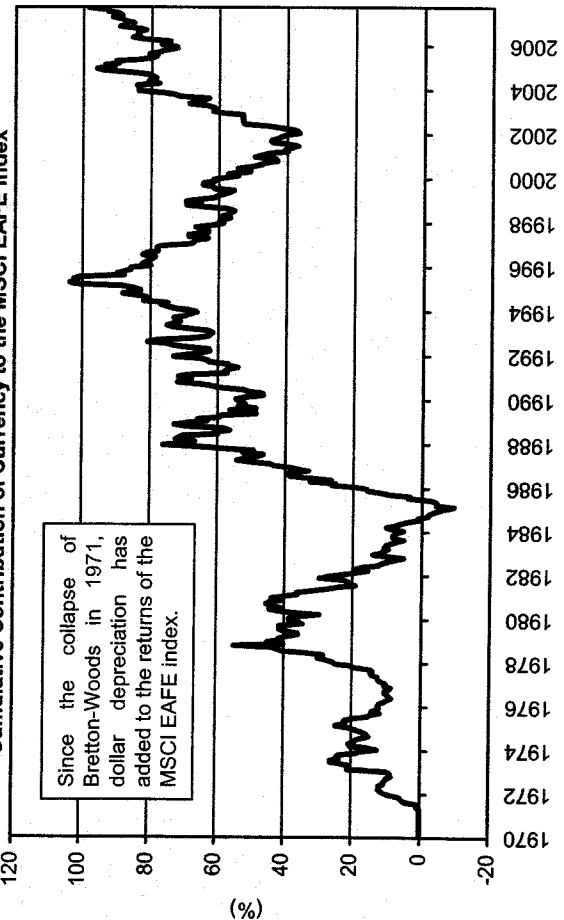


Emerging Market Equities Valuations Surpassed Developed Markets

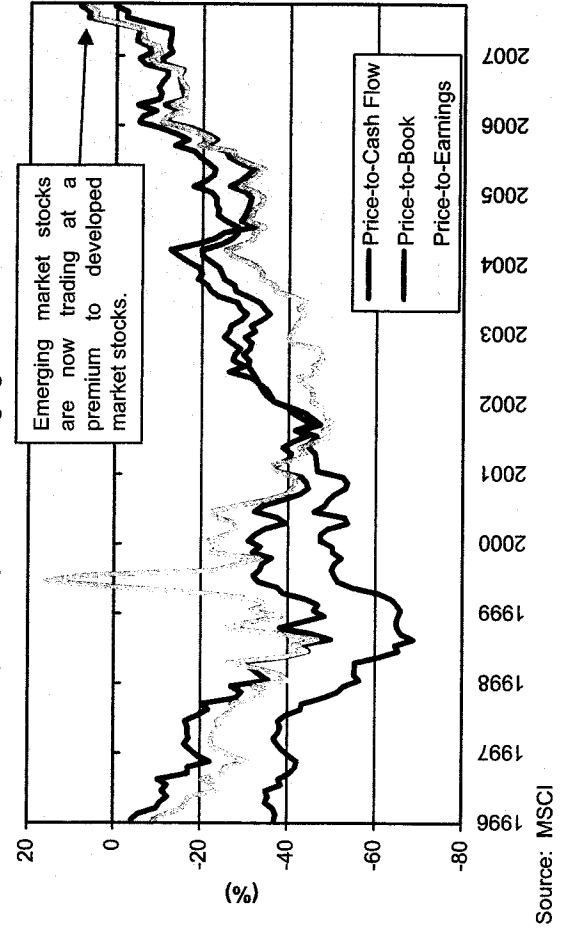
- International developed market stocks performed in-line with domestic stocks during the quarter. Year-to-date, the MSCI EAFE index has outperformed the S&P 500 because of the weak dollar (13% versus 9%). Emerging market stocks continued their run. The MSCI Emerging Markets Index is now up 34% in 2007.
- The reasons for investor enthusiasm over emerging market equities are evident. These countries are enjoying rapid economic expansion, and a large share of the indexes are in energy and basic material stocks, which have benefited from higher commodity prices. However, emerging market equities are now trading at a premium to developed market stocks. This may be justified by higher future earnings growth, but historical evidence suggests caution. Emerging market stocks haven't grown their earnings any faster than developed market stocks over the last decade despite stronger economic growth. At current valuations, there is little margin for error.
- International developed market equities still appear modestly more attractive than domestic equities. Europe is the most attractive region in the world from a valuation perspective, trading at just 14 times trailing earnings. One concern is that rising valuations on the euro and the pound will impact European competitiveness. Currency has added 6.3 percentage points to the return of the MSCI EAFE index over the last five years. While we wouldn't be surprised if the dollar continues to depreciate, there is a risk of a reversal since the euro and pound appear overvalued.



Cumulative Contribution of Currency to the MSCI EAFE Index



Premium / (Discount) of MSCI Emerging Markets to MSCI World

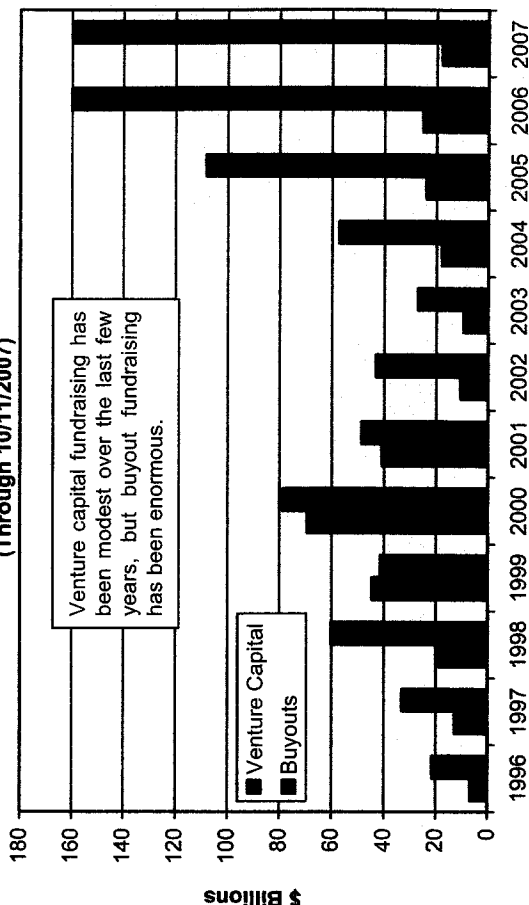


What Will the Credit Crunch Mean for Mega-Buyout Funds?

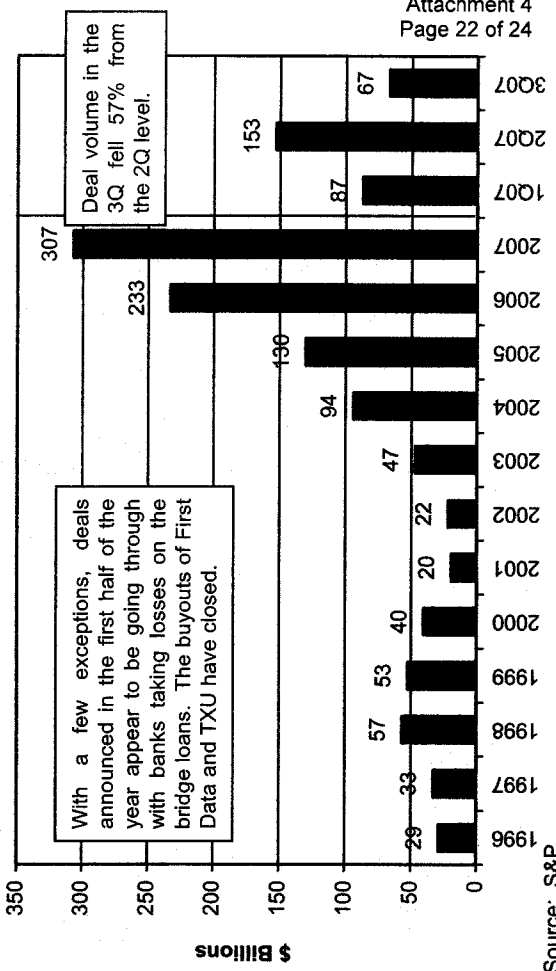
- Buyout firms have raised \$159 billion so far in 2007, just shy of the \$160 billion record set in 2006. They closed on more than \$50 billion in the third quarter even as credit markets were seizing-up. Abundant, cheap debt was key to the economics of buyout deals over the last couple of years.
 - In 2007, the average EBITDA multiple on buyouts is 10.2x, compared to 7.1x in 2003 and 8.2x in 2005. Buyout funds were willing to pay very high prices, as debt could be piled on top at a low cost.
 - Debt markets will now be far less accommodating. Banks are saddled with more than \$300 billion in "hung" bridge loans. At least in the near-term, virtually no financing is available from banks.
- The next couple of quarters are likely to see few, if any, big deals. The timing of recovery will rest heavily on progress in the credit markets. However, even if the credit market stabilizes and banks are able to clear their books of loans without excessive losses, lenders are likely to be far more discerning. They will demand higher credit spreads, tighter covenants, and larger equity contributions.
- As a result, the public equity market is likely to lose the buyout tailwind. Buyout funds have poured more than \$500 billion into public equity markets since the beginning of 2006 which, along with stock buybacks, has reduced the supply of equities available to the public. One can only guess the extent to which buyout activity has boosted public equity markets, but it surely had a positive effect.

- At this point, it's difficult to see how the mega-buyout funds will put their war chests to work at attractive rates of return. With the current state of debt markets, private equity investors may want to tilt their investments away from buyouts into distressed debt and venture capital.
 - Distressed debt is an obvious play given the credit environment. The carnage in sub-prime lending should create opportunities for astute buyers, and corporate defaults seem likely to rise. Investors may have an opportunity to purchase quality assets from distressed sellers. Furthermore, banks will be looking to sell off bridge loans. The problem is that there is an abundance of capital, both in private equity and in hedge funds, waiting for opportunities to arise. We worry that the distressed debt opportunity might be too obvious.
 - Venture capital has appeal, as well. Fundraising has been very modest in comparison to the bubble years. It's hard to say what the right amount of venture capital fundraising is, but venture seems to offer more promise than buyouts at this point. A lingering concern is that the venture-backed IPO market still isn't accommodating.

Private Equity Fundraising
(Through 10/11/2007)

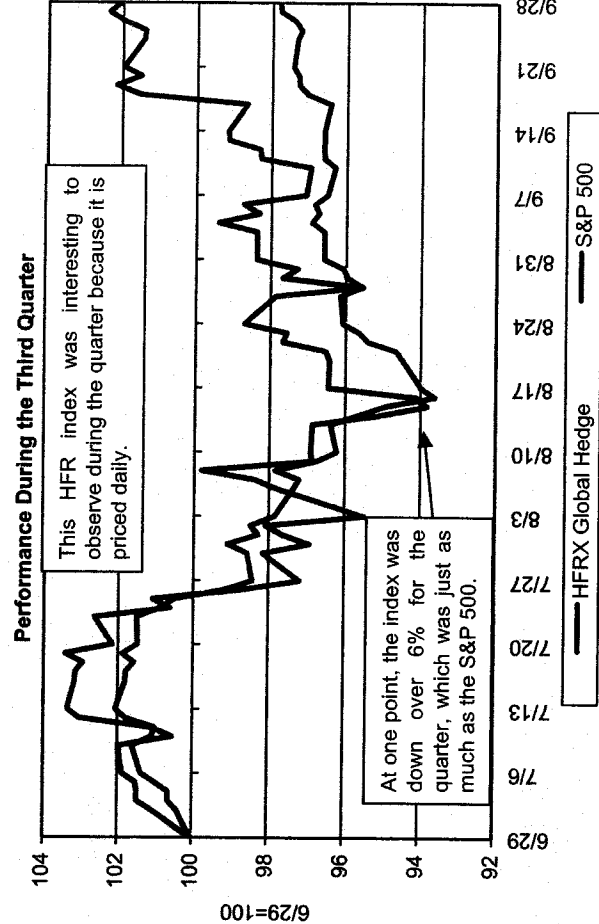
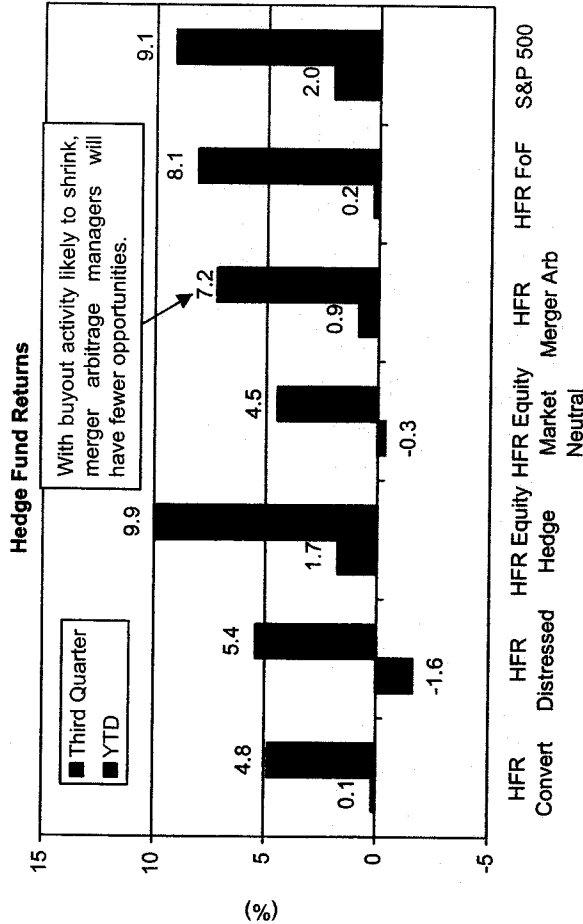


US LBO Deal Volume



Hedge Funds Brush Off the Liquidity Scare...For Now

- The average fund of hedge funds managed to post a positive return of 0.2% for the third quarter, as measured by the HFRI Fund of Funds Index. This came in the face of a substantial liquidity shock to the markets. The average fund of funds declined 2.1% in August, but made it back in September.
- Once again, equity long/short investments led the way for many hedge fund portfolios as the equity markets mostly shrugged off the credit woes. The industry trend towards greater directional equity risk appears to be going strong. Over the trailing 12-months, equity long/short appears to be the key driver of FoF results, with this strategy carrying an ever greater degree of sensitivity to equity markets.
- Liquidity risk is arguably the greatest systematic risk of a typical portfolio of hedge funds. Fortunately for most hedge funds, this liquidity shock, while violent, appears to have been short lived.
 - As is typical during such environments, participants initially sought to hedge-up their portfolios. This was the primary activity in June and generally is beneficial to many hedge funds.
 - Next, highly leveraged players needed to sell their higher quality liquid securities – often continuing to add to their hedges. July reflected this behavior as witnessed by unprecedented pricing behavior between senior secured debt and unsecured debt. These two instruments sold off at nearly the same rate. Historically, junk would sell-off at two to three times as much as senior secured.
 - Finally, margin calls hit and funds began the deleveraging process. This process can be devastating for hedge funds. As such, the first half of August was particularly difficult for hedge funds. Many stocks widely held by hedge funds were hammered, and those funds employing quantitative stock selection strategies were particularly affected. Many of these managers use similar factors to select stocks, and those factors were punished in early August.
- The surprise discount rate cut by the Federal Reserve on August 17 helped to ease the liquidity crunch, and the 50 bps rate cut in the discount rate and Fed Funds rate in September further re-assured investors. By the end of September, the markets had returned to a sense of normalcy.
- However, as we stated last quarter, the story has yet to fully unfold. We remain cautious about what lies around the corner.



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- ☐ NOT-FOR-PROFIT HEALTHCARE
INSTITUTIONS: DIVERSIFYING THE
INVESTMENT PORTFOLIO
- ☐ ASSESSING INVESTMENT RISK FOR
NOT-FOR-PROFIT HEALTHCARE
INSTITUTIONS
- ☐ TAX REFORM ACT, PART II
- ☐ THE INTEREST RATE CONUNDRUM
- ☐ LIABILITIES AND ENDOWMENT
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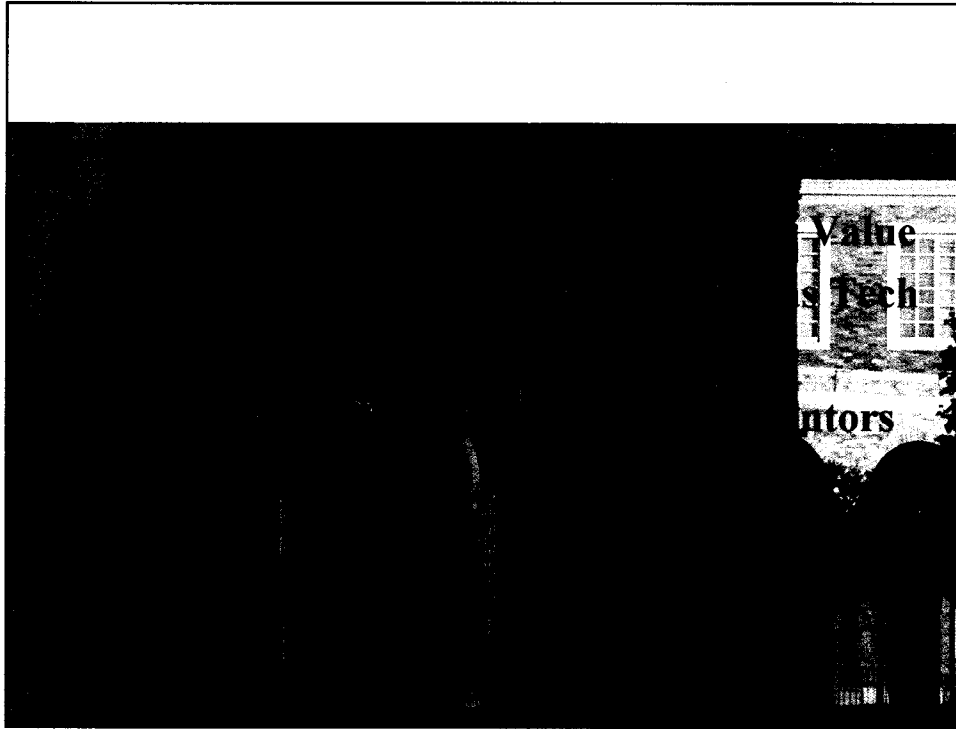
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Fall 2007

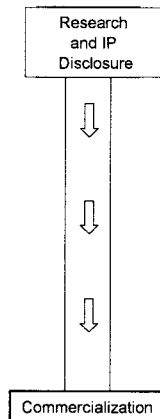
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High Level Initiatives that incorporate Best Practices

- Technology commercialization operations have been consolidated into a single System operation
- "Wealth creation" for the inventor will create an environment that encourages IP to be disclosed (Transparency)
- More focus on *marketing* IP and less on internally managed legal services
- Develop external team consisting of successful entrepreneurs and "real world" experts to prioritize commercialization opportunities
- Develop networks of funding and business partners to commercialize IP
- Set benchmarks to create momentum and celebrate success
- Implement plans to overcome barriers as outlined on the next slide

Identified Barriers :



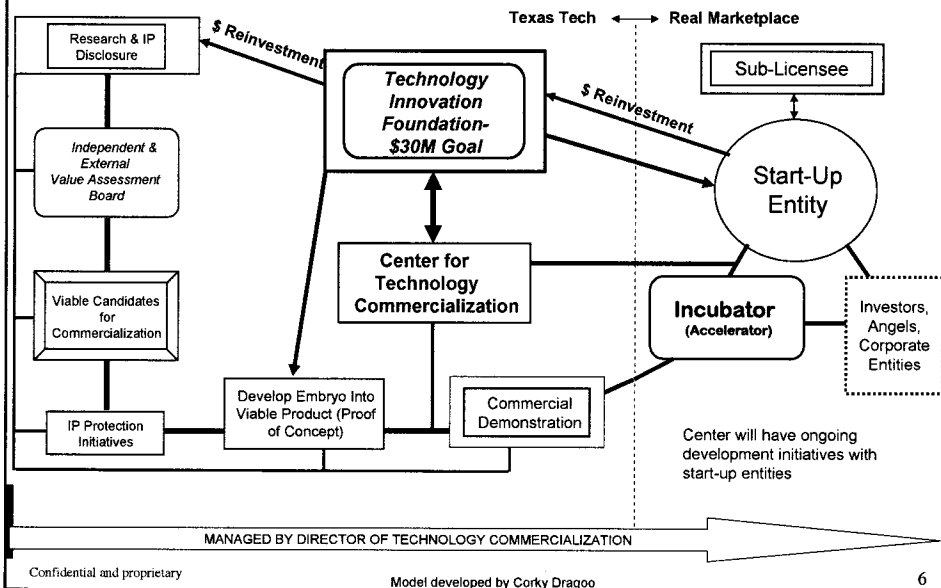
- **Locate Additional Internal Funding or Licensing Revenue to Fund Increased Activity-As Needed**
- **Negative Perception of TTIP Office**
- **Lack of Incubator/Accelerator**
- **Lack of Organized Angel or Start-up Funding**
- **Lack of Funding for Proof of Concept**

Confidential and proprietary

Note: Need to remove all barriers to optimize the system & increase deal flow

5

New Structure for Technology Commercialization



Specifics of the Technology Innovation Foundation Fund

- Soliciting \$30M to fund early proof of concept initiatives and a portion of start-up entity cost for the System's highest potential technologies
- The foundation would be developed on the prior Research Foundation shell
- Fund would be managed by a board of successful entrepreneurs who are loyal to Tech (Could also include fund managers from VC's & umbrella funds) .
- Proof of concept funding will be provided through a competitive application process
- The fund would have a first right of refusal to fund all or a portion of new start up entities
- The fund would have a designated Manager who reports through the Technology Commercialization Office and is responsible for implementing the decisions of the board

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2008

PRIORITY	ENTITY	AUDIT AREA		BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF DEC 1	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE		17,700					
		REQUIRED AUDITS							
Required	TTUS	Texas Tech University Foundation	Financial (assist)	120		In progress	1	119	0
Required	TTUS	Regents, Chancellor, & Presidents Travel and Credit Cards	Compliance (assist)	20		In progress	2	18	0
Required	TTUS	Office of Audit Services Annual Report	Compliance	40		Complete	22		19
Required	TTUS	Office of Audit Services Annual Plan	Compliance	80					80
Required	TTUS	State Auditor's Office Miscellaneous Projects	Miscellaneous (assist)	80					80
Required	TTU	NCAA Compliance	Compliance	325					325
Required	TTU	Athletics Financial Review	Financial (assist)	240		In progress	154	40	46
Required	TTU	KOHLMAN	Financial (assist)	300		In progress	259	41	0
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	Compliance	220		In progress	90	130	0
Required	HSC	Constitutional Managed Health Care Committee Contract	Compliance	200					200
Required	HSC	Family Practice Center at El Paso Contract	Compliance	90		Complete	72		18
Required	ASU	NCAA Compliance	Compliance	150		In progress	239	20	(109)
Required	ASU	Office of Audit Services Annual Report	Compliance	400					400
Required	ASU	Office of Audit Services Annual Report	Compliance	35		Complete	34		1
		TOTALS FOR REQUIRED AUDITS		2,300	-		873	368	1,060
		AUDITS IN PROGRESS AT AUGUST 1, 2007							
Prior Year	TTUSA	IT Application Review of BSR Advance System	IT Controls	288		Complete	208		80
Prior Year	TTU	State Auditor's Office Government Audit	Compliance	2		Complete			2
Prior Year	TTU	Contracting Office	Operational/Compliance	50		Complete	90		(40)
Prior Year	TTU	Texas Higher Education Coordinating Board TLD Grants	Compliance	82		In progress	354	20	(312)
Prior Year	TTU	Centers and Institutes	Governance/Compliance	250		Complete	301		(51)
Prior Year	TTU	School of Law	Financial/Operational	10		Complete	10		0
Prior Year	TTU	Research Funds	Financial/Compliance	5		Complete	11		(6)
Prior Year	TTU & HSC	State Auditor's Office 2007 Statewide Financial Audit	Financial	10		In progress	4	6	0
Prior Year	HSC	El Paso Department of Internal Medicine	Financial/Controls	60		Complete	39		21
Prior Year	HSC	HIPAA Security Compliance	IT/Compliance	6		Complete	12		(7)
Prior Year	TTUS	Wrap-up on Audits Included in August BOR Report		15		Complete	28		(13)
		TOTALS FOR AUDITS IN PROGRESS		757	-		1,057	26	(326)
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS							
		Total hours budgeted for Special Projects & Investigations		4,425	(762)				3,663
		IN PROGRESS AT AUGUST 1, 2007							
Special	TTU	Turf Management	Special	143		In progress	133	10	0
Special	TTU	Parent Relations	Special	79		Complete	79		0
Special	TTU	Student Financial Aid Travel Procedures	Special	33		Complete	33		0
Special	HSC	Excluded Parties Special	Special	450		In progress	427	23	0
		BEGUN AFTER AUGUST 1, 2007							
Special	TTU	PostTech Cash Controls	Special	53		Complete	53		0
Special	ALL	Misc. Hotline Projects	Special	4		In progress	4		0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS		4,425	762		729	33	3,663
		HIGHEST PRIORITY							
1	TTUS	Conflicts of Interest	Governance/Compliance	400					400
1	TTUS	IT Security	IT Controls	400					400
1	TTUSA	Construction Management	Financial/Operational	400					400
1	TTU	Physical Plant	Operational	400		In progress	149	251	0
1	TTU	Credit Card Customer Information Security	IT Controls	400	50	In progress	336	114	0
1	HSC	El Paso Dean's Office	Governance	350	(350)	Merged with HR Audit			0
1	HSC	Office of Human Resources	Operational/Compliance	450	350	In progress	763	17	0
1	ASU	Controller's Office	Operational/Controls	400					400
1	ASU	Construction Management	Financial/Operational	400					400
		HIGHEST PRIORITY TOTALS		3,600	50		1,268	382	2,000

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2008

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMENTS	STATUS AS OF DEC 1	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
MODERATE PRIORITY								
2	TTUS	Audit Report Follow-Up Procedures and Reporting	Follow-Up	250	In progress	66	184	0
	TTUS	IDEA Software Script Development	Risk Assessment	200				200
2	TTU & HSC	Research Infrastructure	Operational/Compliance	400				400
	TTU	Office of International Affairs	Operational/Compliance	400	75 In progress	420	55	0
2	TTU	Rawls College of Business Administration	Financial/Controls	350	In progress	1	349	0
	TTU	Environmental Health & Safety	Operational/Compliance	350	In progress	61	289	0
2	HSC	IDX TES Implementation	IT Controls/Mgt Advisory	400				400
	HSC	Contracting Process	Operational/Compliance	400	Complete	417		(17)
2	ASU	Student Safety	Controls	250	Complete	299		(49)
	ASU	Car Foundation Management	Compliance/Operational	350	In progress	141	209	0
MODERATE PRIORITY TOTALS			3,350	75		1,339	902	934
LOWER PRIORITY								
3	TTUS	Information Technology Audits	IT Controls	400	(300) On hold	42	58	0
	TTUS	Exchange Services Review	IT Controls		300 In progress	75	225	0
3	TTUS	Fraud Risk Assessment	Risk Assessment	200				200
	TTU	College of Engineering	Financial/Controls	350	In progress	32	318	0
3	TTU	Personnel Activity Reporting Process	Compliance	225				225
	HSC	Personnel Activity Reporting Process	Compliance	225				225
3	HSC	El Paso State Funding	Financial/Compliance	300				300
	HSC	School of Medicine - Odessa Campus	Operational/Financial	350				350
3	HSC	School of Medicine - Amarillo Campus	Operational/Financial	350				350
	ASU	Financial Special Collections	Financial/Compliance	150	In progress	1	149	0
3	ASU	Student Accounts Receivable	Financial	200				200
LOWER PRIORITY TOTALS			2,750	-		150	750	1,850
OTHER VALUE-ADDED WORK								
Total hours budgeted for Other Value-Added Work			518	(179)			339	
Other	TTUS	Cash Handling and Control Environment Workshops		40	Ongoing	40		
	TTUS	Brand Awareness Training		4	Planning	4		
Other	TTUS	Ethics Training						
	TTUS	ConnectTech Ongoing Committee (Banner project)		18	Ongoing	19		
Other	TTUS	ConnectTech Security Committee (Banner project)		10	Ongoing	10		
	TTUS	ConnectTech Transition Testing (Banner project)		8	Ongoing	8		
Other	TTUS	ConnectTech Workflow Process Analysis (Banner project)		1	Ongoing	1		
	TTUS	Enterprise Risk Management			Ongoing			
Other	TTUS	Texas Tech Compliance and Ethics Line Maintenance		7	Ongoing	7		
	TTU	TTU Clinical Institution Task Force			Ongoing			
Other	TTUHSC	Institutional Compliance Committee		4	Ongoing	4		
	ASU	Residence Life Software Implementation Committee			Ongoing			
Other	N/A	Professional Organizations (ACUA, TACUA, TSCPA, SIAF, ACFE)		9	Ongoing	9		
	TTUS	Other Miscellaneous Projects		77	Ongoing	77		
OTHER VALUE-ADDED WORK TOTALS			518	179		179	-	
TOTAL ENGAGEMENT HOURS			17,700	125		5,595	2,461	9,520
KEY								
	TTUS	Texas Tech University System and/or inclusive of multiple Texas Tech institutions						
	TTUSA	Texas Tech University System Administration						
	TTU	Texas Tech University						
	HSC	Texas Tech University Health Sciences Center						
	TTU & HSC	Areas with parallel functions or shared responsibility						
	ASU	Angelo State University						
	N/A	Work that is not attributable to a particular institution or campus						
Required	Audits that are mandated by law, Operating Policies, standards, contracts, etc. Will be performed based on timing of external deadlines.							
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.							
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.							
Special	Unplanned Special Projects and Investigations							
Other	Other projects, including committee service, class development and instruction, etc.							



TEXAS TECH UNIVERSITY



Master Plan Update Process

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

December 13-14, 2007

Major Planning Assumptions:



- Growth to 40,000 headcount by 2020.
- Growth to \$100 million in externally funded research by 2020.
- 20% of head count will be graduate students
- 12.5% of all student credit hours will be taught by distance education
- 35,000 headcount on main campus
- 5,000 headcount via distance education
- 2.5% growth in headcount per year from 2007 to 2020.

Assessment of University Academic Programs



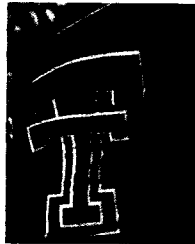
- Peer Analysis
- Performance Metrics
- Program Reviews

Enhancing University Enrollment Management Strategies



- Tuition Policies and Access
- Undergraduate Enrollment Growth and Quality
- Graduate Enrollment Growth and Research
- Enhancement of Distance/Distributed Education

Development of Best Practices and Policies to Inform



- Program Delivery
- Financial Decision Making
- Organizational Efficiency

Tasks:



- Evaluate existing and proposed academic programs for potential growth, stability or decline
- Evaluate existing and proposed research programs for potential growth, stability or decline
- Compare discipline specific enrollment trends at the state and national level with the University's evaluation of existing and proposed academic programs
- Compare discipline specific research trends at the state and national level with the University's evaluation of existing and proposed research programs

Tasks:



- Apportion growth for undergraduate and graduate programs by college and department
- Apportion growth by face to face instruction and distance/distributed delivery
- Apportion growth by main campus and off-campus teaching sites
- Project faculty and staff required to meet growth demands by college, department
- Project faculty and staff required to meet growth demands by method of delivery and location.

Tasks:



- Project staff and services required to meet growth demands in the area of responsibility for the Vice President for Research
- Project staff and services required to meet growth demands in the area of responsibility for the Vice President for Student Affairs
- Project staff and services required in the area of responsibility for the Senior Vice President for Administration and Finance
- Project staff and services required in the area of responsibility for the Provost and Senior Vice President for Academic Affairs

Tasks:



- Project the financial resources needed in each vice president's area of responsibility to meet the growth demands
- Project the IT infrastructure required to meet growth demands
- Project physical infrastructure required to meet growth demands
- Update the University Master Plan with regard to all changes in faculty, staff, services, IT infrastructure and physical facilities

Tasks:



Inform capital campaign opportunities including but not limited to the following:

- Scholarships
- Endowed Chairs and Professorships
- Honors College
- Engineering Commons
- Performing Arts Center
- Plant and Soil Science
- Naming Opportunities

Time Line



All academic units have begun work on the academic program assessments

All work is targeted to be complete in time to support the next LAR

Consulting Support



- To assist with the analysis an RFP is being prepared to hire a consultant for strategic academic program planning
- The Washington Advisory Board Company in Washington, D.C. is forming a 50 member University Leadership Council of university provosts. Texas Tech has been invited to become one of the 50 founding members. We have communicated our intent to accept. This provides Texas Tech with a rich source of aspirational best practices

Partial List of University Leadership Council Members



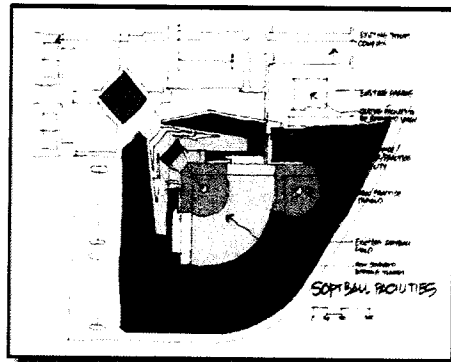
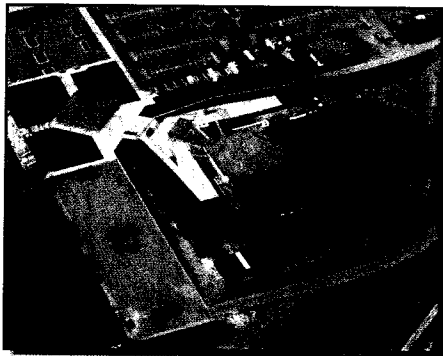
Boston University	University of Colorado
College of William and Mary	University of Florida
Columbia University	University of Kentucky
Dartmouth	University of New Hampshire
George Mason University	University of South Carolina
Kent State University	University of Tennessee
Oklahoma State University	University of Vermont
Rice University	University of Virginia
SUNY Stony Brook University	Utah State University
Syracuse University	Virginia Tech
University of Arkansas	Washington University

Facilities Committee

TTU
Approve
Construction of a
Softball Training Facility

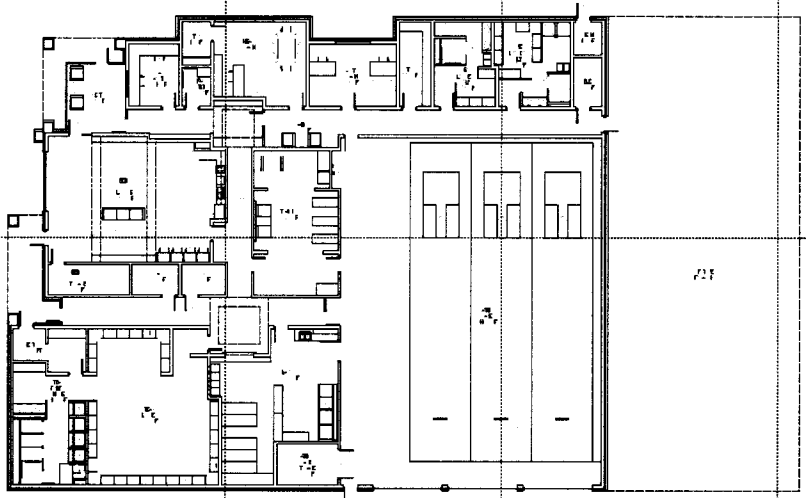


Softball Field Complex





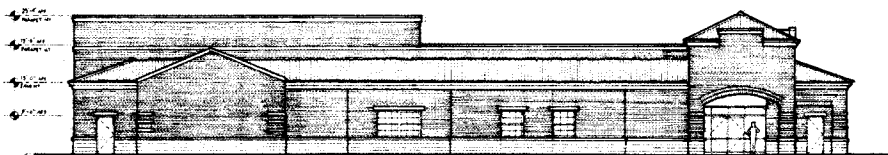
Softball Training Facility



Floor Plan



Softball Training Facility



North Elevation





Scope of Work

- Construct Multi-Purpose Team Facility
 - Locker Room
 - Meeting Rooms
 - Training Room
 - Offices
 - Workout Area
 - Indoor Batting Cages
 - Maintenance/Storage Space
- Site Work and Utility Infrastructure
- Landscape Enhancements and Public Art



Budget

Project Budget	\$3,000,000
Construction	\$ 2,200,000
Professional Services	\$ 220,000
FF&E	\$ 175,000
Administrative Costs	\$ 15,000
BOR Directed Fees	\$ 173,997
Contingency	\$ 216,003





Softball Complex Projects

Schedule Presented August 2007

Repairs	<i>Complete</i>	\$ 300,000
Improvements	<i>On Going</i>	\$ 245,000
Demolish Dugouts		
New Infield Surface & Outfield Grass		
Total		\$ 545,000
Future Work	<i>Phased</i>	\$1,000,000
Replace Dugouts		
New Practice Infield		
Replace Outfield Fence		
New Batting Tunnel		
New Seats		
Long Range	<i>Planned</i>	\$3,000,000
New Team Building		



Schedule

➤ Re-Start Design	Jan 2008
➤ Complete Design	May 2008
➤ Start Construction	Jun 2008
➤ Complete Construction	May 2009





Recommendation

Approve a Project to Construct a Softball Team Facility with a Project Budget of \$3,000,000 Funded Through the Revenue Finance System Repaid with Future Athletic Revenues and/or Gifts and Donations





TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

ASU
Ratify the
Angelo State University Master Plan

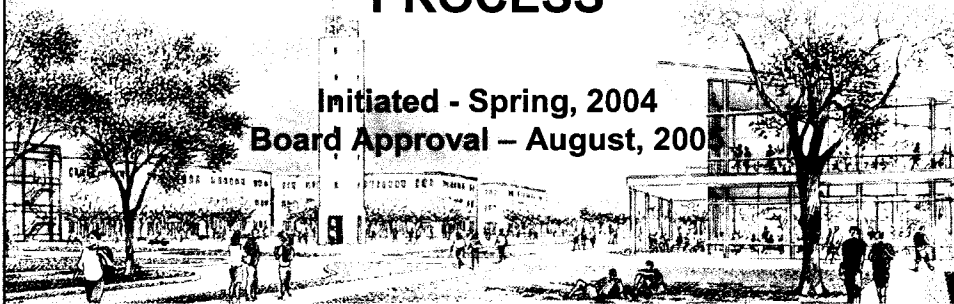


Angelo State University Campus Master Plan

ANGELO STATE UNIVERSITY

**CENTENNIAL MASTER PLAN
PROCESS**

Initiated - Spring, 2004
Board Approval – August, 2005



Angelo State University Centennial Master Plan

CENTENNIAL MASTER PLAN SCHEDULE

Housing Study	Spring, 2004
Kick-off Meeting	August 26, 2004
Fact Finding Charette	September 20, 2004
Interim Update Meeting	October 20, 2004
Phase I Report & Vision Session	November 10, 2004
Planning Charette 1	December 1, 2004
Planning Charette 2	January 19, 2005
Master Plan Progress Meeting	March 2, 2005
Draft Master Plan Complete	April, 2005
Presentation to City Leadership	June, 2005
Local Committee (Board) presentation	August 1, 2005
Board Approval	August 15, 2005

Angelo State University Campus Master Plan

EXTERNAL PROVIDERS OVERVIEW

Housing Study – Anderson/Strickler, Spring, 2004

Total Costs - \$38,000

Master Planners – Facilities Programming, June, 2004

Ford, Powell & Carson

Fd2s

Total Costs - \$337,082

Wayfinding Signage

Fd2s selected – September, 2005

ASU Master Plan Working Committee

- Doug Fox
- David Loyd
- Nancy Allen
- Karen Torres
- Kurt Leifeste
- Maurice Fortin
- Herb Tolbert
- Connie Frazier
- John Wegner
- Joaquin Guadarrama
- David Hinkle
- John Russell
- Mark Wolynsky
- Greg Racina
- James Adams

- Information Technology
- Dean, College of Sciences
- Department Chair, English
- Faculty
- Faculty
- Director, Library
- Executive Director, Enrollment Mgt
- Director, Residence Life
- Chair, Faculty Senate
- President, Student Government
- Vice President, Student Government
- Director, Facilities Planning and Construction
- Manager, Facilities Inventory
- Director, Special Events
- University Police Chief

Ex-officio: Provost/VP of Academic and Student Affairs
Vice President for Finance and Administration
Vice President for University Relations and Advancement

Angelo State University Centennial Master Plan

CENTENNIAL MASTER PLAN STEPS

Set goals for Master Plan:

- Building Program for 10,000 students
- Create a strong active campus core
- Focus and generate activity on campus
- Improve wayfinding and signage
- Incorporate public art and architectural craft

Key initiatives of the Master Plan:

- Development of a central plaza on Johnson Street
- Student housing
- Campus directional and building signage
- Performing Arts Center
- Increased academic space
- Parking
- Demolition
- Street Closures - Safety



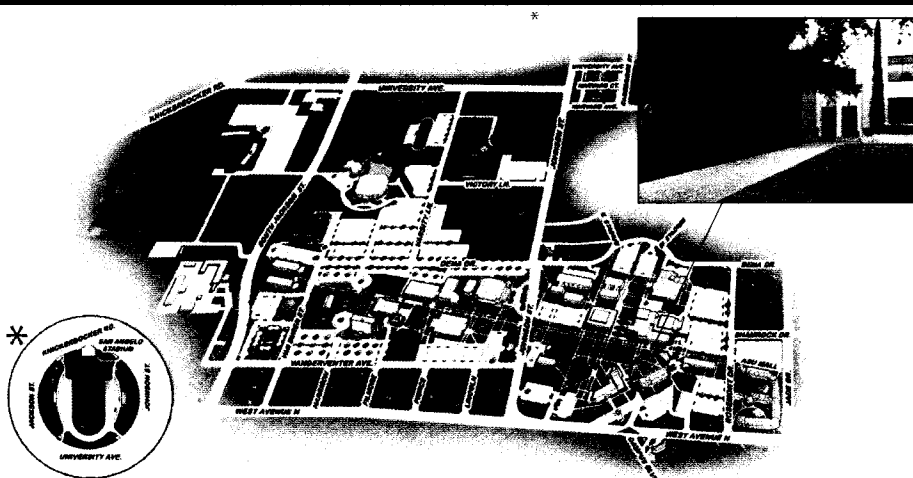
TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

ASU
Approve
Stage I Design Budget for the
Hardeman Student Services Center



Hardeman Student Services Center





Scope of Work

- Create One-Stop Student Services Center
 - Admissions and Registrar's Offices
 - Financial Aid Office
 - Bursar's Office
 - One-Card
 - Residence Life
 - College of Graduate Studies
- Relocate and Expand
 - Center for International Studies
 - Center Multi-Cultural Studies
 - Air University



Recommendation

- Approve a Stage I Design Budget of \$750,000 in Order to Plan, Program, and Begin Design of the Hardeman Student Services Center with and Expected Project Budget of \$12,000,000
- Authorize the President to Sign the Design Professional Contract at an Amount Expected to Exceed \$500,000
- The Stage I Design Budget will be Funded with Higher Education Assistance Funds





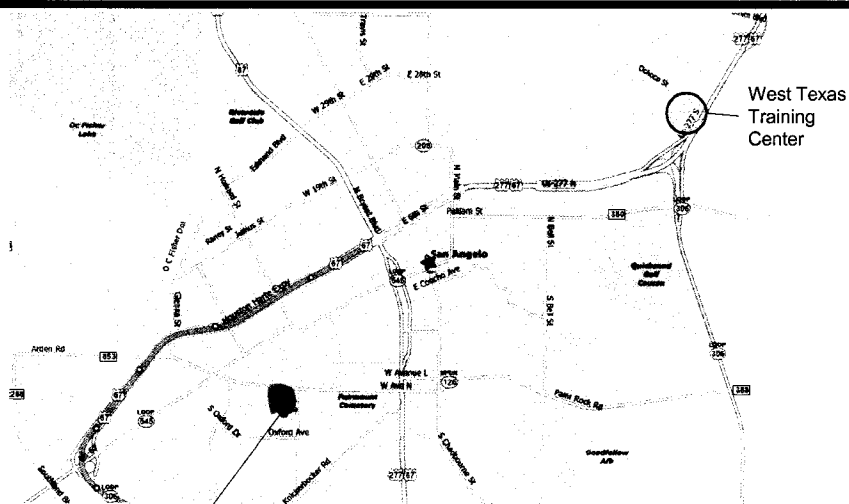
TEXAS TECH UNIVERSITY SYSTEM™

Facilities Committee

ASU
Authorize the
West Texas Training Center Sublease



Location Map



Angelo State University





West Texas Training Center



West Texas Training Center

- Original Lease Executed on September 1, 1999 for 25 years Between City of San Angelo and Angelo State University
- Angelo State University Served as Facility Manager and Fiscal Agent
- Received Special Item Funding until Current Biennium
- Consortium Between Three Agencies





West Texas Training Center

- Decision to Abandon ASU's Role at WTTTC in Fall, 2006
- Untangling ASU Equipment (\$800,000 value) that is Not Fully Depreciated Proved to be Problematic Resulting in ASU Not Being Able to Cancel the Lease and Led to the Resulting Sub-Lease Agreement
- Sub-Lease Allows Howard College to Take Over the Management of the Facility and Assume ASU's Responsibilities of the Original Lease



West Texas Training Center

- Upon Execution of the Sub-Lease
 - ASU will Continue to Pay Employees but will be Reimbursed by Howard College
 - ASU will Continue to Provide Technology Services and will Charge Howard College
 - ASU has Approximately \$400,000 in Replacement and Renewal Funds that will be Transferred to Howard College for On-Going Maintenance Projects of the Facility

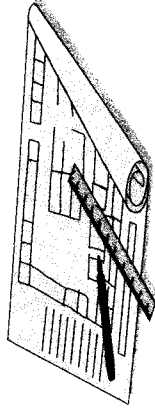




Recommendation

Delegate Authority to the Angelo State University President to Negotiate and Execute a 16-year Sublease with Howard County Junior College District for the West Texas Training Center





Project	Cost	Status	Completion Date
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TTU

Student Leisure Pool	\$ 7,000,000	Under Construction	October 2008
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Under Construction	January 2009
Sneed/Bledsoe HVAC Upgrade	\$ 6,000,000	Sneed Complete / Bledsoe Next May	August 2008
Bledsoe Window Replacement	\$ 1,000,000	Out for Proposals	August 2008
NCAA Soccer Complex	\$ 2,078,000	Substantially Complete	August 2007
Mark & Becky Lanier Prof. Development Center	\$ 13,500,000	Under Construction	April 2008
Marsha Sharp Freeway [TxDOT Project]	TBD	Under Construction	2010+
TOTAL	\$ 39,578,000		

Project	Cost	Status	Completion Date
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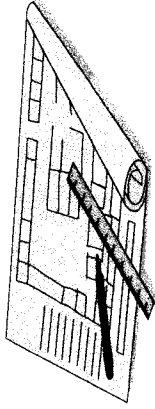
ASU

Centennial Village Residence Hall	\$ 28,215,000	Under Construction	August 2008/October 2008
TOTAL	\$ 28,215,000		

Project	Cost	Status	Completion Date
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HSC

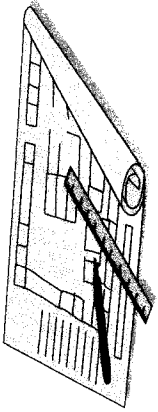
Texas Tech Physicians Medical Pavilion	\$ 36,462,388	Under Construction	June 2006/Nov 2007
Messer-Racz International Pain Center	\$ 7,000,000	Under Construction	May 2008
El Paso Medical Education Bldg.	\$ 45,000,000	Under Construction	November 2007
El Paso - Archer Building Renovations	\$ 1,700,000	Under Construction	March 2008
Amarillo HSC - Coulter Research Building	\$ 18,000,000	Under Construction	September 2008
TOTAL	\$ 108,162,388		
GRAND TOTAL	\$ 175,955,388		



Project	Cost	Status	Completion Date
TTU			
Rawls College of Business Administration	\$ 60,000,000	Design In Progress	TBD
CoBA Building Renovations	\$ 25,000,000	Advertising for DP	TBD
Utility Infrastructure Upgrade Phase I	\$ 5,000,000	Design In Progress	December 2008
Experimental Science Lab Build Out	\$ 6,000,000	On Hold	TBD
Jones AT&T Stadium Phase IV	\$ 35,000,000	Reviewing Alternatives	TBD
Soccer Team Facility	\$ 4,000,000	Design In Progress	TBD
Softball Team Facility	\$ 3,000,000	Design In Progress	TBD
Softball Field Improvements	\$ 1,000,000	Design In Progress	TBD
High Performance Research Computer Facility	\$ 1,800,000	CM Selected	TBD
TOTAL	\$ 140,800,000		

Project	Cost	Status	Completion Date
ASU			
Hardeman Hall Renovation	\$ 12,000,000	Programming In Progress	TBD

Project	Cost	Status	Completion Date
HSC			
El Paso Strategic Space Study	\$ TBD	Firm Selected	TBD
HSC Strategic Space Study	\$ TBD	Study Complete, Reviewing Options	TBD
Amarillo School of Pharmacy Expansion	\$ 8,010,000	Design In Progress	TBD
Amarillo Family Medicine Relocation	\$ 7,000,000	Design In Progress	TBD
TOTAL	\$ 15,010,000		
GRAND TOTAL	\$ 167,810,000		



Project	Cost	Status	Completion Date
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Texas Tech System

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

TTU

Arena Elevator & Enhancement Study	\$ TBD	Proposed	TBD
Engineering Expansion/Renovation Phase II	\$ 60,000,000	Program Complete	TBD
Honors College	\$ 10,000,000	Proposed	TBD
The Rawls Course Clubhouse	\$ 2,500,000	Proposed	TBD
Dan Law Field Renovations	\$ TBD	Proposed	TBD
Track Complex Renovation/Relocation	\$ TBD	Proposed	TBD
Dairy Barn Renovation	\$ TBD	Proposed	TBD
Vietnam Center	\$ 35,000,000	Proposed	TBD
TOTAL	\$ 107,500,000		

Project	Cost	Status	Completion Date
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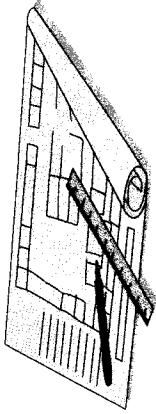
HSC

HSC Lubbock Campus Expansion	\$ 30,000,000	Proposed	TBD
El Paso Clinical Sciences Building	\$ TBD	Proposed	TBD
El Paso Medical Science Building II	\$ 95,000,000	Program Complete	TBD
TOTAL	\$ 125,000,000		
GRAND TOTAL	\$ 238,000,000		

Bricks and Mortar Report

Projects Completed November 2007

www.fpc.ttu.edu



Project	Cost	Status	Completion Date
TTU			
Art 3-D Annex	\$ 9,000,000	Complete	September 2007
Outreach & Extended Studies Building	\$ 8,000,000	Complete	October 2007
Softball Field Repairs	\$ 545,000	Complete	September 2007
Discovery Mall	\$ 1,210,000	Complete	July 2007
Student Wellness Center	\$ 9,350,000	Complete	March 2007
CDRC / CSAR	\$ 8,126,506	Complete	October 2006
Scholarship Donor Recognition Walk	\$ 225,000	Complete	November 2006
Sneed/Gordon/Bledsoe Lifesafety Upgrades	\$ 5,792,000	Complete	September 2006
Jones AT&T Stadium Field Improvements	\$ 2,860,000	Complete	August 2006
Student Union Building Phase II B	\$ 6,096,000	Complete	November 2006
Student Union Building Phase III	\$ 1,530,078	Complete	July 2006
NRHC - Christine DeVitt Wing	\$ 3,700,000	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	\$ 16,800,000	Complete	February 2006
Wall/Gates Life Safety Upgrade	\$ 3,094,012	Complete	January 2006
Student Parking Expansion	\$ 660,000	Complete	October 2005
Student Union Bldg. Expansion/Renovation	\$ 37,745,556	Complete	October 2003/February 2005
Museum NSRL Addition	\$ 3,518,594	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	\$ 3,234,692	Complete	August 2004
Football Training Facility	\$ 11,000,000	Complete	May 2004
Marsha Sharp Center for Student Athletes	\$ 3,789,332	Complete	January 2004

The Rawls Course Support Facilities					November 2003
Admin Building Roof Repairs	\$	1,692,000	Complete		November 2003
The Rawls Course	\$	827,901	Complete		August 2003
Horn/Knapp Fire Suppression	\$	9,013,000	Complete		December 2002
Campus Conference Bonfire Circle	\$	3,026,015	Complete		September 2002
English-Philosophy & Education Complex	\$	400,000	Complete		August 2002
Flint Avenue Parking Facility	\$	46,199,000	Complete		August 2002
Dan Law Field	\$	10,900,000	Complete		June 2002
Fuller Track Field House	\$	1,612,000	Complete		June 2002
Pfluger Fountain	\$	480,000	Complete		April 2002
Recreation Center Expansion/Renovation	\$	826,000	Complete		November 2001
Jones SBC Stadium Stage I	\$	12,070,277	Complete		September 2001
Frazier Plaza & Masked Rider Statue	\$	22,000,000	Complete		September 2001
Tennis-Softball Complex	\$	515,000	Complete		September 2001
Campus Fiber Optic Connection	\$	4,059,784	Complete		September 2001
West Hall/Visitors Center	\$	1,667,000	Complete		September 2001
Broadway Gatehouses	\$	5,703,441	Complete		August 2001
Marquee	\$	816,000	Complete		August 2001
Stangel/Murdough Fire Suppression	\$	352,000	Complete		August 2001
Chitwood/Weymouth Fire Suppression	\$	1,616,293	Complete		August 2001
TOTAL	\$	2,779,706	Complete		August 2000
	\$	390,396,344			

Project	Cost	Status	Completion Date
HSC			
Abilene School of Pharmacy	\$ 9,087,743	Complete	July 2007
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	\$ 1,754,116	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.	\$ 14,963,993	Complete	October 2003
HSC Synergistic Center	\$ 1,995,105	Complete	March 2003
Amarillo Academic/Clinic Facility	\$ 23,636,894	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	\$ 125,532,707		
GRAND TOTAL	\$ 515,929,051		
PROGRAM TOTAL	\$ 1,097,694,439		

**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
~~PLAN FOR PROFESSIONAL MEDICAL MALPRACTICE SELF-INSURANCE~~
LIABILITY PLAN**

Original Plan Effective September 1, 1985 and Modified December 14, 2007

Article I
PURPOSE

The purpose of this Medical Self-Insurance Plan is to provide eligible medical staff and medical students of Texas Tech University Health Sciences Center with medical professional malpractice liability indemnity from and against medical malpractice claims pursuant to the authority granted to the Board of Regents of Texas Tech University Health Sciences Center by V.T.C.A. Education Code Section 59.02 which became effective March 10, 1977.

Article II
DEFINITIONS

~~This Plan shall be known as t~~ The Plan for Professional Medical Malpractice Self-Insurance Plan, ~~and, for convenience,~~ is hereinafter referred to as the "Plan." Unless otherwise required by the context, the following terms shall control:

- (a) "Eligible medical staff members" shall mean: (1) medical doctors, doctors of osteopathy, ~~oral surgeons,~~ dentists, student health doctors, and podiatrists employed full-time by ~~a medical school or hospital of the University;~~ (2) the interns, residents and fellows participating in a patient-care program in the University, who are duly licensed and registered to practice their profession; ~~(2)(3) medical students who are duly registered in a medical school of the University;~~ and ~~(3)(4) medical doctors, oral surgeons, doctors of osteopathy,~~ dentists, podiatrists and student health doctors appointed to the faculty of Texas Tech University Health Sciences Center School of Medicine and employed on a part-time or volunteer basis, who are specifically approved for enrollment into the Plan by the Plan Administrator and who either devote their total professional service to such appointments or provide services to patients by assignment from the department chairperson. For purposes of the Plan, such persons are "medical staff members" only when providing services to patients by assignment from the department chairman. Authorization and enrollment into the Plan of part-time or volunteer physicians must be specifically made by the Administrator of the Plan upon recommendation by the Dean of the School of Medicine, ~~the Executive Vice President and Provost of the Health Sciences Center,~~ and the Vice President Chancellor and General Counsel.

- (b) "Participant" means: (1) any medical staff member qualifying for participation and enrolled in this Plan as set forth in Article IV of this Plan; ~~The coverage afforded applies separately to each participant against whom claim is made or suit is brought, except with respect to the limits of University's liability.~~ (2) The University when a medical malpractice claim is made against it which arises from the treatment or lack of treatment by a Participant.
- (c) "Medical malpractice claim" means ~~an alleged~~ a cause of action (arising within the Plan territory) ~~based upon~~ for treatment, lack of treatment, or other claimed departure from accepted standards of medical care which proximately result in injury to or death of the participant's patient; ~~provided, however, that "medical malpractice claim" shall not mean any cause of action or claim arising out of or incident to, whether directly or indirectly: (1) any unlawful or illegal act, error or omission of participant, unless participant had no reasonable cause to believe his conduct was unlawful or illegal; or (2) any assumption of liability or indemnity obligation by participant under a contract or agreement.~~ subject to the exclusions set forth in Section 4.
- (d) "University" means Texas Tech University Health Sciences Center.
- (e) "Board" means the Board of Regents of Texas Tech University ~~Health Sciences Center~~ System.
- (f) "Fund" means the Medical Professional Liability Fund established by the Board.
- (g) "Administrator" means the ~~President~~ Chancellor of Texas Tech University ~~Health Sciences Center~~ System.
- (h) "General Counsel" means the Vice ~~President~~ Chancellor and General Counsel of Texas Tech University ~~Health Sciences Center~~ System.
- (i) "Damages" mean all damages, including damages for death, which are payable because of injury to which the Plan applies, but does not include exemplary or punitive damages.
- (j) "Coverage" means the medical malpractice liability indemnity afforded participants by this Plan.
- (k) "Plan territory" means: (1) the United States of America, its territories or possessions, ~~or Canada~~; or (2) anywhere in the world for medical doctors, doctors of osteopathy, oral surgeons, or podiatrists, provided the original suit for damages is brought within the United States of America, its

territories or possessions, ~~or Canada.~~

- (l) ~~"Annual period" or "annual enrollment period" means from September 1, 1985 through August 31, 1986, and each succeeding twelve month period (from September 1 through August 31) or part thereof terminating with the termination of this Plan. September 1 to August 31 of each year.~~

Whenever used in this Plan, masculine pronouns shall include both men and women unless the context indicates otherwise.

Article III APPLICABILITY OF PLAN PROVISION

The coverage afforded by this Plan is subject to the particulars, terms, conditions and limitations (including, but not limited to limits of liability) of this Plan and the interpretations thereof by the ~~Board~~ Plan Administrator or its his/her authorized representative.

Article IV CONDITIONS FOR PARTICIPATION

Section 1. Application for Participation. Each person who is a medical staff member on the effective date of the Plan, and each person who becomes a medical staff member thereafter, shall be required to participate in the Plan and shall be given a copy of the Plan, and, as a condition of participation, each Participant shall complete and sign an application in such form as is prescribed by the Administrator Office of General Counsel evidencing the fact such person accepts and agrees to all the provisions of the Plan.

Section 2. Part-Time Faculty. Special authorization and enrollment into the Plan of part-time faculty physicians paying a partial premium must be specifically made by the Administrator of the Plan upon recommendation by the Dean of the School of Medicine through the Office of General Counsel. This special authorization for less than 100% premium is to be made on a limited basis with a special need shown for such authorization and in no case will anyone be authorized to pay less than a 50% premium.

Section 23. Student Participation Fee. Each medical student, as an additional condition of participation, must pay into the Fund a fee in such amount or amounts, and at such time or times, as ~~may be required~~ set by the Board.

Article V COVERAGE OF PARTICIPANTS

Section 1. Payments on Behalf of Participants. The University will pay on behalf

of each participant, from monies in the Fund, all sums up to the limits of liability coverage which the participant shall become legally obligated to pay as damages because of a medical malpractice claim arising from the exercise of the participant's employment, duties or training with the University, his profession, including service by the participant as a member of a formal accreditation or similar professional board or committee of a hospital or professional society provided any funds generated from the service are deposited into the University's Medical Practice Income Plan. A medical student shall be deemed to be "in the practice of his profession" during such time or times as he is participating (with prior approval of the medical school in which he is duly registered as a student) in a patient-care program of a duly accredited medical school under the direct supervision of a faculty member of the school conducting such program, but only during such time or times.

Section 2. Defense of Lawsuits. The University shall have the right and duty to defend any suit seeking damages (as described in Section 1 of this Article V) against a participant even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems necessary or expedient, but the University shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the University's liability has been exhausted by payment of judgments of settlements, or monies in the Fund have been exhausted.

Section 3. Supplementary Payments. The University will pay from the Fund, in addition to the applicable limit of liability:

- (a) all expenses incurred by the University, all costs taxed against the participant in any suit defended by the University, and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the University has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the University's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this Plan, but the University shall have no obligation to apply for or furnish any such bonds.
- (c) coverage for Plan Participants for Disciplinary and Licensing Actions which is limited to legal representation of the Plan Participant by an attorney in a proceeding brought against the Plan Participant by the Texas Medical Board or Texas State Board of Dental Examiners that arises from a covered activity, for costs and legal expenses in the amount of \$25,000 per single proceeding and \$100,000 per participant per annual enrollment period. This coverage is subject to the exclusions set forth in Section 4.

Section 4. Exclusions.

The system will not defend or indemnify a Participant for:

- (a) Injury arising out of the performance by the Participant of any illegal, fraudulent, criminal or malicious act or omission by the Participant.
- (b). Any liability or indemnity obligation assumed by the Participant under a contract or agreement.
- (c) Any claims or lawsuits alleging violation of state or federal laws relating to antitrust, fraud and abuse, anti-kickback, and illegal remuneration;
- (d) Injury arising out of any sexual conduct of the Participant, including sexual harassment and sexual relations, including when intentionally or negligently done in connection with any professional service, act or omission, and regardless of whether such conduct is alleged to constitute negligence;
- (e) Any injury caused while Participant is acting under the influence of alcohol or controlled substances or as a result of excessive use of therapeutic drugs;
- (f) Any use, administration or prescription of any drug or pharmaceutical disapproved or not yet approved by the U.S. Food and Drug Administration for treatment of human beings unless such has been approved by the Institutional Review Board of the University;
- (g) any liability arising out of any professional or licensed service, act or omission outside the scope of Participant's employment with the System, including professional services performed for fees, salaries or other compensation not part of the Participant's employment with the University;
- (h) Injury to any employee or applicant for employment or patient based upon actual or alleged discrimination based on race, religion, color, sex, national origin, age, veteran status, or disability;
- (i) Any fines, penalties or costs assessed against a Participant by the Texas State Board of Medical Examiners or Texas State Board of Dental Examiners as a result of a Disciplinary and Licensing Action;

Article VI LIMITS OF LIABILITY

The limit of liability stated in the schedule below as applicable to "each claim" is

the limit of the University's liability for all damages because of each claim or suit covered by the Plan. The limit of liability stated in the schedule below as "annual aggregate per participant" is, subject to the above provision respecting "each claim", the total limit of the University's liability under this Plan for all damages because of all medical malpractice claims against any one participant in any one annual period. ~~The limit of liability stated in the schedule below as "annual aggregate" is, subject to the above provisions respecting "each claim" and "aggregate per participant", the total limit of the University's liability under this Plan for each annual period.~~

Limits of liability schedule:

Staff Physicians	\$ 400,000	per each claim
	\$1,200,000	<u>annual aggregate per participant</u>
Resident, Intern, or Fellow:	\$ 100,000	per each claim
	\$ 300,000	<u>annual aggregate per participant</u>
Medical Students:	\$ 25,000	per each claim
	\$ 75,000	<u>annual aggregate per participant</u>
<u>University</u>	<u>\$ 250,000</u>	<u>liability set by Texas Tort Claims Act</u>

The above limits apply unless lower liability limits are set by law in the Texas Tort Claims Act, in which case the lower liability limits set by law apply.

Per Incident Limitation:

Liability shall be limited to \$1,000,000 per incident, regardless of the number of claimants or physicians involved in an incident for claims filed prior to September 1, 2003, or \$300,000 per incident for claims filed after September 1, 2003.

Article VII
OTHER INSURANCE

Section 1. Primary Coverage. ~~The coverage afforded by this Plan is primary coverage, except when expressly stated to apply in excess of or contingent upon the absence of other Insurance. When this coverage is primary and the participant has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the University's liability under this policy shall not be reduced by the existence of such other insurance.~~

Section 2. Other Insurance. When both this Plan and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the University shall not be liable under this Plan for a greater proportion of the loss than that

stated in the applicable contribution provision below:

- (a) Contribution by Equal Shares. If all of such other valid and collectible insurance provides for contribution by equal shares, the University shall not be liable for a greater proportion of such loss than would be payable if such insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of loss is paid, and with respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- (b) Contribution by Limits. If any of such other insurance does not provide for contribution by equal shares, the University shall not be liable for a greater proportion of such loss than the applicable limit of liability under this Plan for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

Article VIII
PARTICIPANT'S DUTIES IN THE
EVENT OF OCCURRENCE, CLAIM, OR SUIT

Section 1. Notice of Occurrence. Upon the participant's becoming aware of an occurrence or incident involving an injury or death, or an alleged injury or death, to which this Plan applies, or may apply, written notice containing particulars sufficient to identify the participant and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the patient and of available witnesses, shall be given by or for the applicant participant to the Administrator Office of General Counsel as soon as practicable.

Section 2. Notice of Claim or Suit. If claim is made or suit is brought against the participant, the participant shall immediately forward to the Office of General Counsel/Self-insurance Division every demand, notice, summons, or other process received by him or his representative, in accordance with any administrative regulations for the Plan prescribed or approved by the Administrator.

Section 3. Cooperation by Participant. The participant shall cooperate with the University and upon the University's request, assist in making settlements in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the University because of injury with respect to which coverage is afforded under this Plan; and the participation shall attend hearings, depositions and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The participant shall not,

except at participant's own costs, voluntarily make any payment, assume any obligation or incur any expense.

Article IX MODIFICATION AND TERMINATION

Section 1. Rights of Participants. The Board may terminate the Plan at any time, or at any time or from time to time, may amend, alter or suspend the Plan in whole or in part, as to all persons eligible to participate hereunder, or any class or group of such persons, provided such action shall not impair any rights accrued prior to the effective date of such termination, amendments, modifications, alterations or suspension. Any such termination, amendment, alteration or suspension shall be effective at such date as the Board may determine, but not earlier than sixty (60) days prior to the date on which the Board shall have given notice of such termination, amendment, alteration or suspension to the Administrator. The Administrator shall promptly give notice of any such termination, alteration or suspension to all participants affected thereby.

Section 2. Termination in Event of Mandatory Participation in Other Indemnity or Insurance Programs. It is an express condition of the Plan that if the University is required by law, or by a collective bargaining or other agreement, to contribute toward another malpractice insurance plan, or program or scheme providing professional liability insurance or indemnity benefits for a class or group of medical staff members, this Plan will terminate forthwith as to such class or group of medical staff members.

Section 3. Termination Upon Cessation of Medical Staff Employment. This Plan shall apply to a participant only so long as such participant remains qualified to participate in this Plan, provided that cessation of such participation shall not impair any rights accrued under this Plan prior to the effective date of such cessation of qualification.

Section 4. Benefits Terminable. All coverage of a participant under this Plan shall cease at once if the participant engages in any business or performs any act which in the sole judgment of the ~~Board~~ Plan Administrator is prejudicial to the interest of the University.

Article X ACTION AGAINST UNIVERSITY

Section 1. Conditions precedent. No action shall lie against the University unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Plan, nor until the amount of the participant's obligation to pay shall have been finally determined either by judgment against the participant after actual trial, or by written agreement of the claimant and the Administrator.

Section 2. Third-party actions. Any person or organization, or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this Plan to the extent of the coverage afforded by this Plan. No person or organization shall have any right under this Plan to join the University as a party to any action against the participant to determine the participant's liability, nor shall the University be impleaded by the participant or his legal representative. Bankruptcy or insolvency of the participant or the participant's estate shall not relieve the University of any of its obligations hereunder.

Article XI ADMINISTRATION OF PLAN

Section 1. Administration. The Plan shall be administered by the Administrator under the direction of the Board.

Section 2. Administrative Regulations. The Administrator may from time to time prescribe regulations for the administration of this Plan provided that such regulations shall, in the opinion of the General Counsel, be consistent with the provisions of this Plan as it may be amended from time to time pursuant to Article IX of this Plan.

Section 3. Legal Interpretation. The text of this Plan shall control and the headings to the Articles, Sections, and paragraphs are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions. The Plan shall be governed by and construed in accordance with the laws of the State of Texas. Any interpretation of the Plan by the General Counsel shall be conclusive as between the University and its employees and students, participating medical staff members, and retired or otherwise terminated participants, employees and students, and may be relied upon by the University and all parties in interest.

Section 4. Counsel and Settlement-Authority. Authority to employ counsel, approve attorney fees and expenses, and approve settlement of all claims, including litigation, shall rest with the General Counsel, or his delegate, subject to concurrence or approval of the Administrator, as required by any administrative regulations for the Plan.

Article XII GENERAL PROVISIONS

Section 1. Subrogation. In the event of any payment under this Plan, the University shall be subrogated to all of the participant's rights of recovery thereof against any person or organization and the participant shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The participant shall do nothing after loss to prejudice such rights.

Section 2. Changes. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Plan, or ~~stop~~ prohibit the University from asserting any right under the terms of this Plan; nor shall the terms of this Plan be waived or changed, except by written waiver or amendment duly approved by the Board.

Section 3. Declaration. By ~~acceptance of~~ enrolling in this Plan, the participant agrees that the statements in his application to participate are his agreements and representations, that his application has been accepted by the University in reliance upon the truth of such representations and that this Plan, and his application to participate, embody all agreements existing between himself and the University or any of its agents relating to this Plan and the coverage afforded hereunder.

Section 4. Assignment. It is a condition of this Plan, and all rights of each participant shall be subject thereto, that no right or interest of any participant under this Plan shall be assignable in whole or in part.

Section 5. Employment Non-Contractual. The University may terminate the employment, internship, residency, fellowship, or student-school relationship of any participant as freely and with the same effect as if this Plan were not in operation.

Section 6. Actions Against Participant. This Plan or its operation shall not in anyway affect any claim or cause of action by the University against a participant for indemnity or contribution arising out of or incident to any medical malpractice claim.

Section 7. Concealment or Misrepresentation. This Plan shall be void as to any participant, if, whether before or after a claim or cause of action is asserted, such participant has willfully concealed or misrepresented any material fact or circumstance concerning any claim or cause of action covered by this Plan, or otherwise concerning this Plan, or the subject thereof, or the interest of the participant therein, or in case of any fraud or false swearing by the participant relating thereto.

Section 8. Communications. All notices, reports and statements given, made, delivered or transmitted to a participant shall be deemed given, made, delivered or transmitted when delivered to him, or when mailed by first-class mail, postage prepaid, and addressed to him at the address last appearing on the books of the University. A participant who changes his address shall forthwith give written notice to the University of such change. Written directions, notices and other communications from participants to the University shall be mailed by first-class

mail, postage prepaid, or delivered as follows:

Office of General Counsel/Self-Insurance Division
Texas Tech University Health Sciences Center
~~P.O. Box 4641~~ 3601 4th Street
Lubbock, Texas 79430
Attention: Associate General Counsel

Section 9. Effective Date. The This revised Plan shall be effective ~~September 1, 1985~~ December 14, 2007.



TEXAS TECH UNIVERSITY

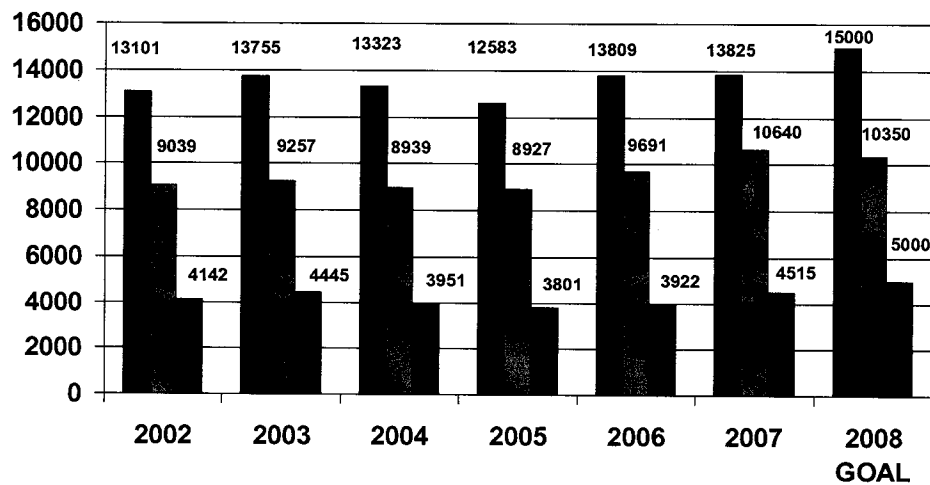


Enrollment Management Report

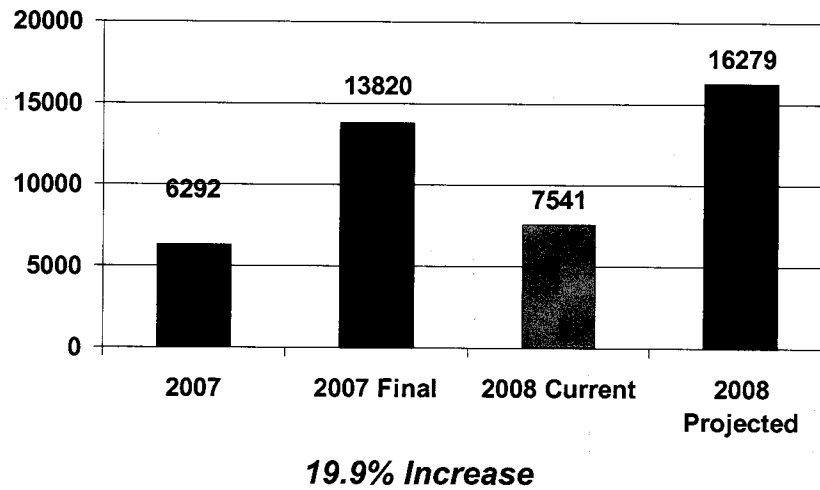
William M. Marcy, PhD, PE
Provost and Senior Vice President for Academic Affairs

*Board of Regents
December 13-14, 2007*

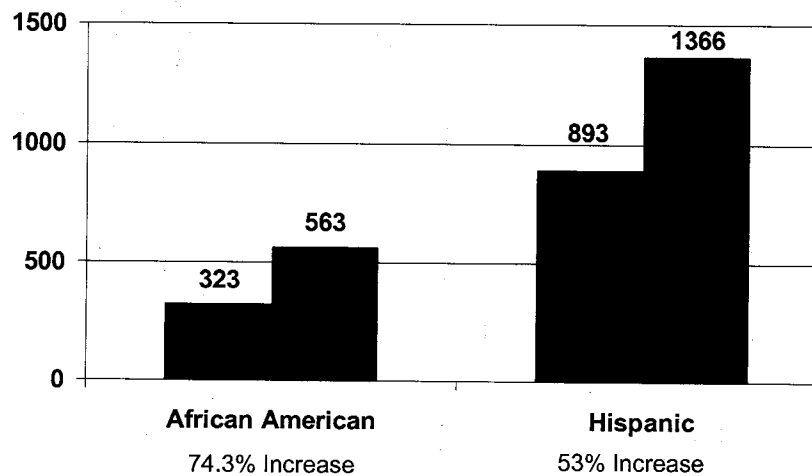
Applications/ Admissions/ Enrolled 2002-2007



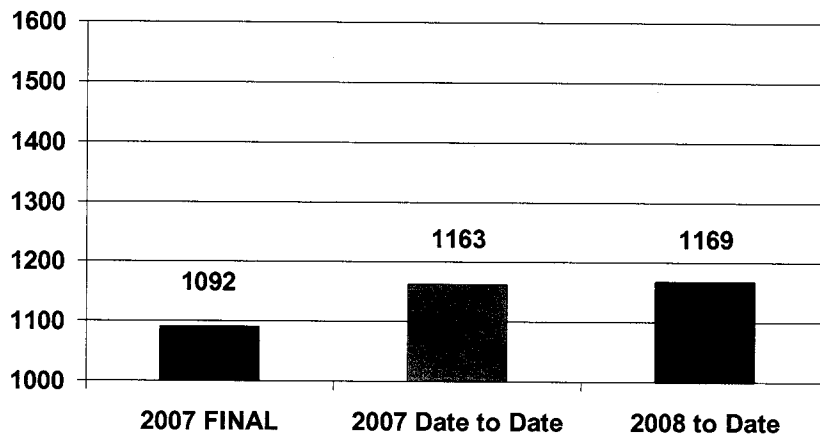
Applications Submitted as of 12/11/2007



Historically Under-Represented Population Applications as of 12/7/2007



SAT Test Scores – Admitted Students as of 12/11/2007



NEW INITIATIVES...



Expanded the recruiting staff by 11

- Dallas – 2
- Houston – 3
- San Antonio/Austin – 2
- Lubbock - 4

Increased budget - \$1.5 million in new expenditures

Additional and new space

- Additional 1500 square feet in West Hall
- Houston office
- San Antonio office

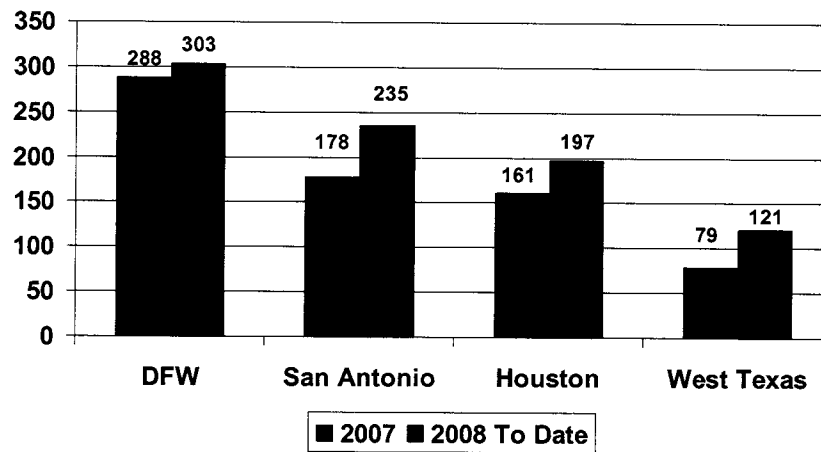
Enrollment task forces

- Hispanic
- African American
- International (coming soon)

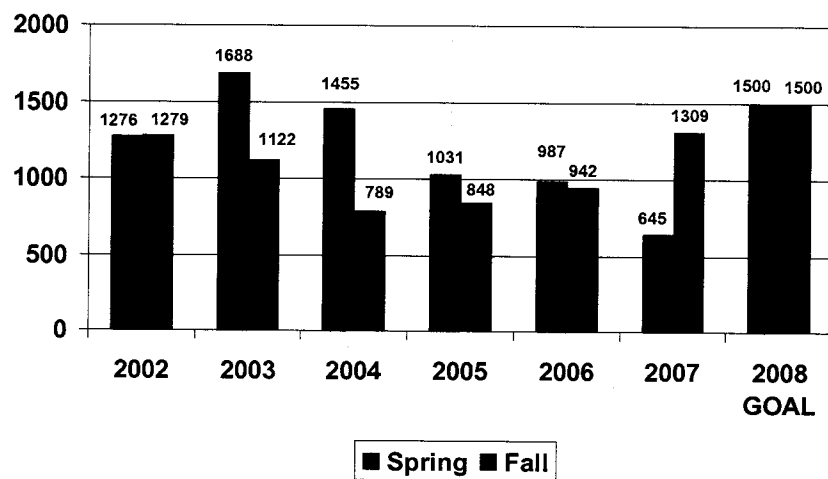
World-Class Transfer Center

- Coming on line 2008

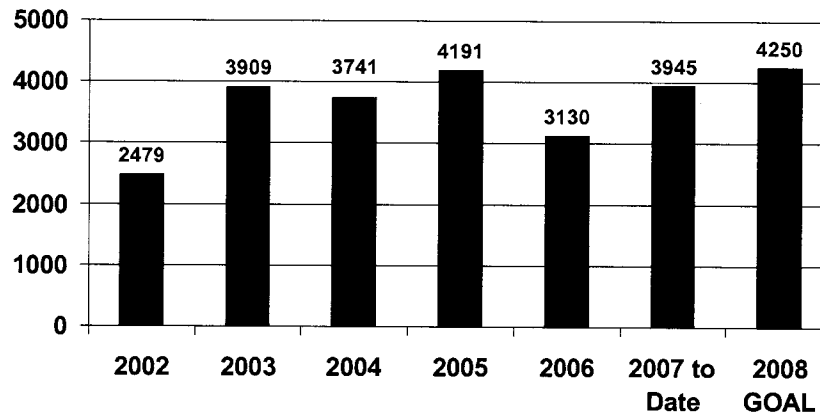
High School On-Campus Visits Comparison



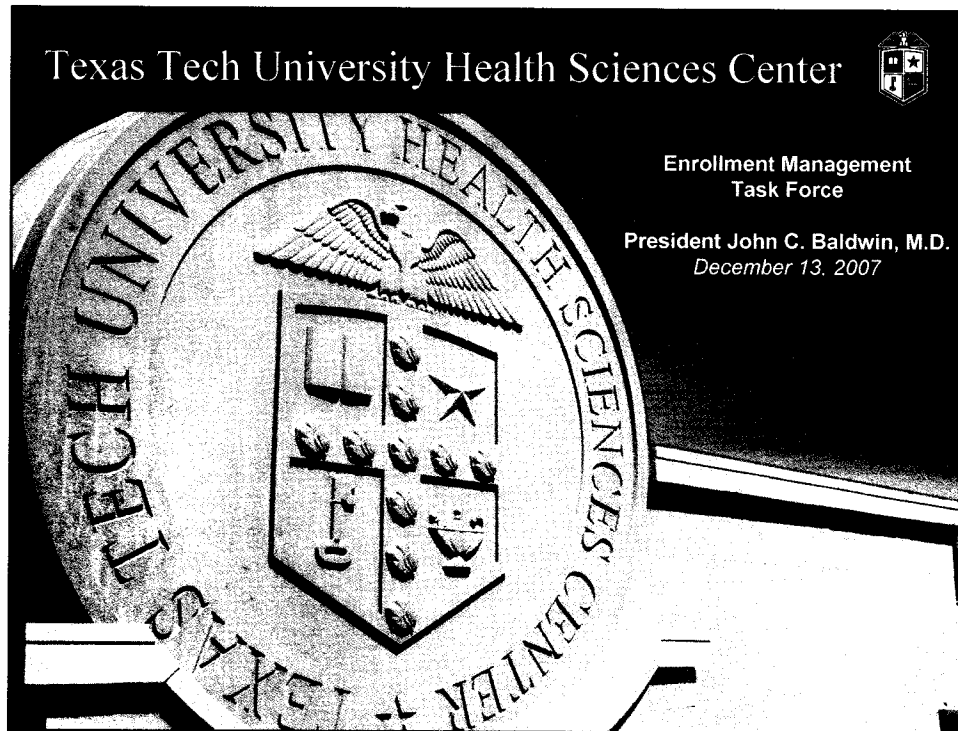
University Day Attendees



Visitors Center Tours



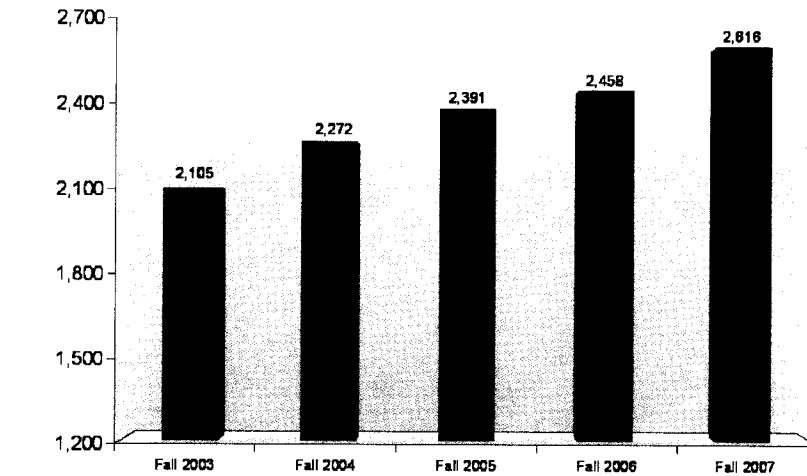
TEXAS TECH UNIVERSITY™



Enrollment Fall 2007			
	Fall 2006	Fall 2007	Projected Fall 2020
Allied Health Sciences	791	855	1,200
Medicine	550	571	850
Nursing	669	686	1,200
Pharmacy	349	402	500
Graduate School of Biomedical Sciences	99	102	250
Total HSC	2,458	2,616	4,000

01/12/2009 2

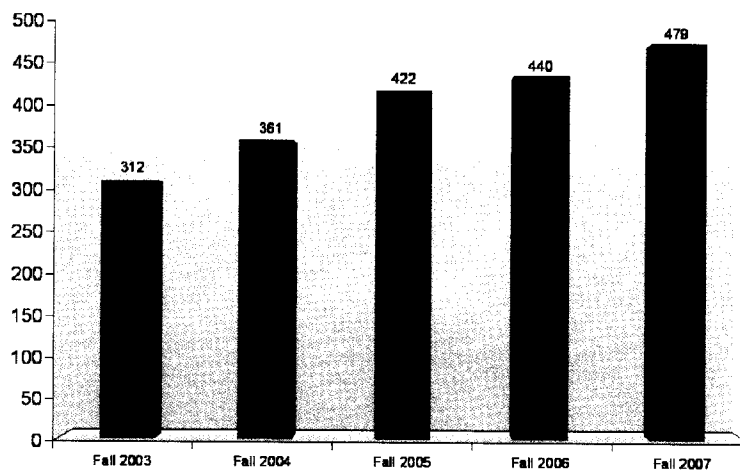
5 Year Enrollment Growth



01/12/2009

3

Minority Growth



01/12/2009

4



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University System

HUB Report FY 2007

*Office of the Vice Chancellor
and Chief Financial Officer*

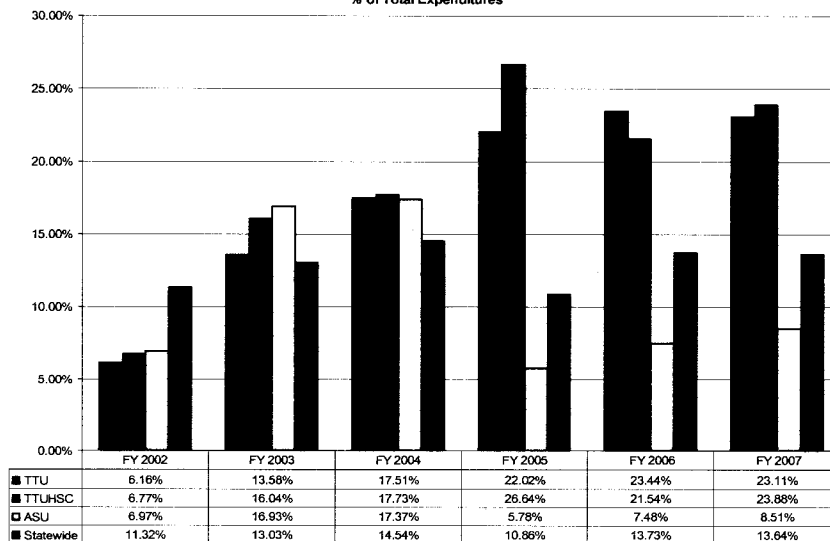
Board of Regents
December 13-14, 2007

TTUS Chief Financial Officer
Page 1



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

TOP 25 AGENCIES BY TOTAL EXPENDITURES

Rank	Agency #	Agency Name	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % of EXPENDITURES
1	601	Texas Department of Transportation	\$6,401,496,110.07	\$667,815,899.62	10.43%
2	506	UT M D Anderson Cancer Center	\$826,753,276.48	\$65,560,926.11	7.93%
3	529	Health and Human Services Commission	\$542,183,999.76	\$140,431,945.52	25.90%
4	720	University of Texas System	\$534,524,397.68	\$104,866,146.69	19.62%
5	729	UT Southwestern Medical Center- Dallas	\$347,274,298.20	\$44,123,458.55	12.71%
6	696	Texas Department of Criminal Justice - Huntsville	\$306,203,310.84	\$33,351,547.47	10.89%
7	723	University of Texas Medical Branch- Galveston	\$301,905,205.88	\$34,928,671.82	11.57%
8	721	University of Texas at Austin	\$272,539,003.67	\$44,312,821.36	16.26%
9	537	Department of State Health Services	\$257,833,782.84	\$34,408,936.37	13.35%
10	711	Texas A&M University (Main University)	\$196,541,600.15	\$40,445,899.40	20.58%
11	317	Texas General Land Office - Fiscal	\$160,646,517.64	\$572,547.14	0.36%
12	362	Texas Lottery Commission	\$157,463,263.34	\$42,541,910.88	27.02%
13	405	Texas Department of Public Safety	\$149,384,116.47	\$27,484,608.59	18.40%
14	701	Texas Education Agency	\$139,923,255.44	\$13,957,138.19	9.97%
15	710	Texas A&M University System	\$128,561,039.55	\$22,964,029.27	17.86%
16	744	University of Texas Health Sciences Center at Houston	\$128,104,018.28	\$23,683,047.59	18.49%
17	733	Texas Tech University	\$124,624,395.66	\$28,800,704.85	23.11%
18	539	Texas Department of Aging and Disability Services	\$111,042,058.44	\$15,061,665.82	13.56%
19	739	Texas Tech University Health Sciences Center	\$101,111,641.47	\$24,145,461.42	23.88%
20	730	University of Houston	\$100,100,116.96	\$20,863,162.22	20.84%
21	752	University of North Texas	\$98,266,733.17	\$22,866,855.42	23.27%
22	745	University of Texas Health Sciences Center at San Antonio	\$76,015,441.71	\$8,528,169.88	11.22%
23	714	University of Texas at Arlington	\$69,752,326.60	\$17,966,338.96	25.76%
24	754	Texas State University - San Marcos	\$64,915,342.57	\$7,369,046.00	11.35%
25	802	Texas Parks and Wildlife Department	\$61,991,096.41	\$7,277,235.72	11.74%

Board of Regents
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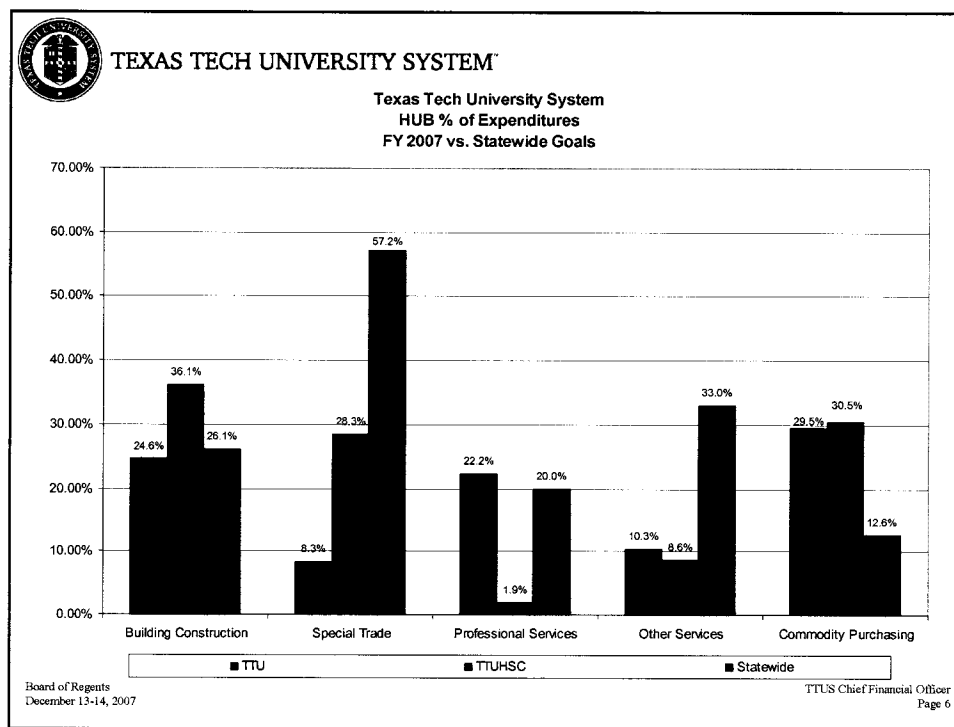
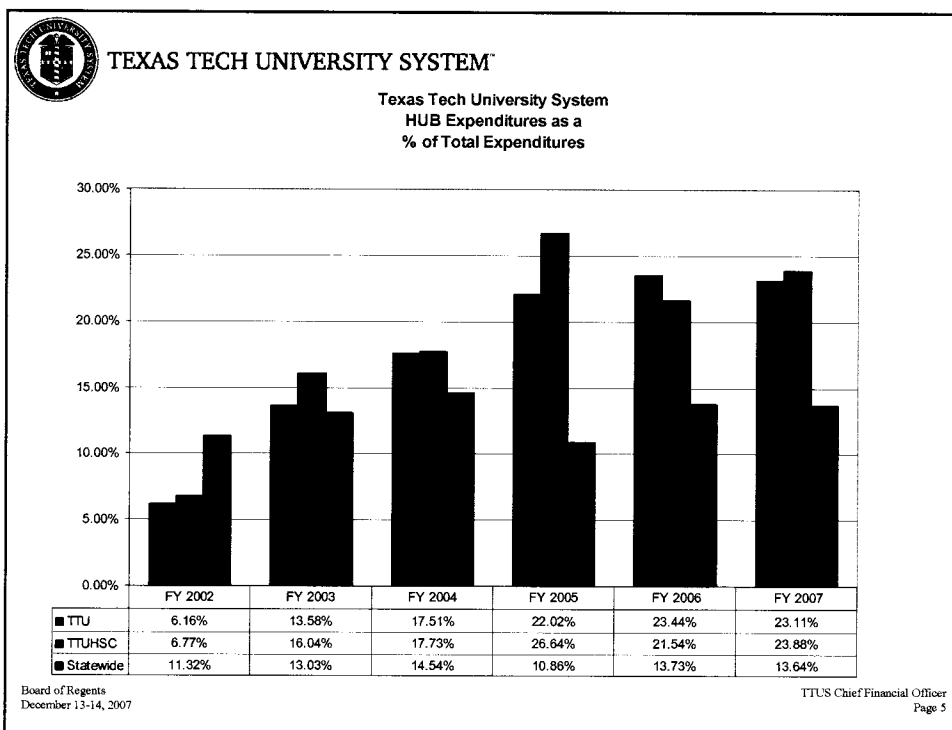
TEXAS TECH UNIVERSITY SYSTEM

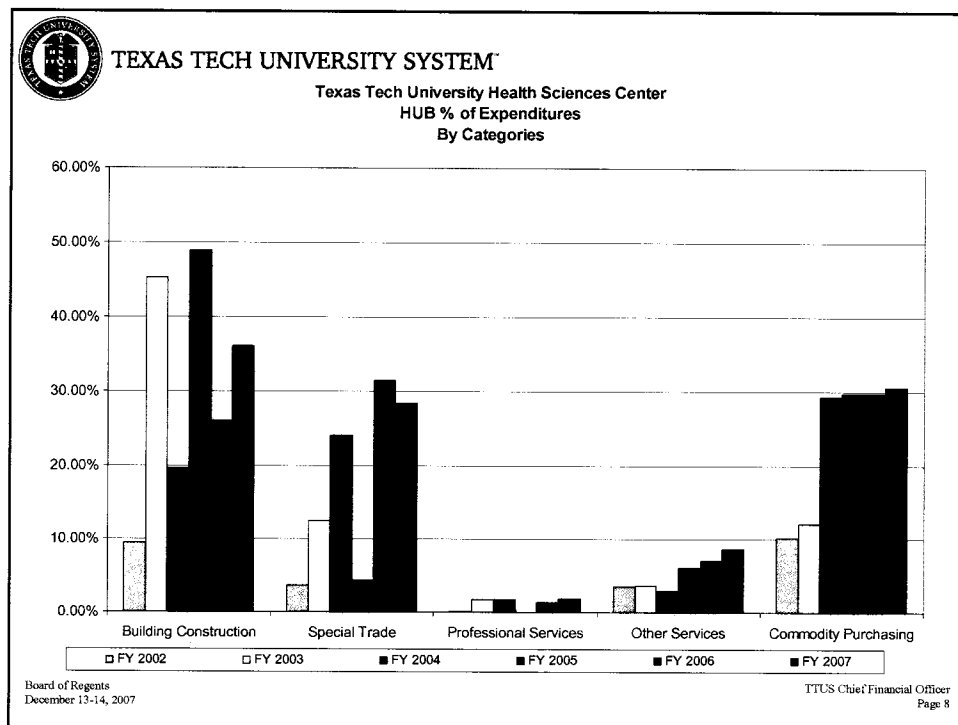
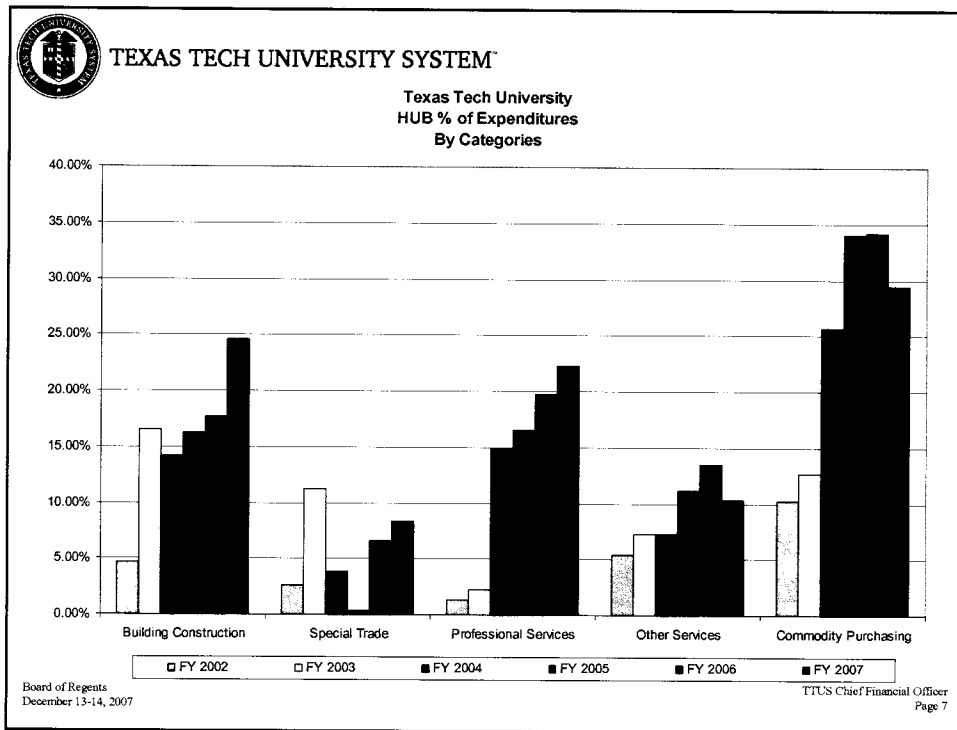
TOP 25 AGENCIES SPENDING MORE THAN \$5 MILLION with SMALLEST PERCENTAGE SPENT with HUBS

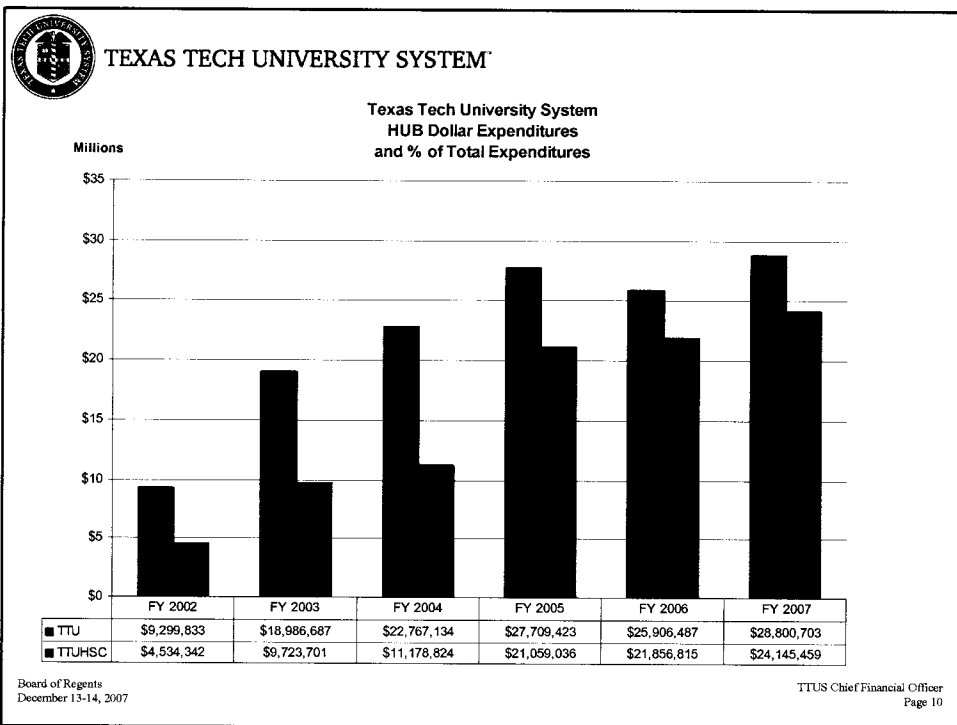
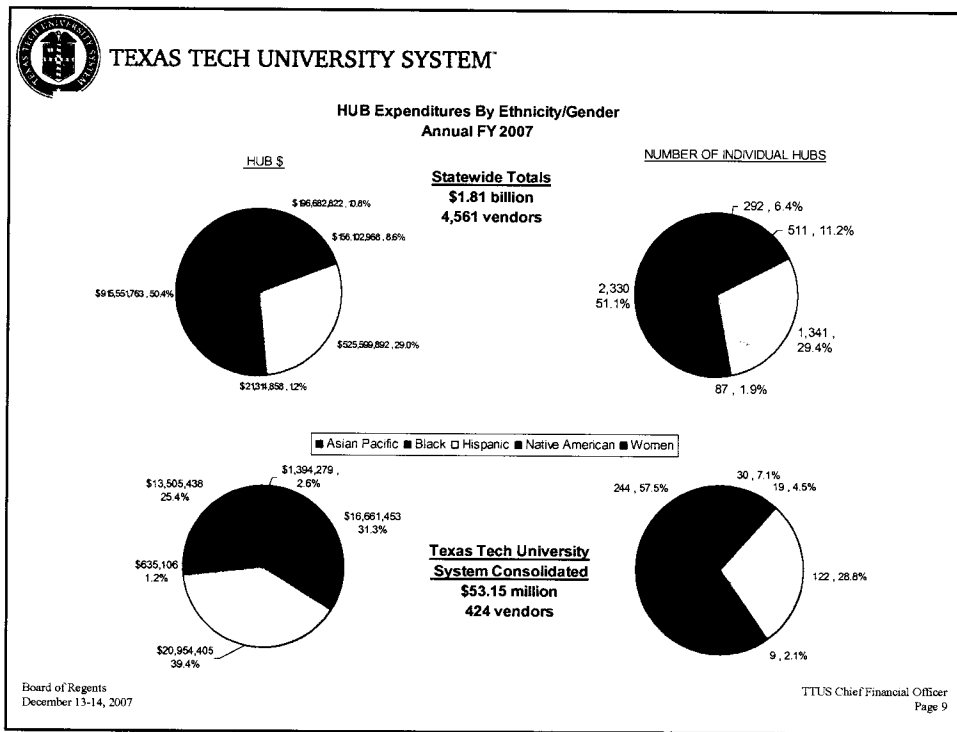
Rank	Agency #	Agency Name	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % of EXPENDITURES
1	317	Texas General Land Office - Fiscal	\$160,646,517.64	\$572,547.14	0.36%
2	305	Texas General Land Office - Fiscal	\$59,240,930.80	\$1,776,235.82	3.00%
3	306	Texas State Library and Archives Commission	\$6,914,058.64	\$275,243.40	3.98%
4	785	University of Texas Health Center at Tyler	\$34,134,183.96	\$1,578,714.25	4.63%
5	327	Employees Retirement System	\$30,602,397.47	\$1,599,452.77	5.23%
6	719	Texas State Technical College System	\$38,525,739.02	\$2,646,400.33	6.87%
7	556	Texas Agricultural Experiment Station	\$28,059,417.73	\$2,112,299.92	7.53%
8	506	UT M D Anderson Cancer Center	\$826,753,276.48	\$65,560,926.11	7.93%
9	809	State Preservation Board	\$8,266,083.35	\$657,355.46	7.95%
10	737	Angelo State University	\$16,828,353.84	\$1,432,316.94	8.51%
11	576	Texas Forest Service	\$6,151,244.80	\$586,333.41	9.53%
12	315	Texas Tomorrow Fund	\$7,736,115.87	\$754,586.70	9.75%
13	701	Texas Education Agency	\$139,923,255.44	\$13,957,138.19	9.97%
14	731	Texas Women's University	\$27,994,123.32	\$2,907,720.73	10.39%
15	601	Texas Department of Transportation	\$6,401,496,110.07	\$667,815,899.62	10.43%
16	696	Texas Department of Criminal Justice - Huntsville	\$306,203,310.84	\$33,351,547.47	10.89%
17	745	University of Texas Health Science Center at San Antonio	\$76,015,441.71	\$8,528,169.88	11.22%
18	754	Texas State University - San Marcos	\$64,915,342.57	\$7,369,046.00	11.35%
19	734	Lamar University - Beaumont	\$58,323,101.25	\$6,672,089.61	11.44%
20	723	University of Texas Medical Branch - Galveston	\$301,905,205.88	\$34,928,671.82	11.57%
21	802	Texas Parks and Wildlife Department	\$61,991,096.41	\$7,277,235.72	11.74%
22	455	Railroad Commission of Texas	\$27,194,343.94	\$3,406,917.40	12.53%
23	763	University of North Texas Health Science Center-Fort Worth	\$27,260,018.18	\$3,424,861.77	12.56%
24	729	UT Southwestern Medical Center - Dallas	\$347,274,298.20	\$44,123,458.55	12.71%

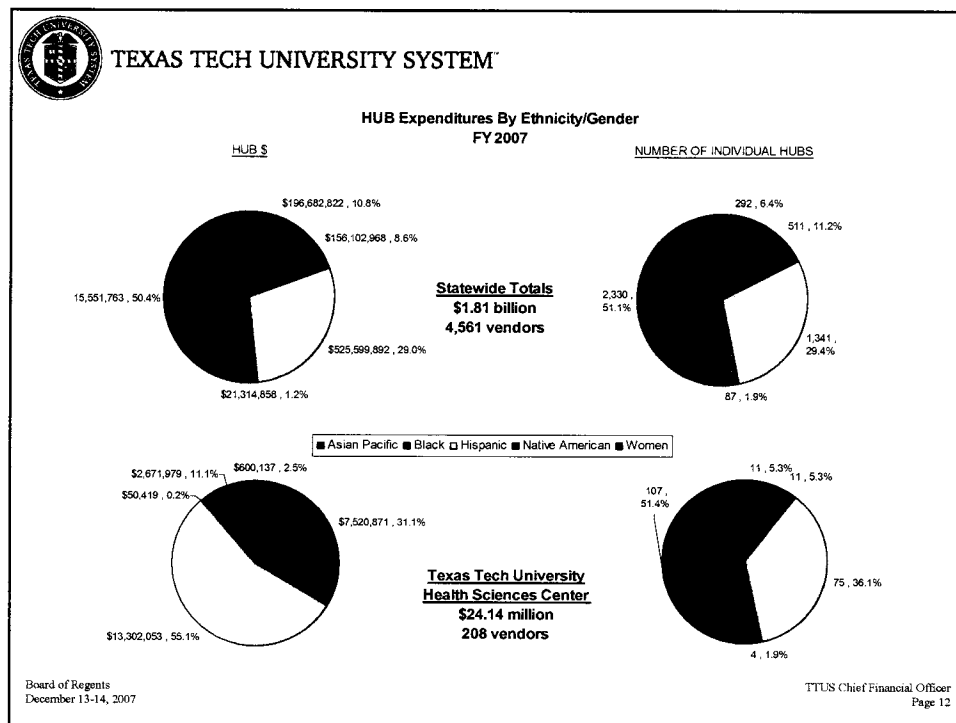
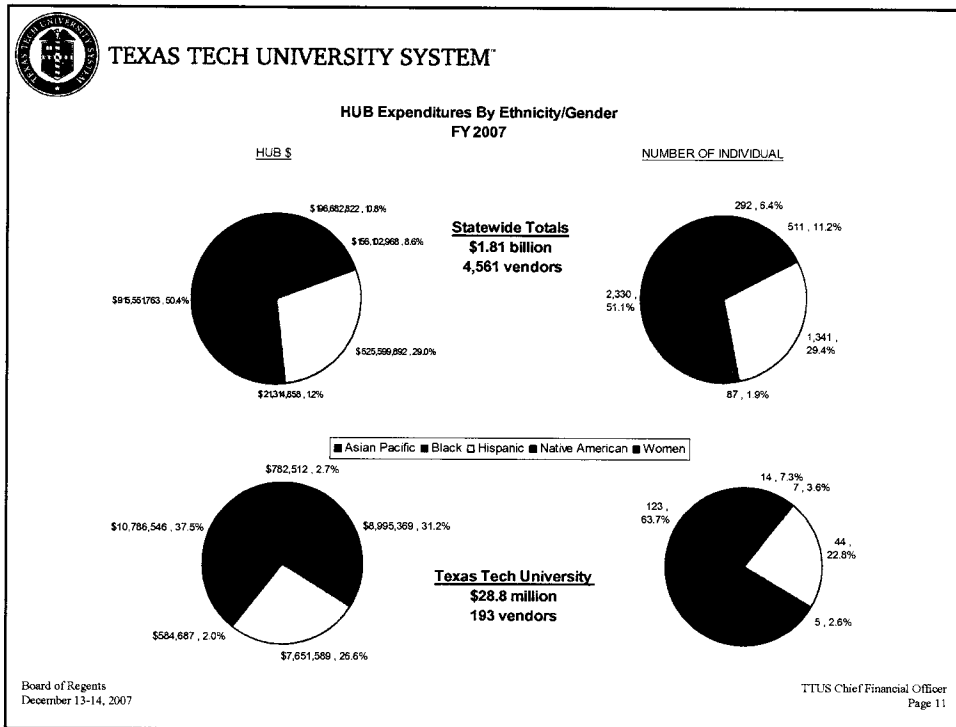
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Chancellor's Report
Texas Tech University System
Board of Regents Meeting
December 14, 2007

Chancellor Hance presented his report to the Board: I have a couple of items to report. This was not mentioned earlier, but the Chancellor's Council Distinguished Teaching and Research Awards were announced last week. Those individuals will be honored tonight at the Chancellor's Council annual dinner. Four individuals received that award. Robert McDonald who is a professor at the Rawls College Business Administration and John a. Weidanz, professor of Pharmacy, both received the Teaching Awards. The Research Awards went to Dr. Thomas Thekkumkara from the School of Pharmacy and Dr. Stephen Graham Jones, professor of English. Each of those individuals will receive a \$10,000 check from the Chancellor's Council in addition to being honored at the dinner tonight.

The Defense Appropriations bill has been finalized and signed. We more than doubled our defense spending. We received \$6.6 million for research. Of that, \$4 million is earmarked for the pulse power that we are working on. We have a request along with the University of Missouri for \$20 million from JIDO which is a subgroup under the Department of Defense. We have a good chance at acquiring that. The University of Missouri was selected by Tech for additional assistance because the dean of the Engineering School there is a Texas Tech graduate. The heads of Civil Engineering and Mechanical Engineering are Texas Tech graduates as well. There are 18 members of the Engineering faculty at the University of Missouri who have received their Ph.D.s from Texas Tech. So, that was a natural decision to select the University of Missouri.

We also received \$1.6 million in continuing research on nanopatonic technology and \$1 million was secured for the Zumwalt National Program for countermeasures for biological and chemical threats.

The Laura W. Bush Institute was one of the nicest days. Dr. Stafford can back me up on that. It was one of the nicest events we have ever had. People are excited about it. We have already gotten some chairs funded for that Institute. Dr. Baldwin did an outstanding job and Dr. Marjorie Jenkins, who is charge of it, is top notch. She is the best. She has made a great impression.

As far as System enrollment, we have got the third largest enrollment ever at Tech. We've got the largest freshmen enrollment. Some might wonder why we don't have the largest total enrollment. We are graduating more people and graduating them faster. We are doing a good job in that regard. We had a six percent increase in enrollment at the HSC. Angelo State's final enrollment was 6,239. The freshmen enrollment there increased by 108 from last year. We will be working with ASU with our Enrollment Task Force to get their numbers up as well. ASU's goal is 10,000.

Finally, a report was received from Billy Hamilton. He was hired by Tech and the other systems—UT, A&M, Houston, Texas State and North Texas to do a study on the recent

trends in spending on public universities and look at corporations versus tuition increases after tuition deregulation. He has done a good job on that. It is totally independent of the state government or of anyone—he was just hired for us. He was scheduled to make a brief presentation to the Board, but unfortunately his plane got delayed due to fog. He will hopefully join us during our March meeting. His study will show how much expenditures have gone up with the deregulation—it's shifted more to the student and the parents. That is a reality. Whether we like it or not, it is something we will have to continue to deal with in the future. Recently, UT looked at raising their tuition over the next two years by about 16 to 17 percent and they received so much flack that they dropped that plan and decided it would not go above 4.9 percent in either year. There is a lot of pressure out there and we have to utilize every dollar we get wisely. The Legislative leaders are feeling that pressure as well.

Regent Sitton asked if Tech was third in total enrollment.

Mr. Hance responded that Tech was third in total enrollment in the history of Texas Tech not the state.

Regent Griffin stated that the trend line with how we are funding and the state's participation mirrors what went on in the last five years to the trend line of what we have seen in public education. Coming from a school board perspective, we funded that on the backs of homeowners in Texas until the pressure got so great that they had to shift the burden a bit. My sense of it is that our train is headed in the same direction here. Our legislators are going to have to come to grips with that just like they did with the public education side.

Mr. Hance stated that Regent Griffin was 100 percent on target.

President's Report
Texas Tech University
Board of Regents Meeting
December 14, 2007

President Whitmore presented his report to the Board: I served on the Lubbock Economic Development Alliance. The University and the town are working very well together to help bring new business and industry to the City of Lubbock. In particular, the College of Engineering, departments in science and agriculture are working with the Development Alliance to help show prospective companies how the University's research might help them and be a reason why they might locate here.

We also had an ongoing discussion with Bayer Crop Science about building a joint research and educational facility on campus. That has some potential for the future although it is only in the discussion stage now.

The preliminary draft report of the NCAA self-study has been completed. That self-study is moving along.

An exciting development with Angelo State is that we have been working with them to develop a 150-hour degree program where students will graduate as undergraduates at Angelo State and be set up to automatically enter Texas Tech to earn their masters degree. That is one example of many joint programs that are being worked.

Brochures of the Health and Wellness Center are being distributed. That brings together our medical facilities with our mental health counseling. Another brochure distributed is from Athletics. That is an attempt to get the good word out about the quality academic successes of our athletes. It is a story that is hard to get into papers but an important one for people to know about.

The accomplishments newsletter was also distributed and everyone is encouraged to read that. That newsletter has many faculty, student and staff accomplishments listed.

Finally, the big brochure contains more of our marketing efforts and copies of ads, etc. that we have been using to bolster the image of Texas Tech and to increase visibility not only to potential students and their parents but also to show our alumni and the greater Texas community that Texas Tech is on the move.

That concludes my report.

SGA President's Report
Texas Tech University
Board of Regents Meeting
December 14, 2007

Mason Moses presented his report to the Board: I again thank you, the Board, for all the work you do on behalf of the students of Texas Tech University and the time that you sacrifice to make sure that Texas Tech is doing what it needs to be doing. We appreciate all of the work you do for us.

Two weeks ago, the SGA passed a resolution to include a referendum in this spring's election ballot. The referendum would call for a new debt service to help expand Jones AT&T Stadium. That would raise \$8 million for 20 years and it will be \$1 per credit hour starting in the fiscal year 2011. If you take 15 hours, you will incur \$15. Students will be voting on that in the spring. We are excited about that opportunity because we have faith in what Chancellor Hance and Rob Shindell and President Whitmore are doing and believe that we are going to grow and expand. So, if we are going to do that, we need to make sure that our students continue to have the best seating at athletic events in the Big XII.

We have expanded one of our most successful programs—that is our safe ride program. Starting in the spring, there will be pick-up points on Broadway across from the University where students can stop to get a safe ride home. The numbers of that program continue to increase. So, students are taking advantage of that program and getting home safely which is very important.

This semester we have also partnered with the Office of the Ombudsman and the Parent Relations Office to create the Raider Relief Fund. This is a fund for financially distressed students. Let's say there is a student who cannot pay their LP&L bill due to the fact that they have faced some medical issues. They can go to the Ombudsman, explain their situation, tell them how much money is needed, and then the Ombudsman will write them a receipt. The student will take that receipt to the Parent Relations Office and they will cut a check to the entity requiring the payment. Part of that will help the student get out of debt. We have some students who have unexpected financial situations occur during the semester that money wasn't budgeted for. We want to try to help these students make it through the semester. A lot of credit for the creation of this program goes to our Ombudsman, Kathy Quilliam, and the Parent Relations Office for setting this up and taking charge of this issue.

It is difficult for the SGA to believe that a whole other semester has flown by. We are very proud of the things we have accomplished. Along with what has already been discussed, our senators have written over 35 pieces of legislation in hopes of bettering the student's lives at Tech. Recalling when I was a sophomore during my first year in the SGA, we barely got 35 resolutions done in an entire year. So, we are excited that our senators are tackling the issues that face our University.

We have also been hosting monthly graduate coffee's for our graduate school population so that we can engage them more with the University. Our graduate student population and our international students are such an important and vital part of our University and it is important that they do not get overlooked. So, we want to create a forum where they can go to voice their opinions and issues which will be addressed appropriately.

As we go forward to the next semester, another issue that will be discussed is tuition. The Board and the administration has done a great job in past years of closely monitoring tuition rates increases and that increases are justified and are needed for the betterment of the University. In comparing my first semester tuition in the fall of 2004, and how it's changed since then through the spring, it was surprising to see the increase. It increased 22 percent or \$591.30 per semester. The return on my investment is very strong. I have been able to be involved in different activities and I have a lot of great memories. So, my investment has been very strong, but we need to ask ourselves about John and Jane Doe students. How is there investment? How is their return on their payment? We firmly always say, "We will recruit students. Follow up with every student, every time." But, we can't just stop there. We have to do that to get them here and then for the next four years they are here we need to follow through every time with every student everyday so that students feel they are getting an education experience that is equal or greater value than the price they are paying. The students have complete faith in the direction that the University is going. We are very excited about the time right now and being at Texas Tech. There has never been a better time to be Red Raider.

Again, thank you to the Board, Chancellor Hance and his office, President Whitmore and his office and Dr. Shonrock who always goes above and beyond everyday. If it wasn't for the amount of work that all of these people do, we would not be as successful as we are.

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 14, 2007

President Baldwin presented his report to the Board: The HSC publication, Pulse, is being distributed to the Board. It is well written but only represents a small fraction of what is going at the Health Sciences Center. As you look through the publication, there is a wonderful picture of Dr. Jenkins who was mentioned by the chancellor earlier. She is the executive director of the Laura W. Bush Institute and she is featured with Dr. Mittemeyer in a nice photograph on page eight. Thanks go to Dr. Mittemeyer for his remarkable service as interim president and also for his continuing service and loyalty to this institution. He has in his very supportive way recently volunteered to serve as my special assistant on veteran's affairs as we deal with issues of veteran's care here in central West Texas and El Paso where there is a severe under-service of our veterans, many of whom have to travel either to Albuquerque or Big Spring for care.

The chancellor has covered the issues of enrollment growth. He alluded to the opening of the Laura W. Bush Institute. We were deeply honored by the First Lady's presence. We were deeply impressed by her gracious attitude toward Texas Tech and our efforts on her behalf. She was particularly appreciative of our opening of the Jenna Welch Center, which is named for her mother. That center is at our campus in Odessa in the Permian Basin.

With respect to El Paso, the LCME site visit went very well. I was there for the entire visit. Our team did remarkably well. There was some awe among the search committee at our facilities there and some awe at our success based on community support in fundraising and development of an endowment. They did have some findings they would like for us address in terms how we structure the scholarship program and the bylaws. They will have that document later today—the document responding to those findings. The visit went extremely well and we are conservatively optimistic about the outcome. As Congressman Ralph Paul says, "I only run unopposed or scared." I feel good about it. The School continues to attract national and international attention as the only border medical school in the United States. Thank you to the Board for their support in this mighty endeavor, particularly to Regent Francis for his insightful and locally expert support as we move forward with this. Many of you know that we had the ribbon cutting ceremony for the new Medical Education Building on November 29. That was attended by many dignitaries including the Speaker, Mr. Craddick, the mayor and the chancellor as well as our great benefactor, Mr. Paul Foster.

I recently visited the School of Pharmacy in Abilene. It is a magnificent facility, but more importantly, it is a facility populated with remarkably talented people and terrific students. The most fun we had was talking to the students there who are really bright and enthusiastic and grateful to be there. We look forward to working with Abilene and

our new campus in Dallas to address the shortage of pharmacists in Texas and to achieve our ultimate goal of 4,000 pharmacy students.

With respect to the Permian Basin, I have been to Odessa twice. We are working hard to develop our new facilities there, particularly with the acquisition of the property at Midland. In 2009, when the El Paso Medical School is fully opened, we will be redistributing our third and fourth year students such that they will no longer go to El Paso and thus the campuses in Amarillo, Abilene, Odessa, and Midland become even more important. Dr. Berk and I are very confident that we will be ready for that particularly in terms of our capacity in the Permian Basin. That campus is very ably led by Dr. John Jennings who is an enthusiastic and effective regional dean.

We are expanding a number of departments, particularly the OB/GYN and Internal Medicine Departments in Midland. The OB/GYN facility does house the Jenna Welch facility mentioned earlier.

We have a wonderful physician's assistant program in Midland that has increased its size to a bursting point with 60 students. We're happy to report that this year we dropped to a 98 percent pass rate for the PAs because we had two years of 100 percent pass rate and we were afraid it was going to become unimportant for us to pass, but now that we have one person who has failed we have a challenge for ourselves. They are doing a great job.

In Amarillo, construction has begun on the \$18 million research facility. That will be a marvelous research facility for both the Schools of Pharmacy and Medicine in Amarillo. As heard yesterday, Dr. Richard Jordan was appointed as the new dean in Amarillo. Dr. Stafford spoke about his enthusiastic welcome to the community in Amarillo. I was at his reception and I can attest to the warm welcome Dr. Jordan received from the people of Amarillo.

In Lubbock, at the hub, everything is going very well. The First Lady of Texas, Anita Perry, was in Lubbock in the fall to show her support for the nursing students' growth and fundraising initiatives. Mrs. Hance has been and is a great leader in our effort particularly in the securing of new chairs in nursing. Also, in Lubbock we are very proud of our new Medical Pavilion. Many of you attended the ribbon cutting yesterday. We envision that as a highly patient-friendly entry point for people to come to us for their healthcare. We are going to work with our UMC colleagues to develop a welcoming and touring program to make that a really first-rate experience for the patients who come to Texas Tech physicians for their care.

The School of Allied Health Sciences has continued to thrive under the direction of Dr. Brooke who was just granted approval by the Coordinating Board to establish a doctoral degree in physical therapy. This is the fourth doctoral degree for that school.

The School of Nursing which is one of our fastest growing colleges has a doctoral program that was approved by the Coordinating Board in October for training

administrators and nurse practitioners. I am very proud of Dean Nelson's work as well. He is doing a good job across a wide variety of campuses.

These are just a few highlights of what is going on at the Health Sciences Center. Thank you to the Board for the privilege of serving as president.

Regent Sitton stated that this Board has emphasized collaboration between HSC and TTU and in visiting with the dean of the Law School, he was talking about various projects, and mentioned Dr. Steven Berk who has been very cooperative and helpful on several projects. Dr. Berk is to be complimented for that work.

President Baldwin replied that some very substantive collaborations have also been established with the Department of Engineering in terms of protein recognition on cell surfaces largely through the School of Pharmacy. That is another strong emphasis for us.

Regent Turner asked about the accreditation process in El Paso. He didn't know much about how that would all work. He doesn't know the timeline or how interactive it is between Dr. Baldwin and his staff and the accrediting board. If there are issues, will you be aware of them, or are you handed a sealed envelope with trembling fingers?

President Baldwin stated that was a very good question. I'll illuminate you. The site visitors sent us months ago a request for a description of the school, its curriculum, its facilities, and our plans for all the clinical and educational activities that were submitted about six months ago. We made some modifications in the curriculum in the meantime which they accepted. We had our site visit in November. That was conducted by three outside reviewers who are deans at other medical schools—they weren't actual full deans but they were deans of various disciplines at other schools and are well informed and a very thorough group. They spent two and a half days with us. Dr. de la Rosa and I stayed close with them and they asked good questions. At the end of that meeting, they have a very strict format whereby they describe their findings positive and negative. The positive findings were very impressive, very positive and very encompassing. The negative findings mentioned are generally described as nit picking issues. For example, one finding is that in our bylaws we had a statement that faculty promotions would be voted upon by a faculty committee and in another section of the bylaws it stated they would be ratified by a faculty committee. We will fix that. They want to know exactly how we would provide scholarship money. They feel we should aspire to provide scholarships to half the class for an ultimate class of 80 per year. We have addressed that issue. We have very carefully addressed every question that they raised in terms of negative findings. However, we have had several informal communications from that same committee that were very positive. It is not considered, according to Hoyle, for us to communicate with them directly at the LCME, the accrediting board. Unfortunately, the El Paso Times and other people who have different viewpoints about the future of the school have no qualms about contacting them and they do frequently. I believe ultimately that will act to our benefit. We will be hearing a final decision from them which will reflect our responses to the concerns that they raised, which again were minimal. We will be hearing that response in mid

February. By the time the next meeting takes place, we will know their final decision. Possible outcomes are full accreditation with no citations—that is almost unheard of; accreditation with some citations which is the mode—we approve this school but you need the following things; and the worst case scenario is non-accreditation which would be astounding. I feel good about it and that is the timeline.

SGA President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 14, 2007

Erin Anderson presented her report to the Board: Thank you again to the Board for your time and your continued support to the students of the Health Sciences Center. I would also like to thank President Baldwin for his leadership. He has been excellent. Thank you also to Mary Croyle. She has been very valuable to us. And, thank you also to Dr. Rolfe, Margret Duran and Pam Prosser. They are great assets for us to use. We would not be as successful as we are without their assistance.

I will do something differently today and tell you why I do what I do. I feel very passionately about this, so if you will permit me a little time, I hope to get through this all.

I am very proud of our students. They are why I do this job. I think we get overlooked quite a bit. I would like to run down on every good thing that has happened to the Health Sciences Center this semester. Firstly, thank you to my executive officers: my vice president of communication, Shannon Boyd, has been instrumental in raising over \$50,000 in our annual Thank-a-thon-phone-a-thon Scholarship drive. We also have a record number of applicants for this scholarship this year which is a testament to the increased visibility of our senate. I would also like to thank my vice president of operations, Meredith Minyard. It is her job to coordinate all of our student senators, which in area that we serve of over 180,000 square miles, it can be quite a job. We have had marked improvement in regional campus participation this year and it is all because of her. Thank you also to the vice president of finance, John Nathan. He not only coordinates the financial needs of the senate and the SGA but he also coordinates the financial needs of every group on campus. If he can't find them funds, he helps them fundraise and he helps them find alternatives. He has revolutionized the way finances are handled at the HSC. Thank you also to the student body. They are why I do what I do. Everyday they inspire me even more by what they do.

This semester our students have logged more community service hours than ever before. Through our different organizations, school books are being provided to those who would not be able to afford them. Our Operation Smile Chapter has raised enough money so a child can now have a cleft palate, cleft lip corrective surgery that they might not have been able to afford. Our campus wide participation in "Share in Warmth," "Toys for Tots," and the Salvation Army Angel Tree program and the South Plains Food Bank guarantees that this winter citizens of Lubbock will be warm, feed and able to give their children a holiday season that they will remember forever. Our nursing students collected items to send to our service men and women overseas for the holidays, reminding them that the students of TTUHSC support the job that they are doing and to thank them for their service. Together our students participated in health fairs bringing awareness of conditions such as hypertension and diabetes to the people of West Texas. Our students are working to educate the youth of our area about the risks of

unsafe sex which is very important in a region that statistically leads the country in STD and teenage pregnancy rates. They participate in medical mission trips to places as close as Juarez, Mexico and places as far as Uganda and Tanzania. When asked to submit suggestions to improve student learning as part of the QEP project for TTUHSC's reaccreditation process, our students provided a full third of the submissions. Our students will participate in every step of the accreditation and renewal process. Our students do all of this while maintaining academic excellence and earning increasingly higher scores on board exams. Our students hold seats on councils and boards of national and professional organizations. Our students go on to residencies in places like the Mayo Clinic and to research potential cures for the world's most life threatening diseases. They go on to better the lives of the people of West Texas, the United States and of the world. Our students are eager to use the tools given to us not only to better our educations but to help us better treat our patients. We are eager to work in the new Medical Pavilion and we are very excited about the Laura W. Bush Institute for Women's Health. The students of TTUHSC are why I do what I do. These people, my peers, are why the other student government officers and I work so hard to promote overall student welfare at the HSC. Our students deserve everything we have to give them and it is the students who we serve. Everyday I am honored to give what I can to help my peers success and I know that the other student government officers and members of the senate feel the exact same way. In fact, that is why we are currently working with student leadership in El Paso to ensure that the students of the new Medical School have a voice of their own through their own senate. I am proud to be a part of that as well. It is said that to whom much is given much is expected. Our students work tremendously hard everyday and everyday they give us more than is expected. Our students regularly excel at everything they do from treating the tiniest newborn to winning back to back cross country races as our own Sally Kipyego. It is my wish that they get the recognition they deserve for their efforts.

Thank you.

President's Report
Angelo State University
Board of Regents Meeting
December 14, 2007

President Rallo presented his report to the Board: Thank you for the opportunity to present some updates for Angelo State. There are four areas to cover in our planning process.

The first area is student recruitment and retention which remains our number one priority. Based on recommendations from Dr. Shonrock, we are initiating some realignments within our Student Services Division to be much more agile and proactive in enrollment management. A full time admissions recruiter will be hired and placed in the San Antonio market which is one of our largest and fastest growing recruitment areas. We are engaging a review of our current freshmen admissions standards to look at enhancing that and recruiting appropriately and retaining appropriately. Our new Student Recreation Center based on a fee voted last fall by the students is being designed and will be constructed earlier rather than later in order to meet the needs and desires of the students. This will also serve as a retention device. Another example of a student response to these initiatives, starting in January, as mentioned at the retreat, funds are being realigned so that every one of our students who goes to study abroad at one of the ASU programs will be given a scholarship so they will pay no more to study abroad than they would do study for a semester on campus. For example, last summer we had 54 students overseas and 4 study abroad programs. This summer we expect 125. The students are responding to these initiatives in a great way.

The second area is in development. We were able to announce on December 11 our first endowed chair at the \$1 million level/ that is the Norris Family Chair in International Business—and thanks to Chairman Dueser for being part of that ceremony. Robert and Jean Ann LeGrand for who the Alumni Center is named continue to be exceptional donors and will be shortly announcing a \$1 million gift over five years to support Athletics. This will assist greatly as we begin to move more towards gender equity. We have just announced the introduction of women's golf as our seventh team sport joining five for men.

The third area is community partnerships. We continue to be involved with MyMail which is an encrypted e-mail service to allow secure transmission for medical and legal professionals. That continues to expand and has basically taken over the San Angelo incubator facility and encryption research was done by our Physics Department and we maintain a very close relationship with MyMail founder, Bob Derby. The ASU Nursing Program began operating a school-based clinic on the San Jacinto Elementary campus in September of 1994. A new building is being constructed with four times the space. That will open shortly to create a family wellness center. Community funding in excess of \$300,000 has paid for the facility but our nursing faculty allows enhanced primary care services for families who have no other place to go while expanding clinical learning experiences for our nursing students.

Finally, under some of our strategic initiatives, our joint language and culture partnership between ASU, Good Fellow and Air University continues to move through Senator Kay Bailey Hutchison's office. They will provide ongoing funding of approximately \$2 million a year as well as \$4 million in bricks and mortar and technology to allow our faculty, Texas Tech faculty, Air University and Good Fellow faculty to design language and culture and regional studies programs for Air Force, civilian, and military faculty from Air University. The Air University Language and Culture Center has the potential to be the site for the entire Air Force and not just Air University where they have a much greater increased role from all of our campuses. Thanks to Chancellor Hance for his continued support of that.

Happy holidays and thank you for the opportunity to serve.

Regent Griffin asked about the study abroad scholarship. Is the Carr Foundation available for that type of support and assistance?

President Rallo stated that we are redirecting and reinvesting the Carr dollars to capture the greater rate of return and direct it into the strategic initiative. The Carr dollars will be a major source of funding for that.

Regent Griffin stated that we will be anxiously watching for some retention results as well. That is a huge initiative there and we want to be in support of it. We'll be anxious to see how good that goes.

SGA President's Report
Angelo State University
Board of Regents Meeting
December 14, 2007

Ryan Mason presented his report to the Board: Thank you for the opportunity to speak to the Board today. Since the last meeting, we have worked on a couple of large projects—the first one being the fee workshop. We had a few workshops a week ago to discuss possible fee hikes that will take place in the upcoming fall semester. In the past it has worked out as this one—the attendance hasn't been very good by the students. I heard at the last workshop that we only had one student present who was a reporter from the school newspaper. So, we had a big task ahead of us in regards to raise attendance at that event as far as educating students of things that are going on at campus. I worked with IT and sent e-mails to every student on campus three or four different times before this event took place. We also sent e-mails to all the faculty and staff trying to get them to spread the word in their classes. We also had articles placed in the Rampage. I did television interviews with the school news. Those interviews were on Ram television which is on a local television channel. We also put those on the University Center televisions and ran those all day long. A clip of that interview was also sent with some of the e-mails sent. We also created a Facebook group. Since students are always on Facebook doing that. From all of our efforts the attendance resulted with 27 to 30 people. We couldn't get an accurate headcount since people would come and go throughout the ceremony. I was very happy with that. I would have liked a lot more but that is still a very good increase based on past years. We also made efforts to involve other students who were not able to attend. We worked with IT very closely to videotape the ceremony for us. This video has been posted on the school's website, Ram Port. This video was also sent out via e-mail. My e-mail and the SGA's e-mail were posted so the student's could ask any questions they had on any of the fees. The way this workshop worked was any department asking for a fee increase would discuss why these increases were taking place. After the discussion, the students were able to ask questions on these fees and discuss their feelings about each fee. There were many positive comments on the workshop. We had a lot of great information provided by the key representatives and all of the questions from the students were thoroughly answered. There were no fees that were declined by the end of this ceremony which is good; they did a really good job presenting these fees and letting the students know why we needed these fees to be approved. Also through this workshop, we found a new direction for the SGA to work towards next semester. A big question among the fees was the advising fee which is the smallest fee of all. It is interesting to find out that fee is the one most students had questions about. I will get into what we are planning to do with that information in a bit.

We also went through a new student regent search. We had an application process starting on the end of October. That has gone on until a couple of weeks ago. We also went through a screening process. We have three candidates who are very worthy. We will continue to work with Dr. Islam, Erin and Mason on getting a committee together to select a new student regent.

We have come up with some student initiatives that we will continue to work on. As mentioned before, sometimes we come up with what believe to be a great idea only to find out that Dr. Rallo has already been working on it before anyone knew about it. This is one of those projects. We looked at making ASU more of a green campus. You heard a bit about this yesterday. Currently, we have recycling bins in dorms and other buildings throughout the campus. There are some new trends on campus that are being promoted. Through initiatives with Dr. Rallo, we are working towards becoming a paperless campus. The IT Department also has paper limits in the computer labs. That is more for waste prevention. Students still have plenty of paper that they are able to use without paying any extra money. This is to prevent excess runoff and such.

The investment that Ms. Meyer discussed yesterday with the third party who has come in and helped us replace new lighting and we are seeing such and the saving from that.

We have discussed what is going on with Dr. Rallo. He let you know what the University is doing and we have taken a step back to determine what we can do to help out in this process. We are currently looking to find a company to place large recycling dumpsters around campus in strategic locations such as by the dorms, etc. As of right now, we have not found a company who will help us out in San Angelo. I don't believe we have recycling capabilities in San Angelo so we are looking to see what we can do with companies in Abilene or surrounding areas.

To the advising issue, right now we have a decentralized advising system. The issue with this is that sometimes you will have a bad advisor. Either they are not properly trained or they may be apathetic—they may be a faculty member who is just there or not really interested in advising at all. Because of that they are not good advisors. Also, there are student issues—for example a student may be advised to do one thing yet he does another which is not to their benefit. After discussions with the fee workshops and talking to the Center for Academic Excellence, they are trying to move towards centralized advising or centralized training of the advisors. This is something that we would really like to see and we will begin working on how we can assist them or what we can do to better educate our students on what they need to be doing. The positive of a decentralized advising system is having a staff of advisors who specialize in advising—that would be all they do. We would also have properly trained advisors. Maybe we need to get training for the faculty who are not sure of what they should be doing. With properly trained teachers this will help out a lot. Better advising can also contribute to greater retention. If we have students who visit their advisor and have a personal relationship with them every semester they will be updated properly on what they should be doing. Hopefully that will help in that area. We will begin work with various departments as soon as possible.

Communication issues that we have on campus include attendance at the fee workshops held in the past. That is because the SGA hasn't taken a leadership role in letting the students know what is happening on campus. The role we are trying to work towards is finding out what works on campus. Some of the things that we did with the fee workshop definitely worked and some things didn't. We are taking those ideas along with ideas we have come up with through other events on campus. We will find what works and stick with that and train the next SGA executives on a system that will

continue to work and create continuity so we will be better able to update the students on what is happening on campus.

We are also coming up with a new program on campus. We have been working with Athletics, the Drama Department and the Program Council, etc. on this. It is a campus-wide program where a student will swipe their ID at every event attended whether it be basketball games, a play or whatever else. The idea is create interest among students in these on-campus events, lead to greater attendance at all of these events and hopefully greater retention. If we can get students involved in these types of events hopefully they will meet more people, be more interested in the school, etc. That is something being worked on right now. Hopefully that will be started in the fall.

With Dr. Rallo's initiatives on the residential campus, some great things are coming from that. In the past, the University Center has been seen as a conference center. Not a lot of students have been in the building. Now, we have televisions in there, video game consoles—xbox 360, Playstation 3. We also have ping pong tables and all the televisions have satellite packages. The students are in there all the time now. When the Cowboys played the Packers, that game was televised on the NFL Network. Since my roommate and I don't have the NFL Network we decided to go the UC. We thought no one would be around. We got there and it was so packed that it was difficult to walk around. There were so many students in the building. It was exciting to see that. I have never seen that and I have been at the University for four years. That is one silly example of how things are changing on our campus. That is a great small step towards possibilities of what the whole campus could be. We are looking at creating gathering areas on campus and the SGA hopes to continue to come up with new ideas and efforts to help create a student friendly campus as discussed earlier. The main idea behind this is retention. With that and Dr. Rallo's initiatives, we are trying to do everything we can to help out in promoting a more student friendly campus.

Thank you for the opportunity to speak.