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I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on December 16-17, 2010.



Ben Lock
Secretary

SEAL



NEPC, LLC

YOU DEMAND MORE. So do we.



Texas Tech University System

Market Review and Outlook

December 15, 2010

Edward J. O'Donnell III, CFA, Senior Consultant

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

Executive Summary

- **What's up?**

- Bad news: Unemployment; Fed Balance Sheet; Debt as a % of GDP; Commercial Debt Outstanding
- Good news: Equity Markets; Gold; GDP growth; Bond Markets; S&P Operating Earnings
- Mixed bag: Savings Rate

- **What's down?**

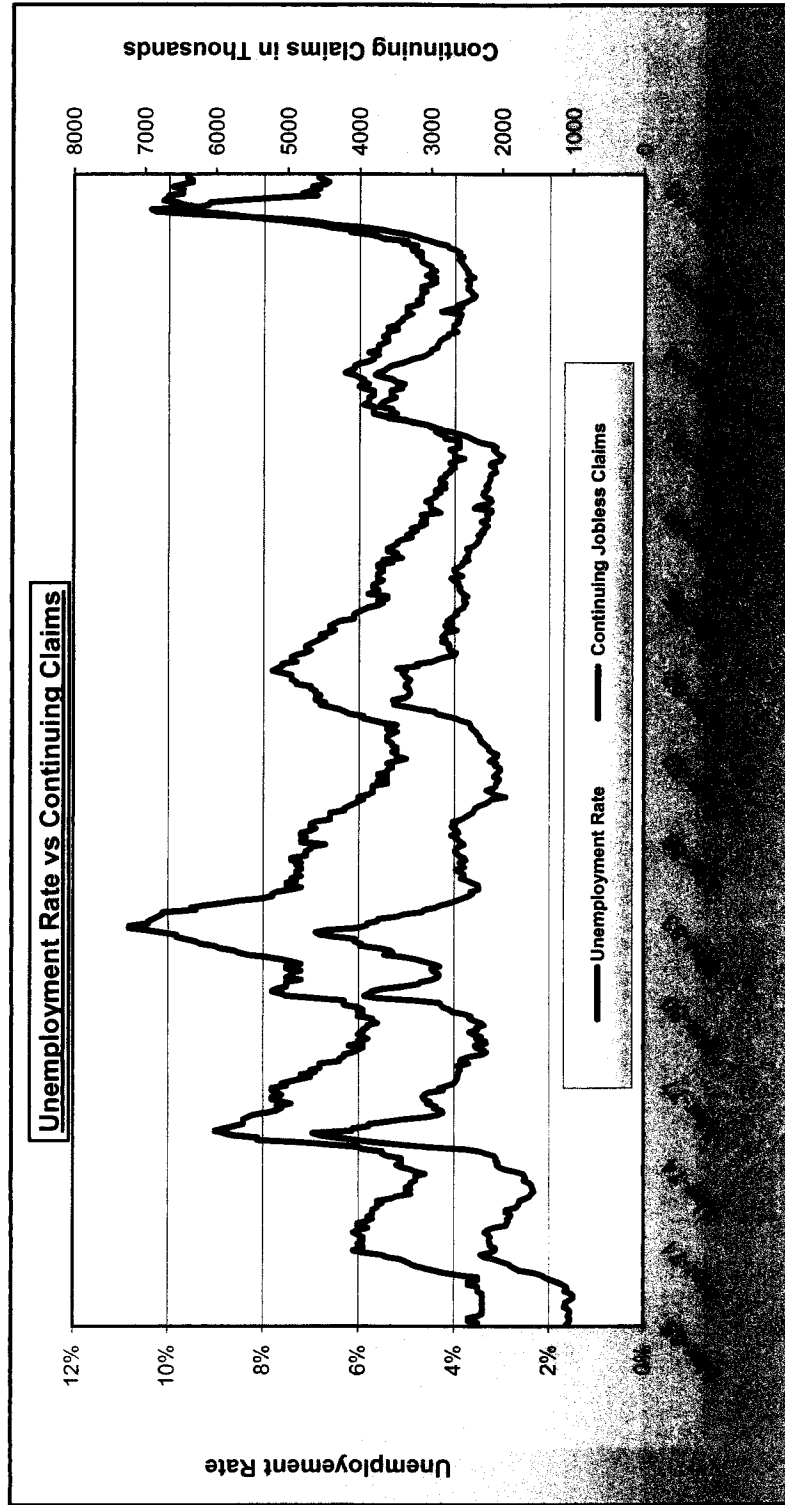
- Bad news: Home Prices; Commercial Property Prices; Consumer Confidence; Merger & Acquisition Activity; Lending
- Good news: Defaults; CPI; Interest Rates; Bond Spreads; Volatility
- Mixed bag: US Dollar; Fed Funds Rate; Oil Prices

- **What's on the horizon?**

- Bad news: lower return expectations in many global capital markets; yield is scarce; much uncertainty remains; policy matters; growth is slow; inflation may rise
- Good news: compelling investment opportunities remain, yet with attendant risks
 - Active manager risk (global stocks and bonds)
 - Illiquidity premium (private markets); distressed
 - Volatility, leverage, and transparency (hedge funds)
 - Emerging markets (equity and debt)

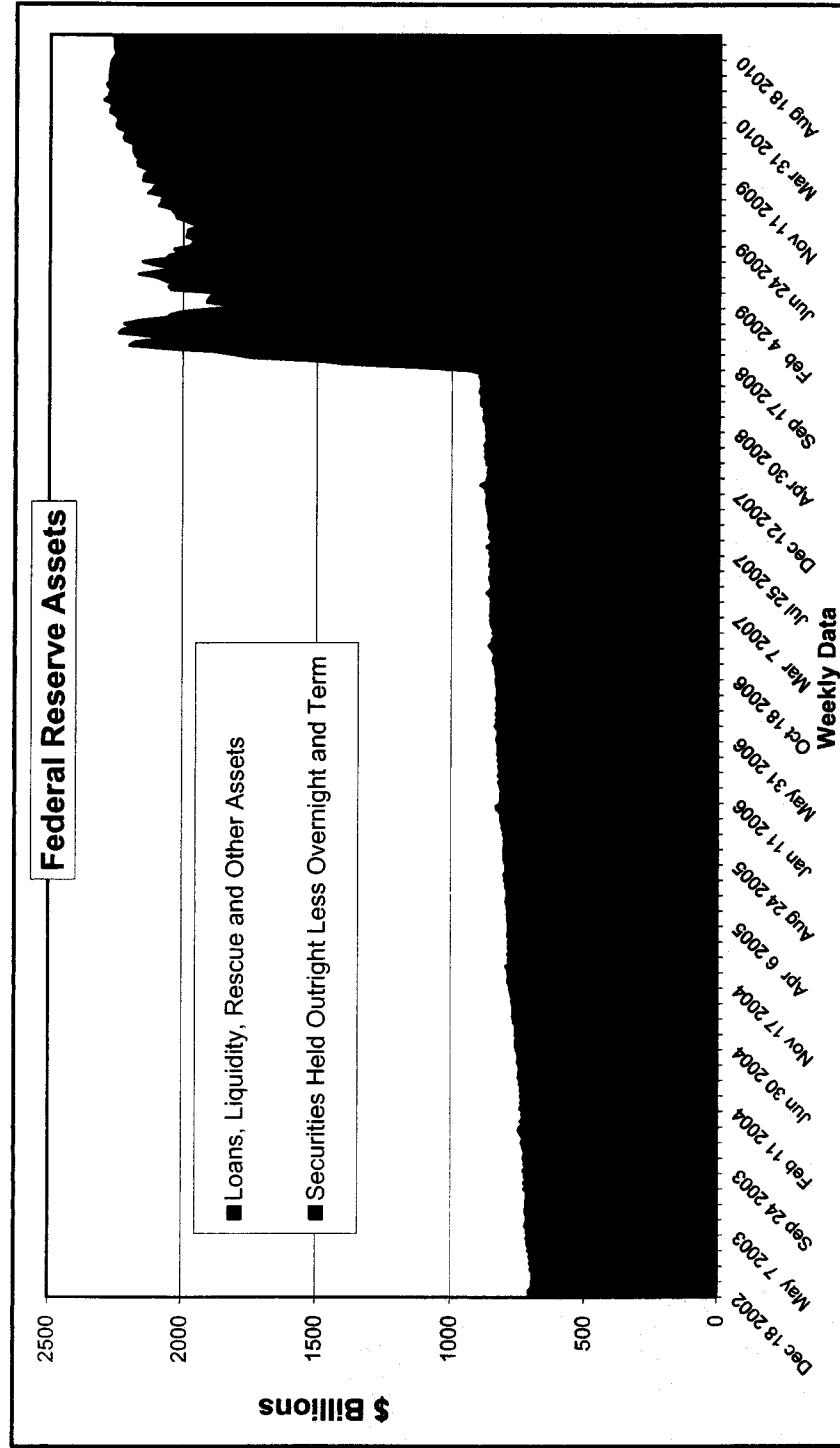
What's Up?

Unemployment



- **Unemployment still limiting consumers**
 - Consumer spending and confidence (key to US GDP) are down
 - Corporations not spending on human resources
 - Wage inflation less of a factor in the US

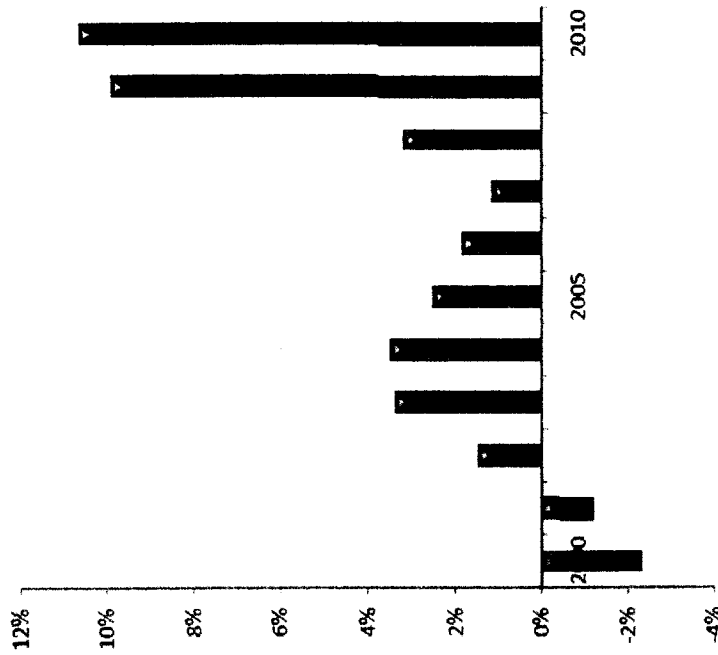
Fed Balance Sheet



- **The US Federal Reserve has increased leverage on its balance sheet**
 - Stimulus packages and Quantitative Easing to spur economic growth
 - Longer term implication may be loss of confidence in USD from global investors a higher inflation for domestic consumers

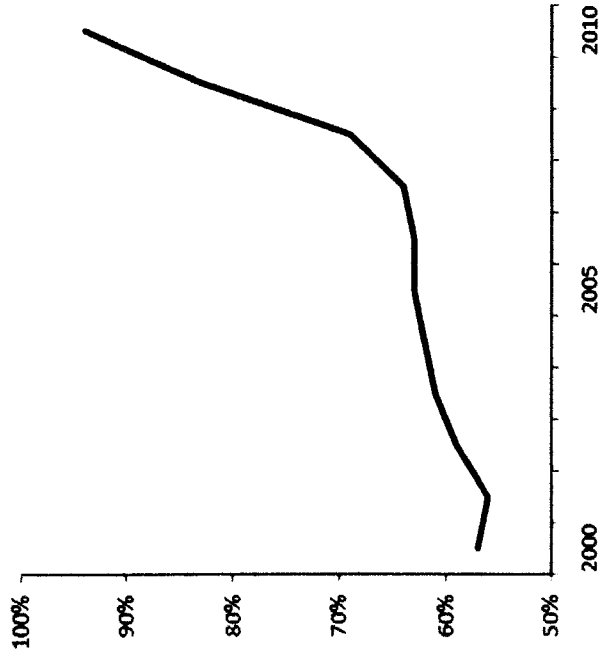
Debt as a % of GDP

U.S. Deficit as a % of GDP



Source: U.S. Federal Reserve

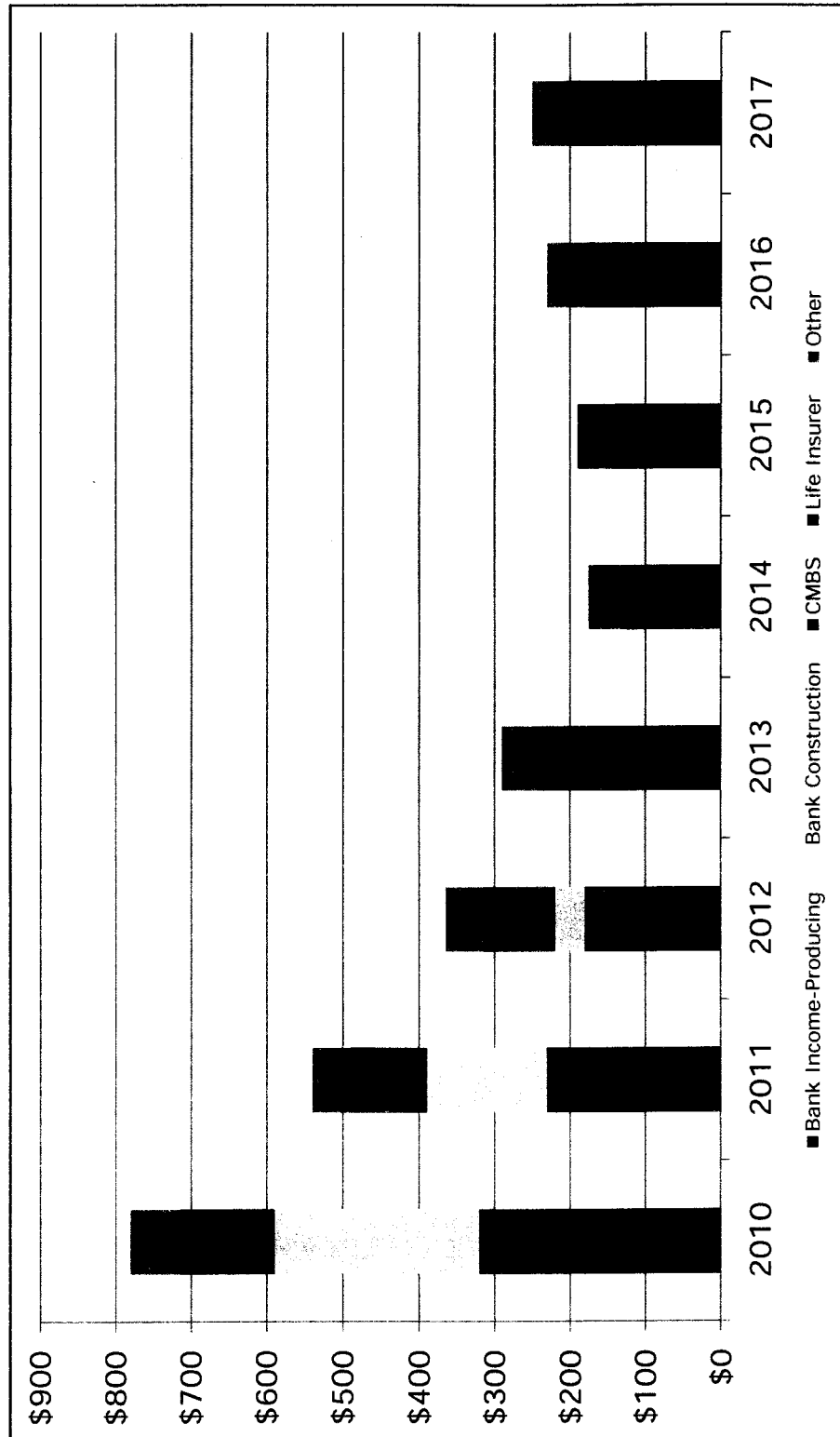
Debt as % GDP



- **US deficit and debt are rising**

- Debt has shifted somewhat from corporations and consumers to the government
- Borrowing-based growth (as opposed to savings-based) has implications

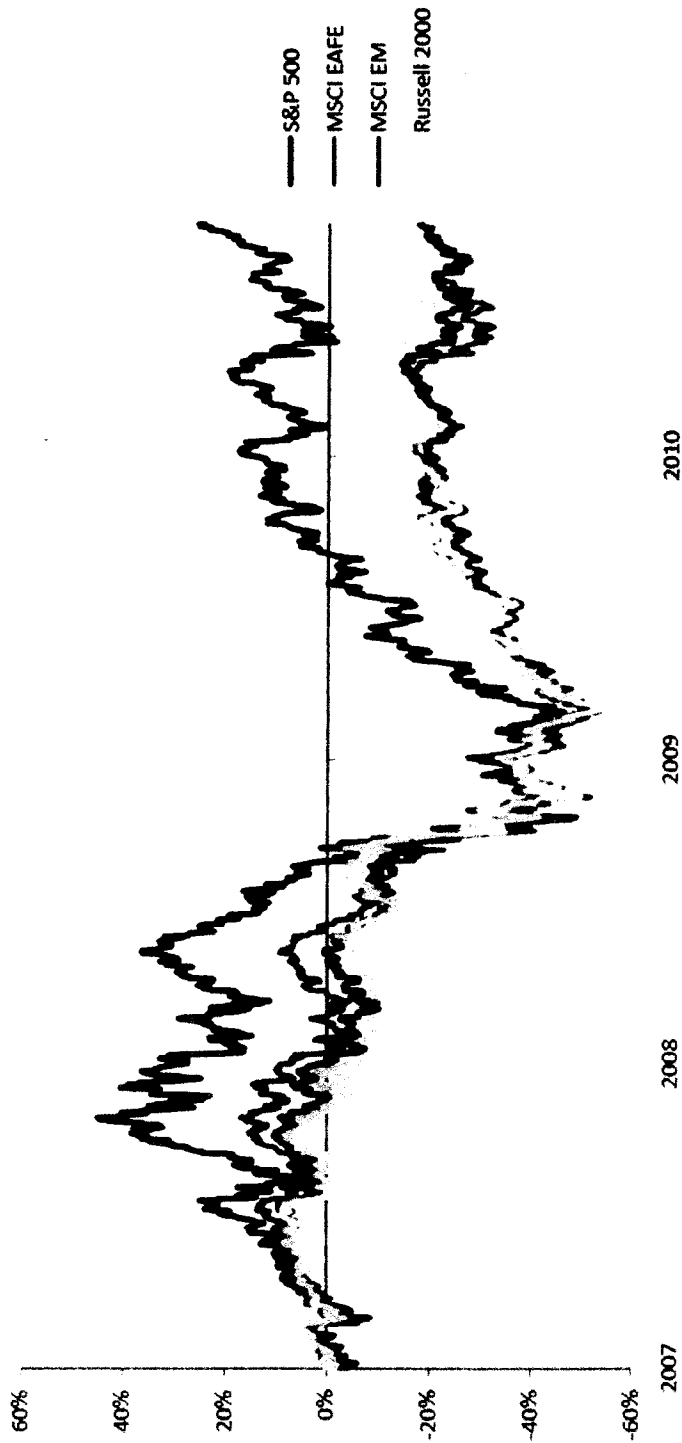
Commercial Real Estate Debt Outstanding



- Debt markets seem to be improving, however there are significant debt maturities ahead

Global Equity Markets

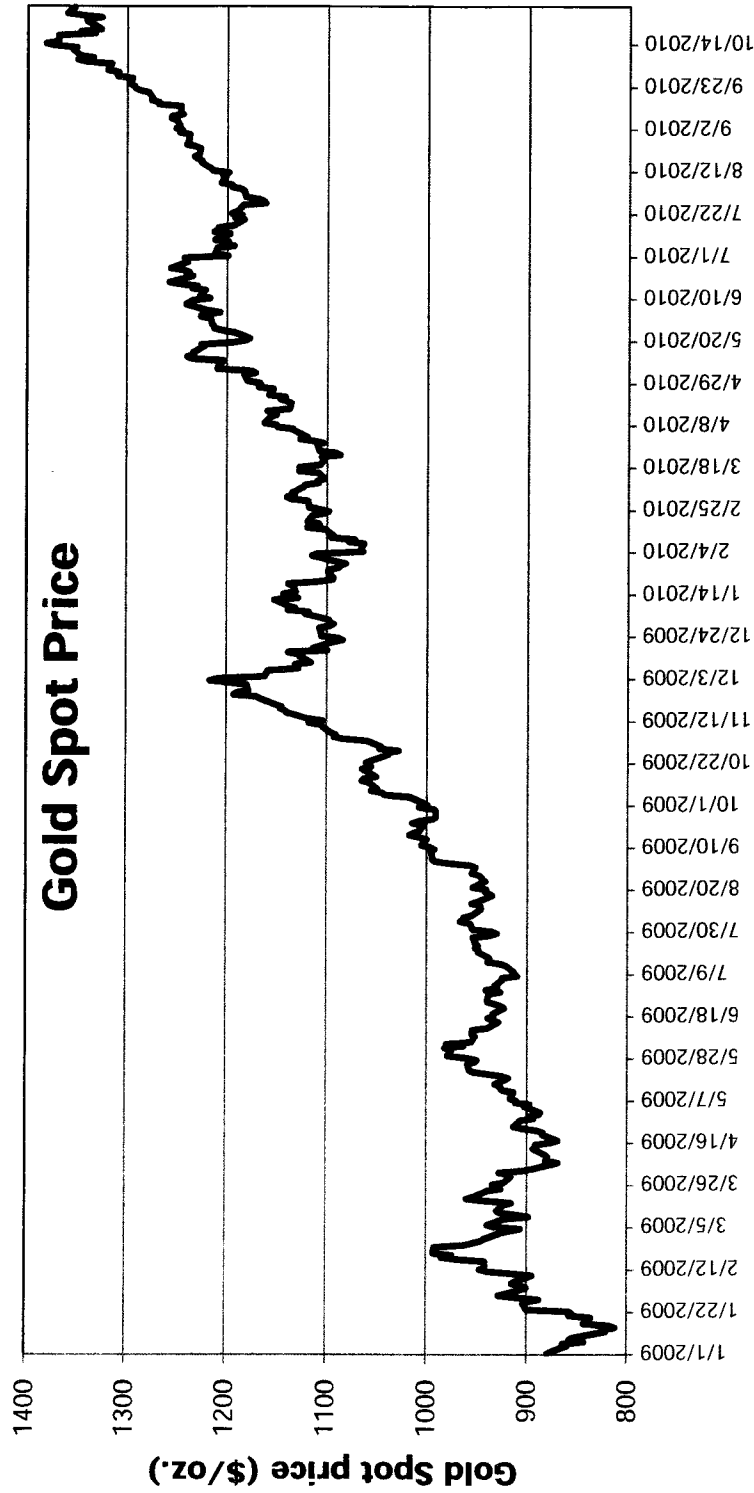
Key Global Equity Indices



Note: January 2007 = 0%
Source: Yahoo Finance

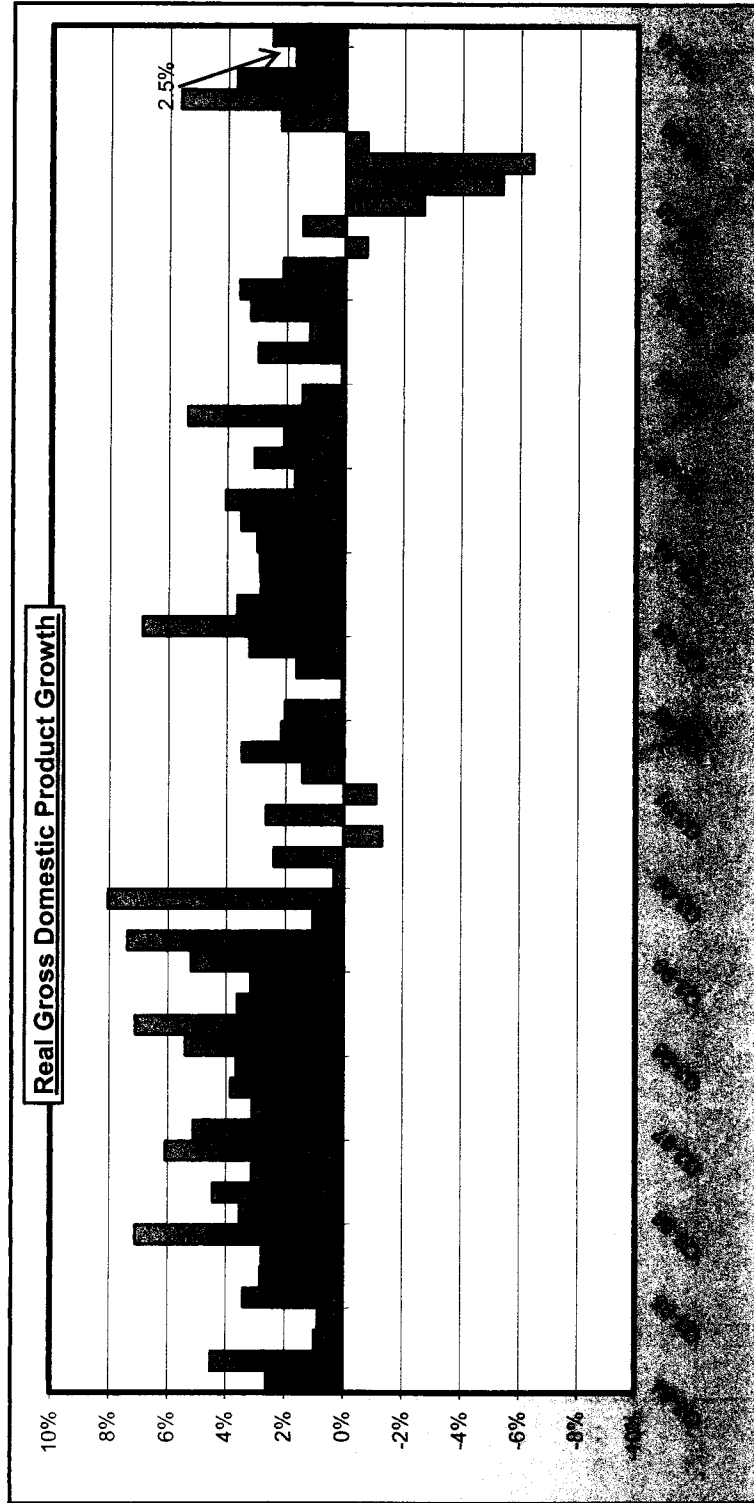
- **Many global equity markets have rebounded from 2009 lows**
 - Emerging markets have led the way

Gold Prices



- **Gold prices have risen dramatically**
 - Investors seeking safe haven amid continued uncertainty
 - Trades more like a currency than a commodity, per se

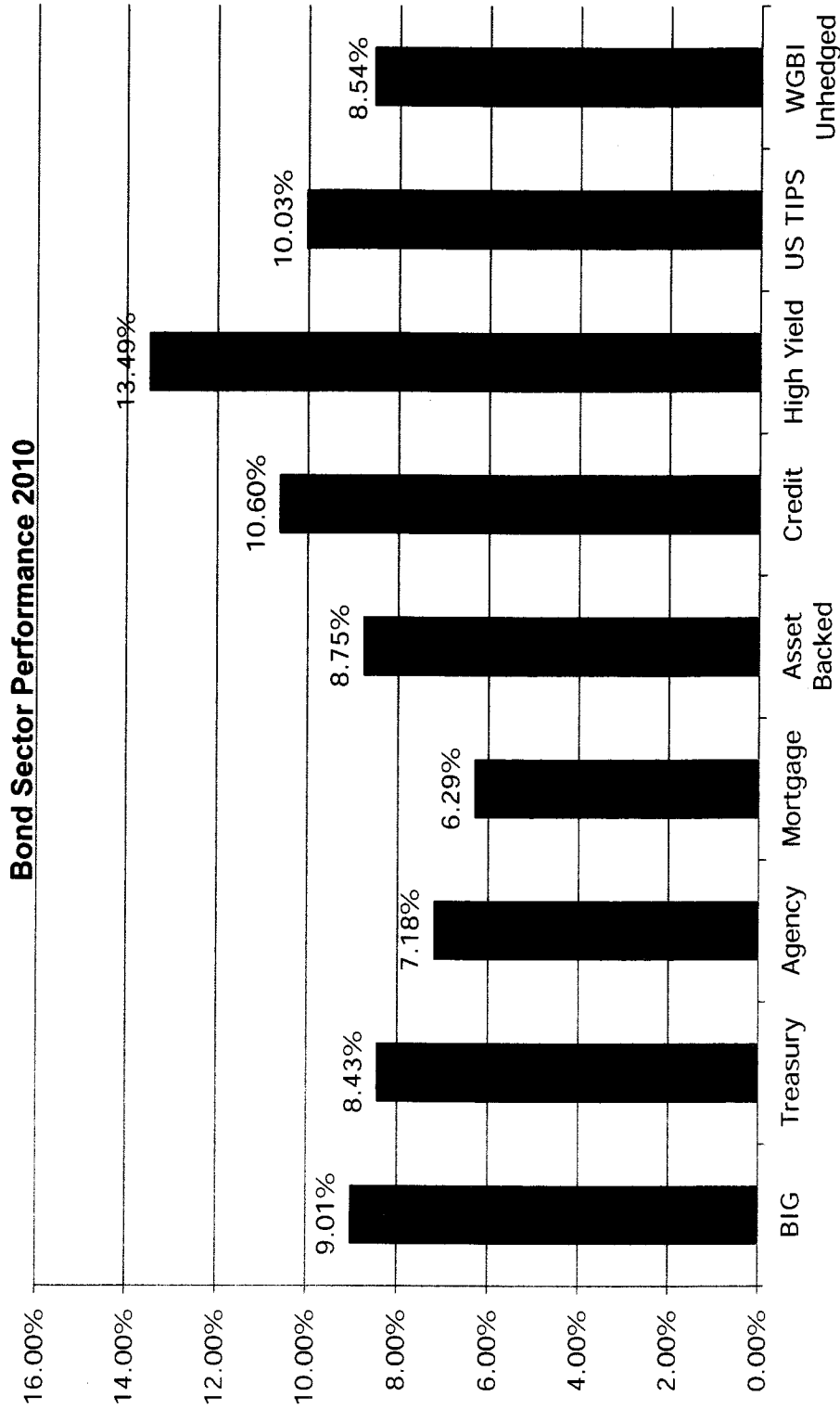
GDP Growth



- **Moderate rebound in GDP growth**

- Driven by government stimulus, not by the consumer
- Near-term impact may be stimulation; long term term effect may be contraction

Bond Markets



- **Bond markets rallied sharply in 2010**

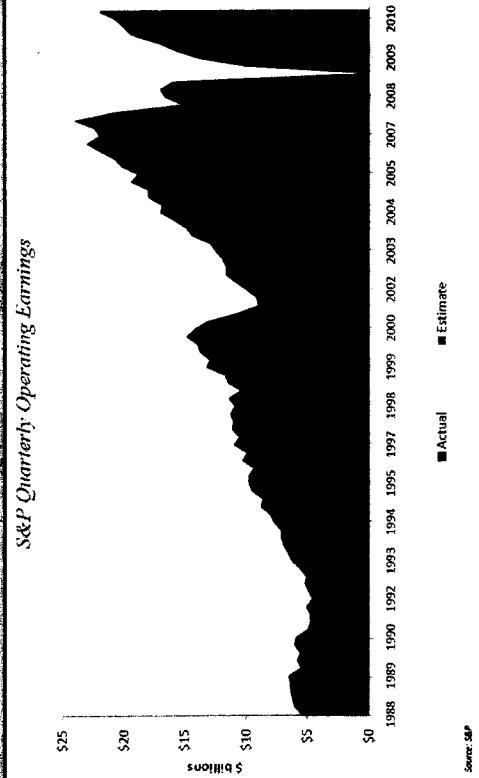
- Prices rose as yields dropped on increased confidence
- Overshadowing the price pressure from strong demand
- Mitigates future return expectations

S&P Operating Earnings

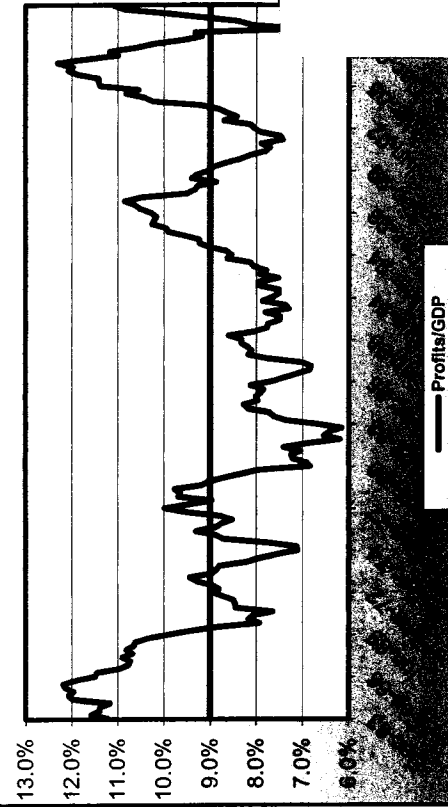
Sharp Rebound in Corporate Profitability

- Painful trimming of bottom-line has been effective
- Sustainability of future growth may require more top-line expansion

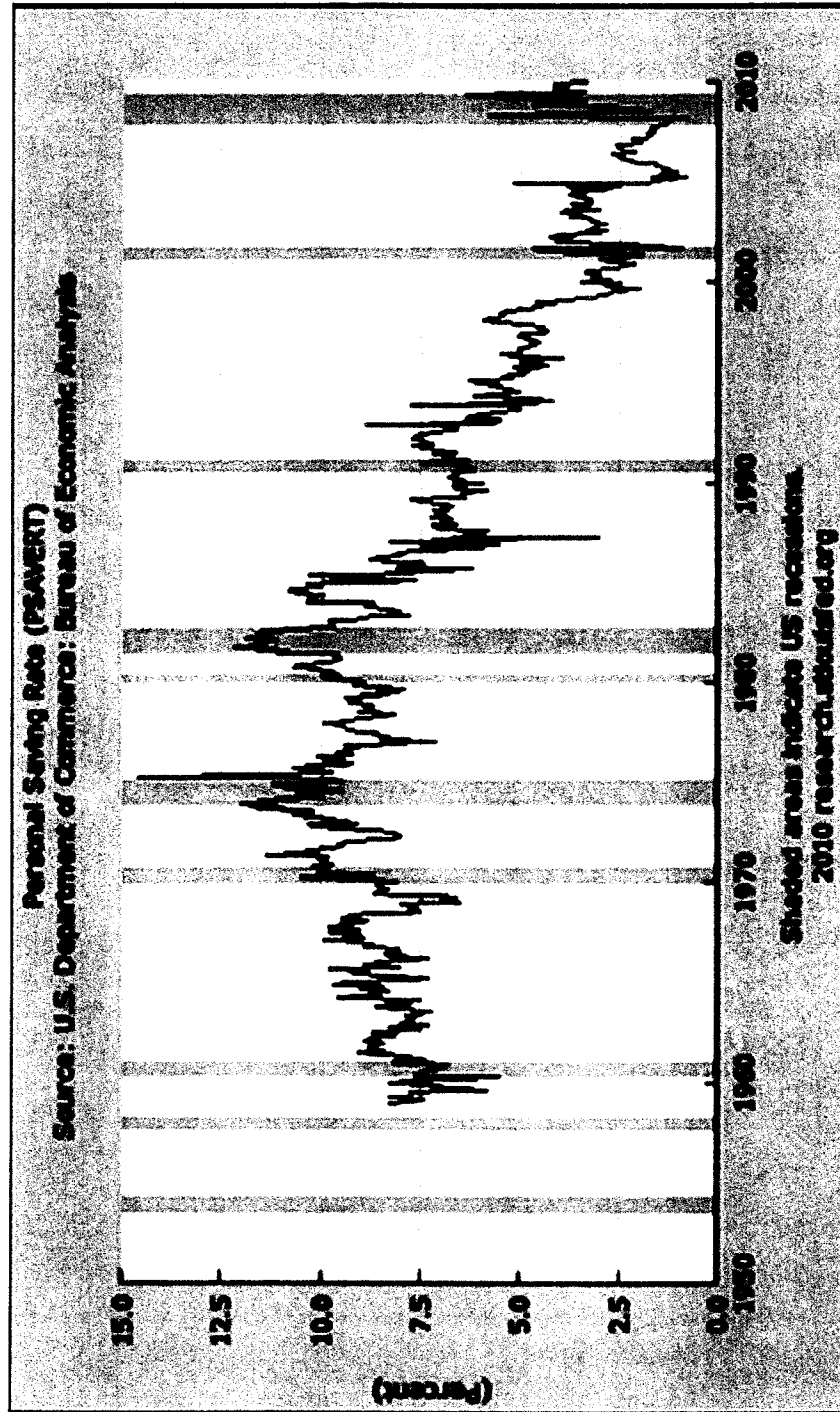
S&P Quarterly Operating Earnings



Corporate Profits as a % of GDP



Savings Rate



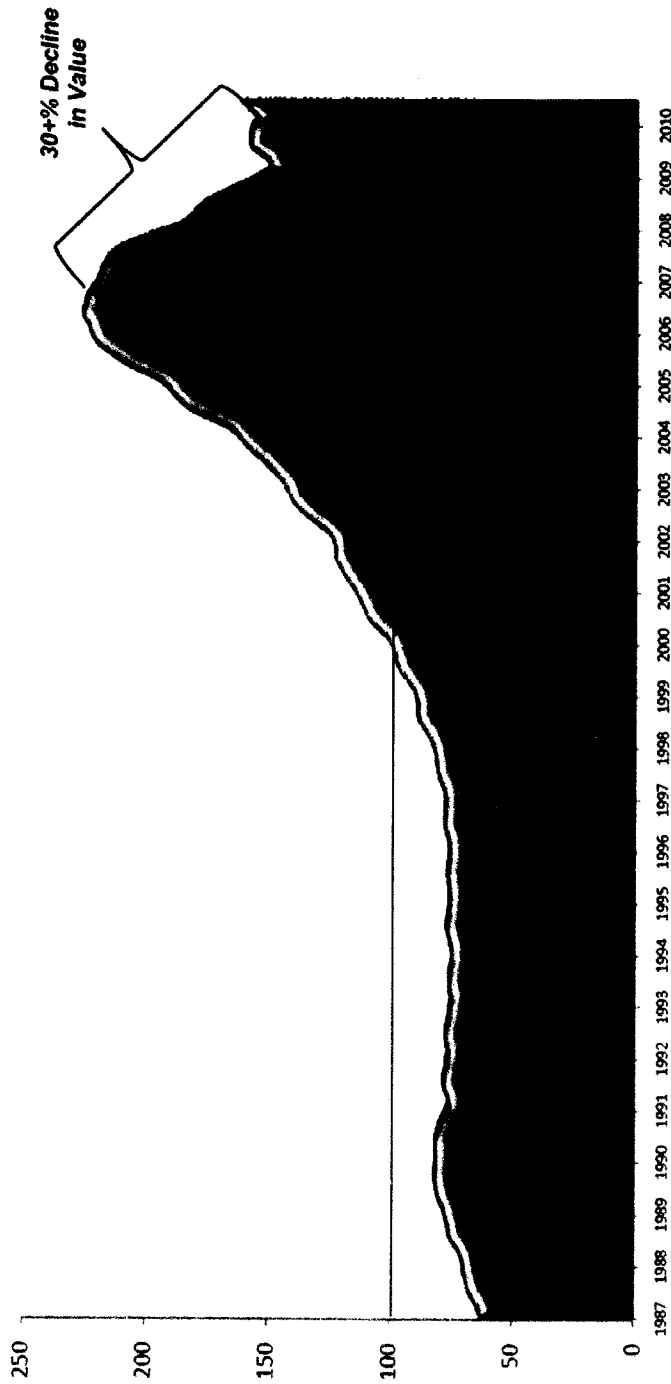
- **Savings rate has increased lately in the US**

- Lower than longer term numbers but higher than more recent past
- Buoyed by reduced home values, market uncertainty, and retirement wave
- Pressured by Fed suppressing rates of return and higher unemployment

What's Down?

Home Prices

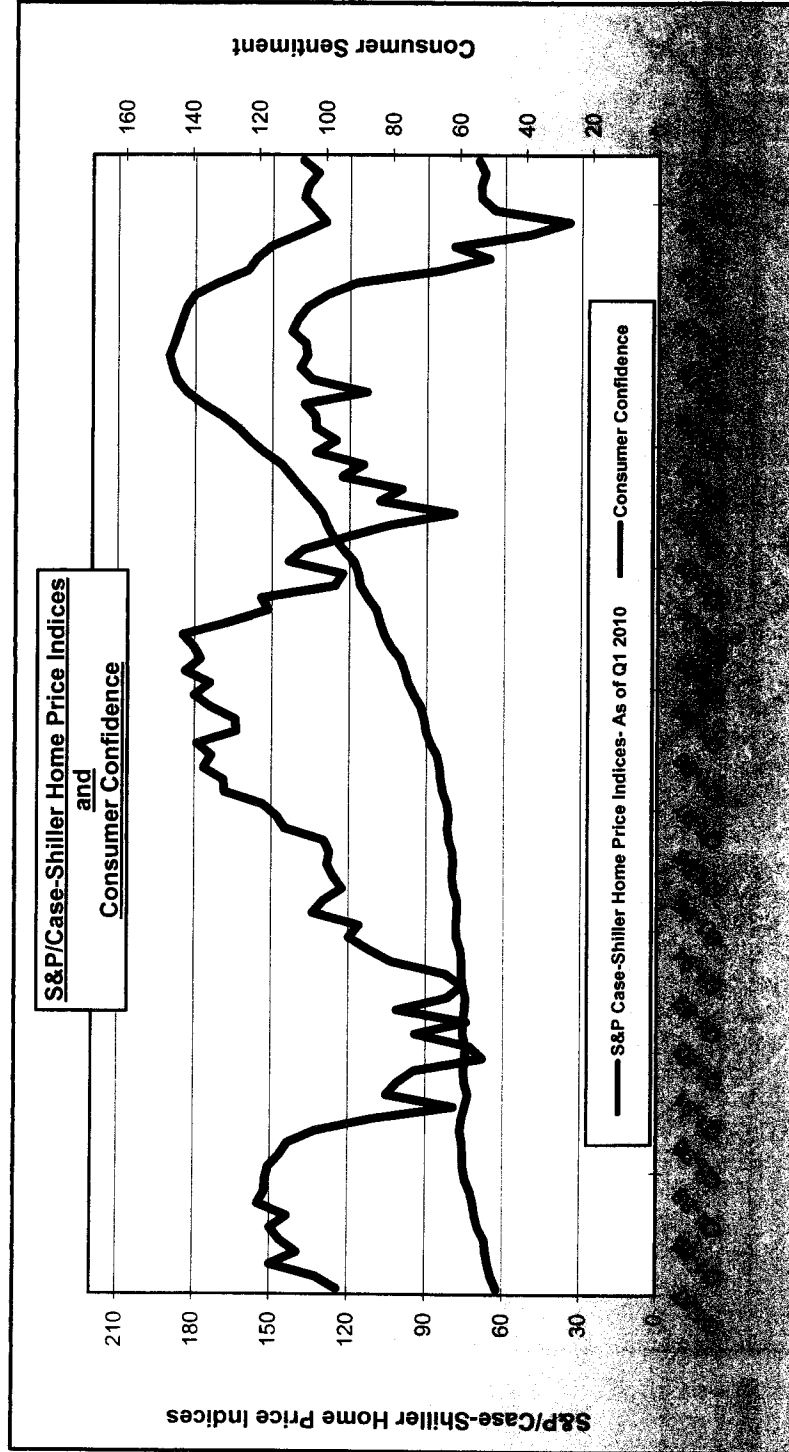
Home Prices Plummet S&P/Case-Shiller Home Price Index



Note: January, 2000 = 100
Source: S&P

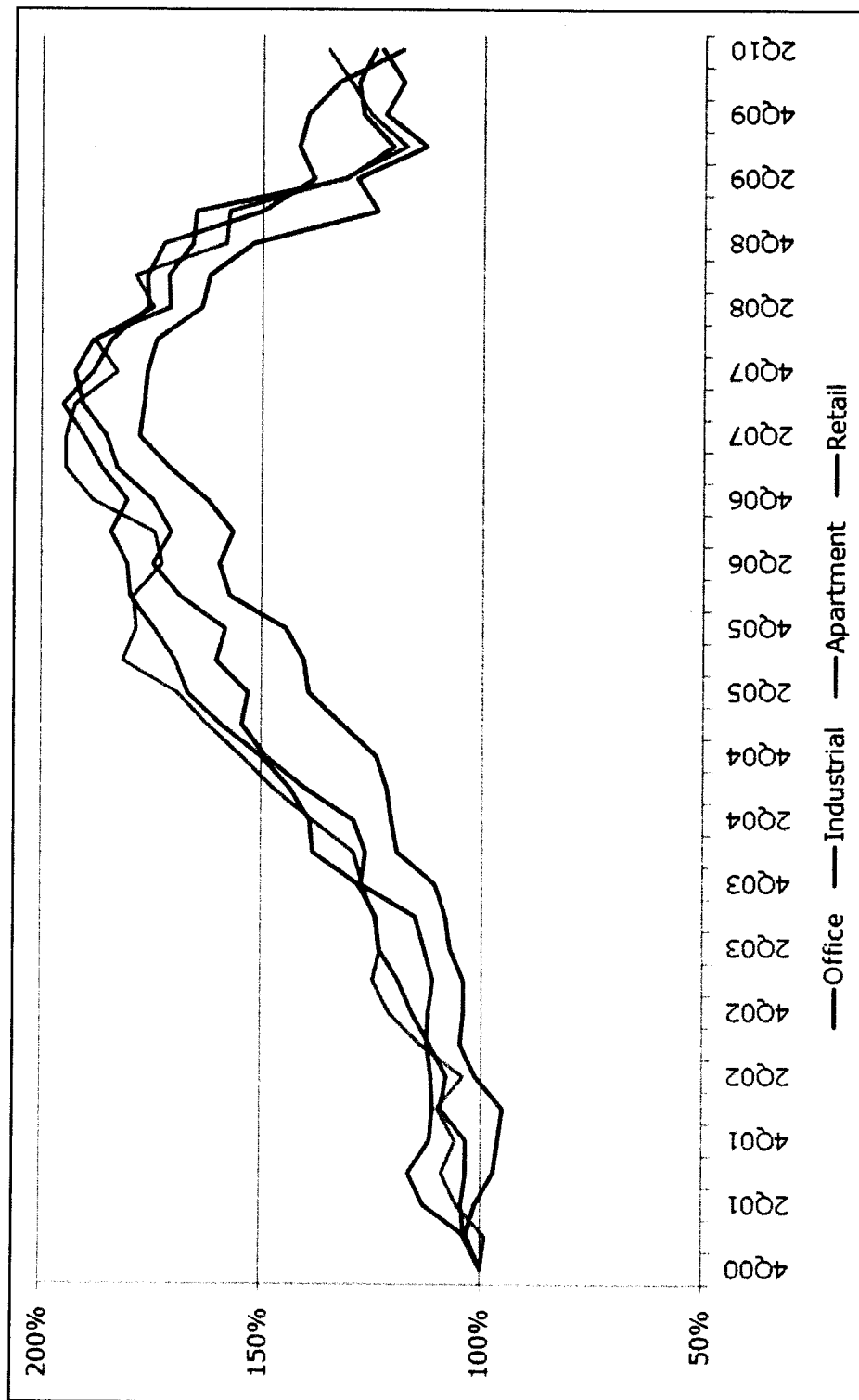
- **US consumers still feeling pressure of lower home values**
 - Major asset is worth less; unrealized gain is no longer an income source
 - Unemployment further limiting national mobility

Consumer Confidence



- **Consumer confidence remains depressed**
 - Drop in home prices a contributing factor

Commercial Property Prices



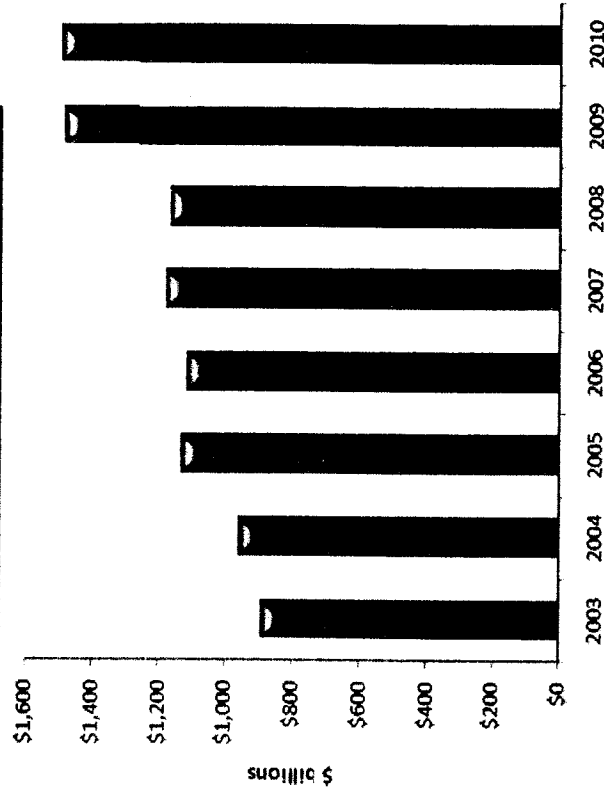
- Index is still 30-40% below peak values
- Significant equity value has been eliminated
- Many properties are only worth the outstanding debt on the proper



Merger & Acquisition Activity

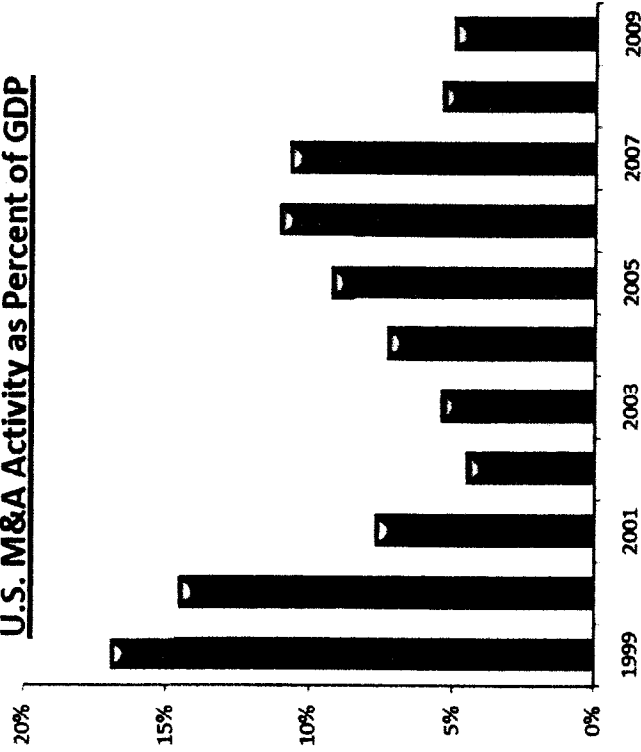
Total Liquid Assets

U.S. Nonfarm Nonfinancial Corporate



Source US Federal Reserve 6/30/10

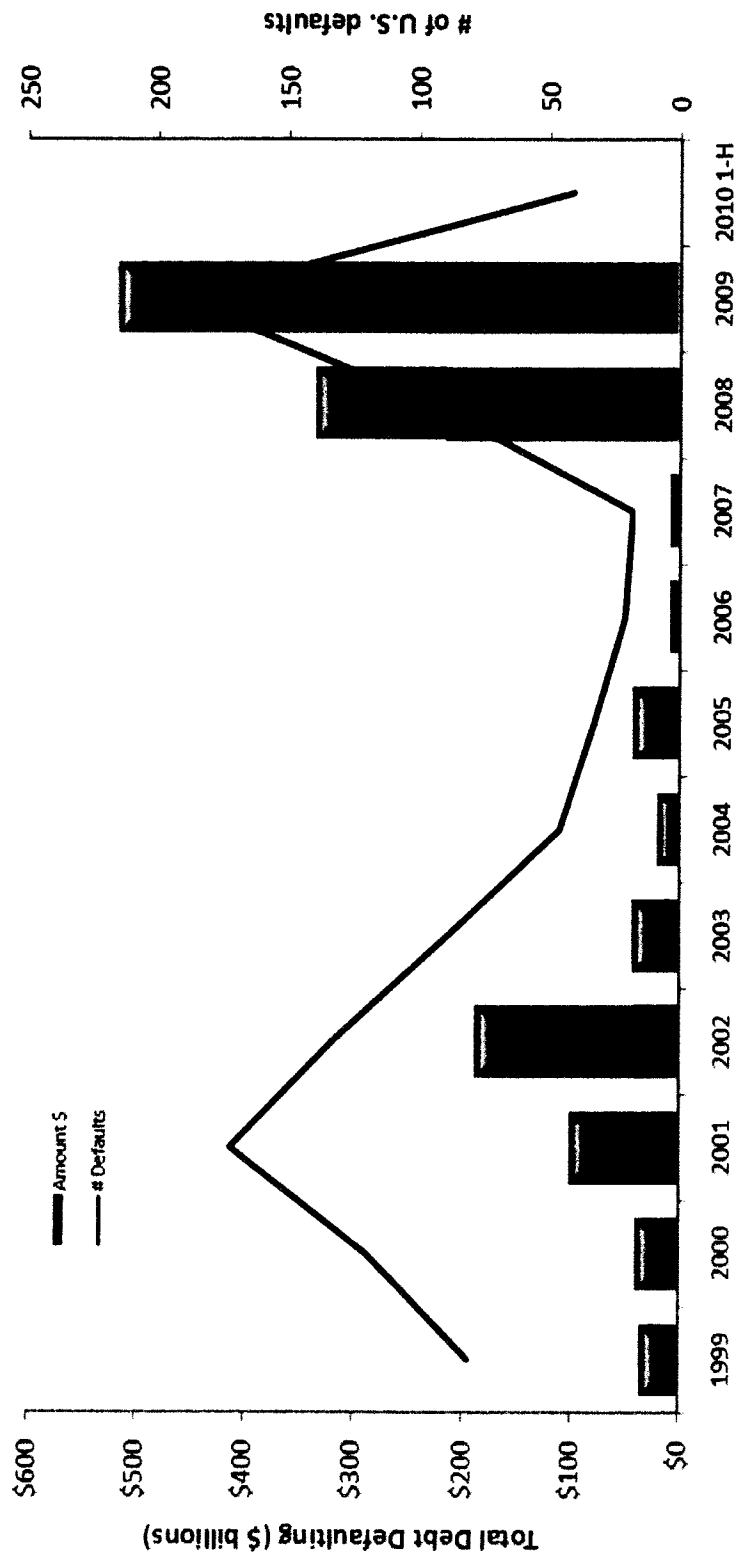
U.S. M&A Activity as Percent of GDP



Source Robert W Baird & Co

- **Lots of cash on balance sheets; M&A activity may be poised to rise**
 - Can make certain, healthy companies attractive targets
 - Represents one form of company "growth"

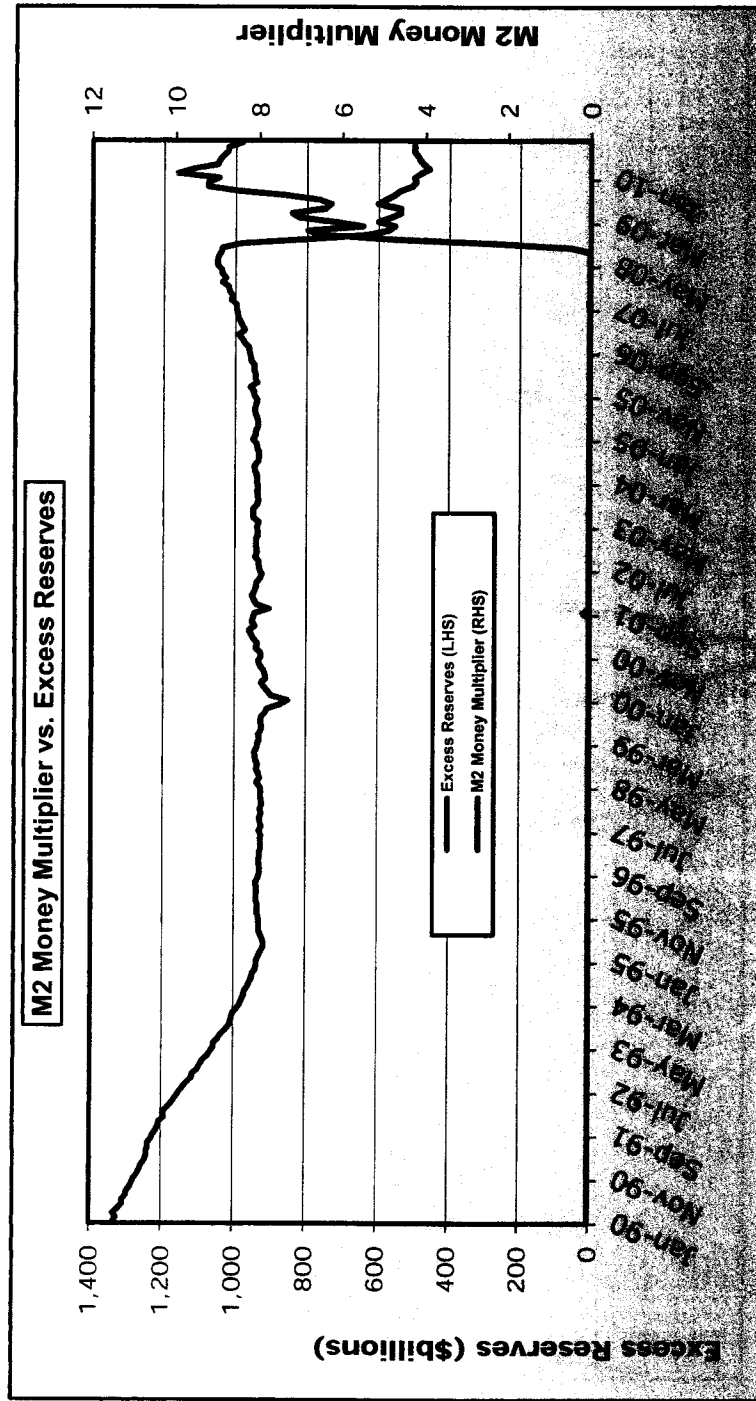
Defaults (US Corporates)



Source: Standard & Poor's Global Fixed Income Research and Standard & Poor's Credit Pro

- **Defaults receding**
 - May confirm improved balance sheet strength

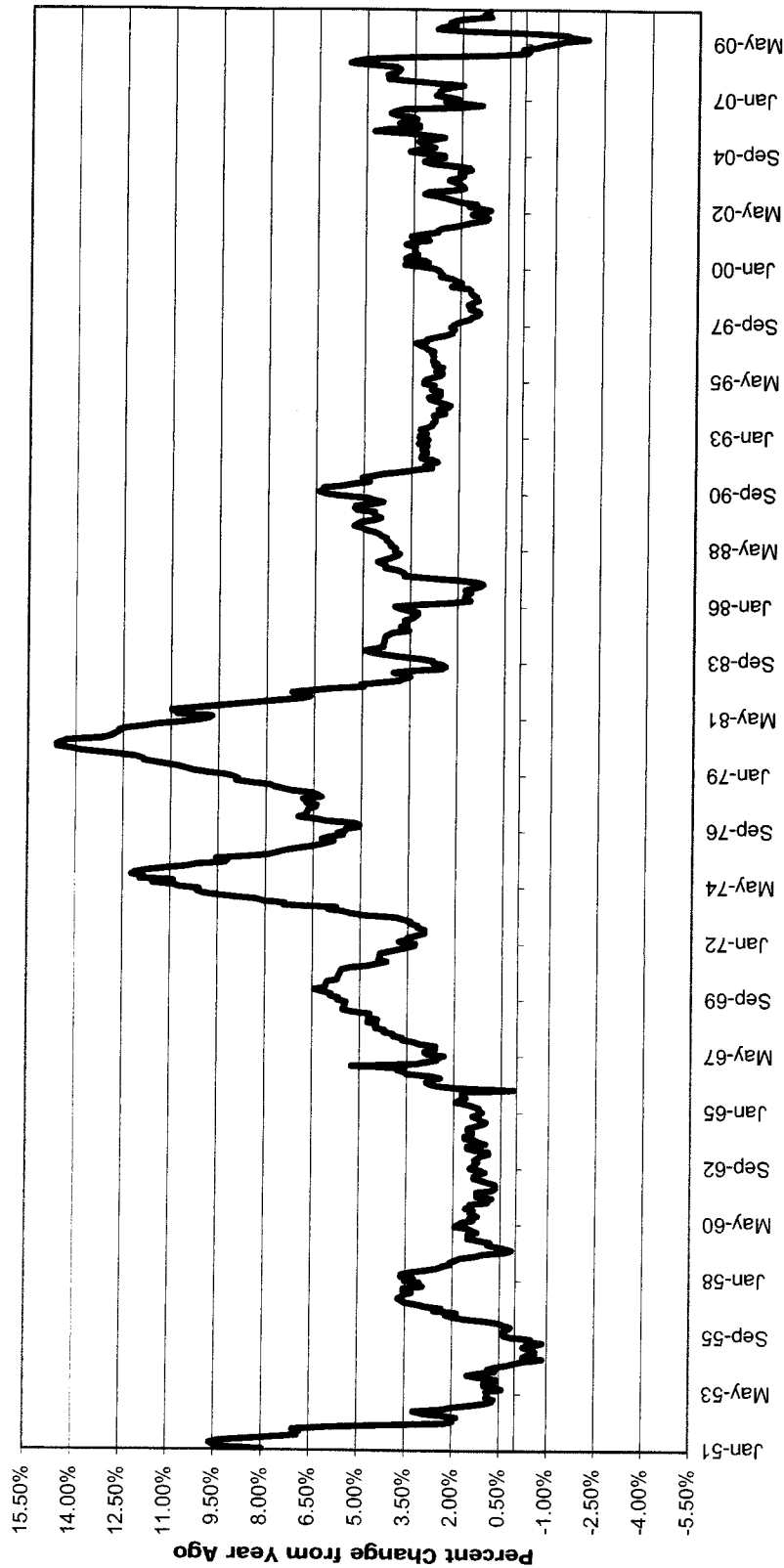
Lending



- While capital has been injected into the system, it has not multiplied

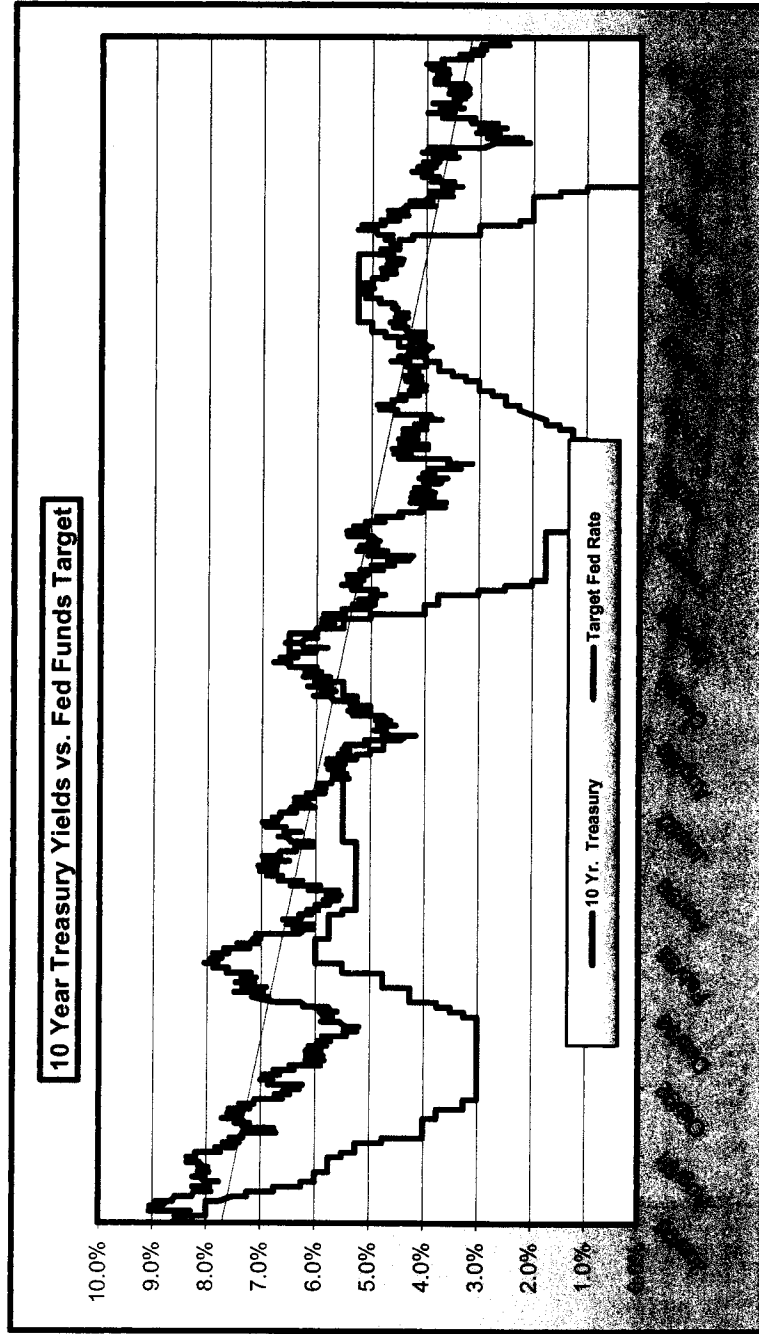
Consumer Price Index (CPI)

Consumer Price Index for All Urban Consumers



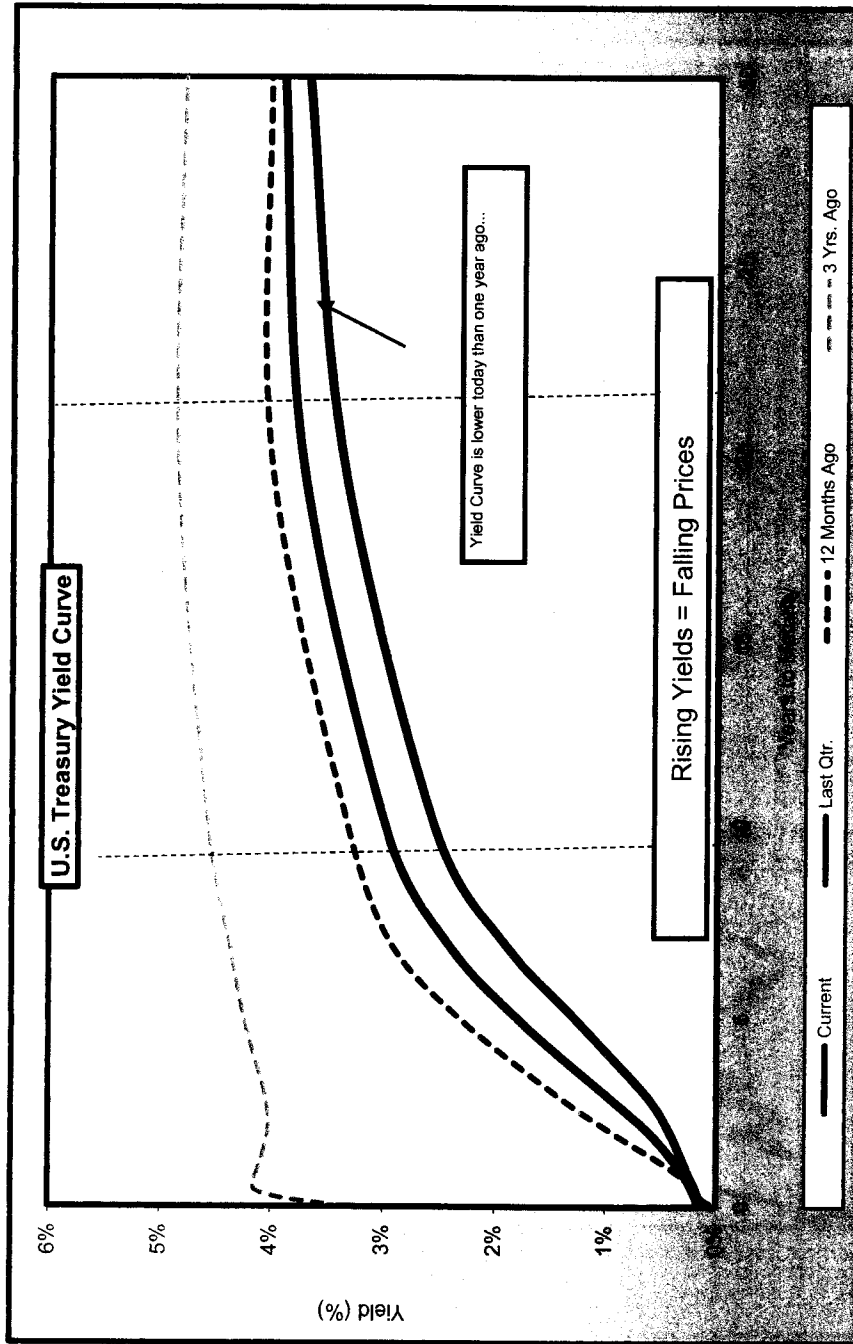
- **Inflation, as measured by CPI, appears benign**
 - Near term environment speaks to disinflation (falling inflation)
 - Longer term, inflation is expected to rise from current levels
 - Risk of it exceeding long term averages remains

Fed Funds Rate



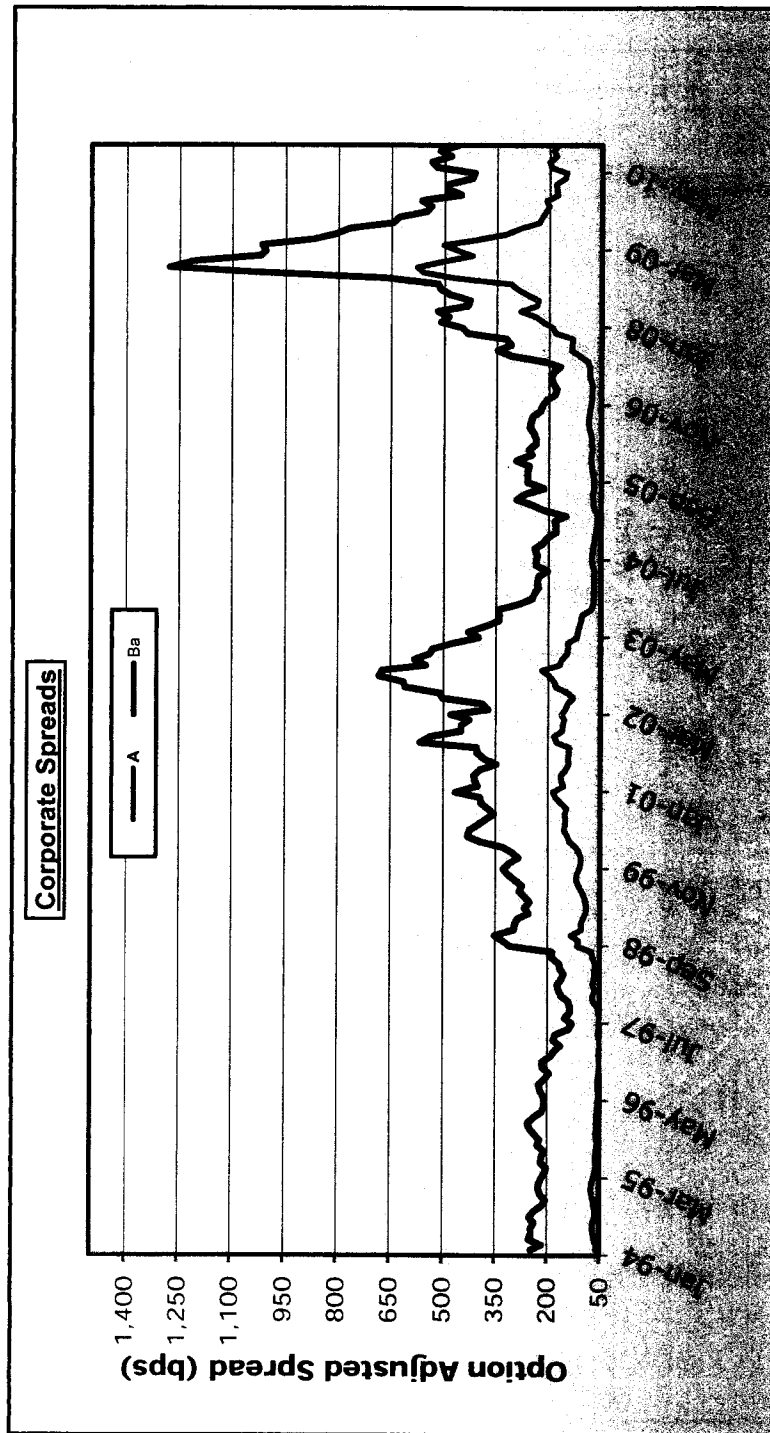
- **US Federal Reserve has lowered its target lending rate**
 - Should encourage lending, spending, and growth
 - Little room left to go
 - Can not use traditional economic tools to solve unconventional issues

Interest Rates



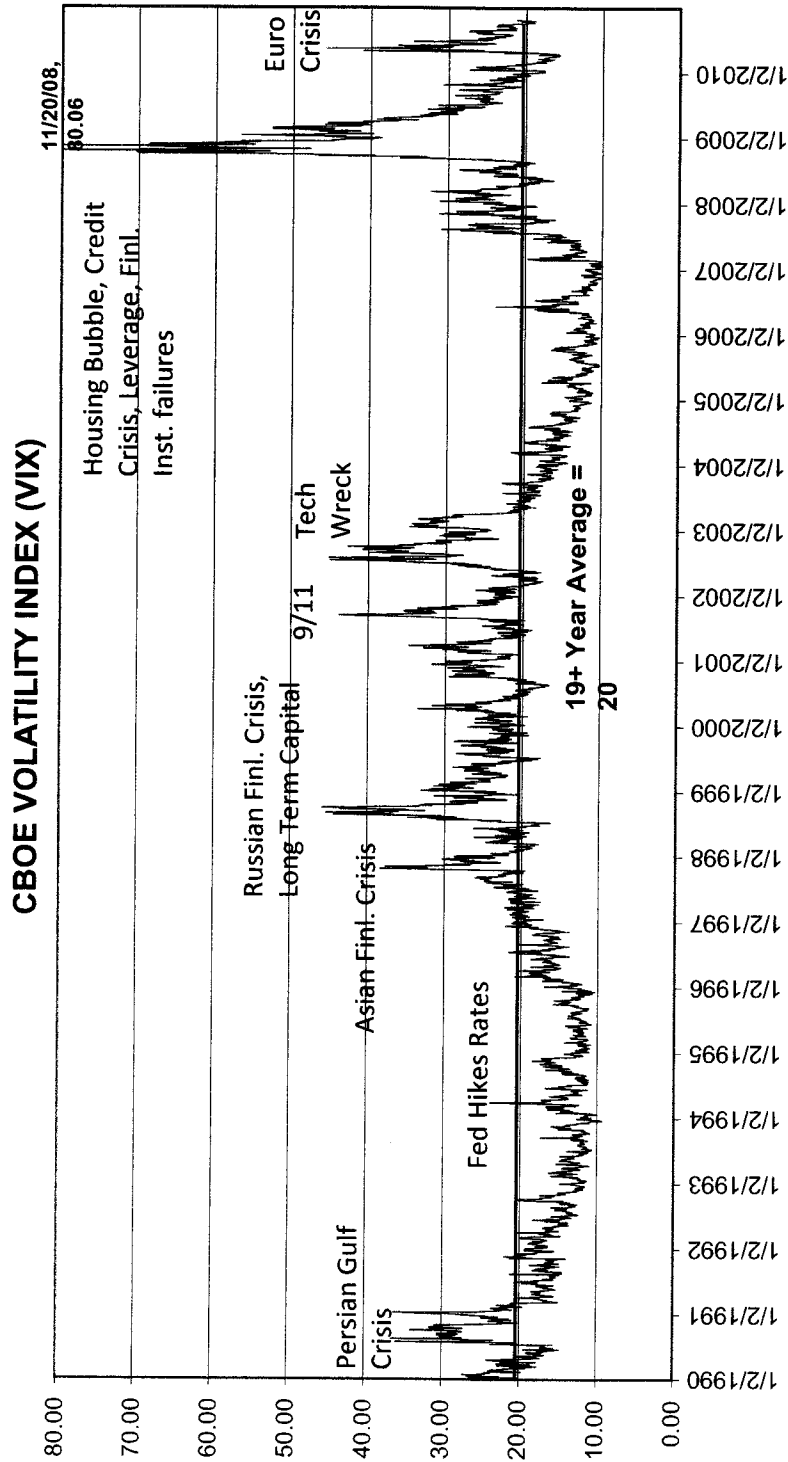
- **Yields on Treasuries have dropped**
 - Investor demand for relative safety and liquidity
 - Artificially low, due in part to Quantitative Easing measures

Spreads



- **Bond spreads have narrowed**
 - Investors requiring lower yields to lend
 - More likely to remain at current levels

Volatility (VIX)

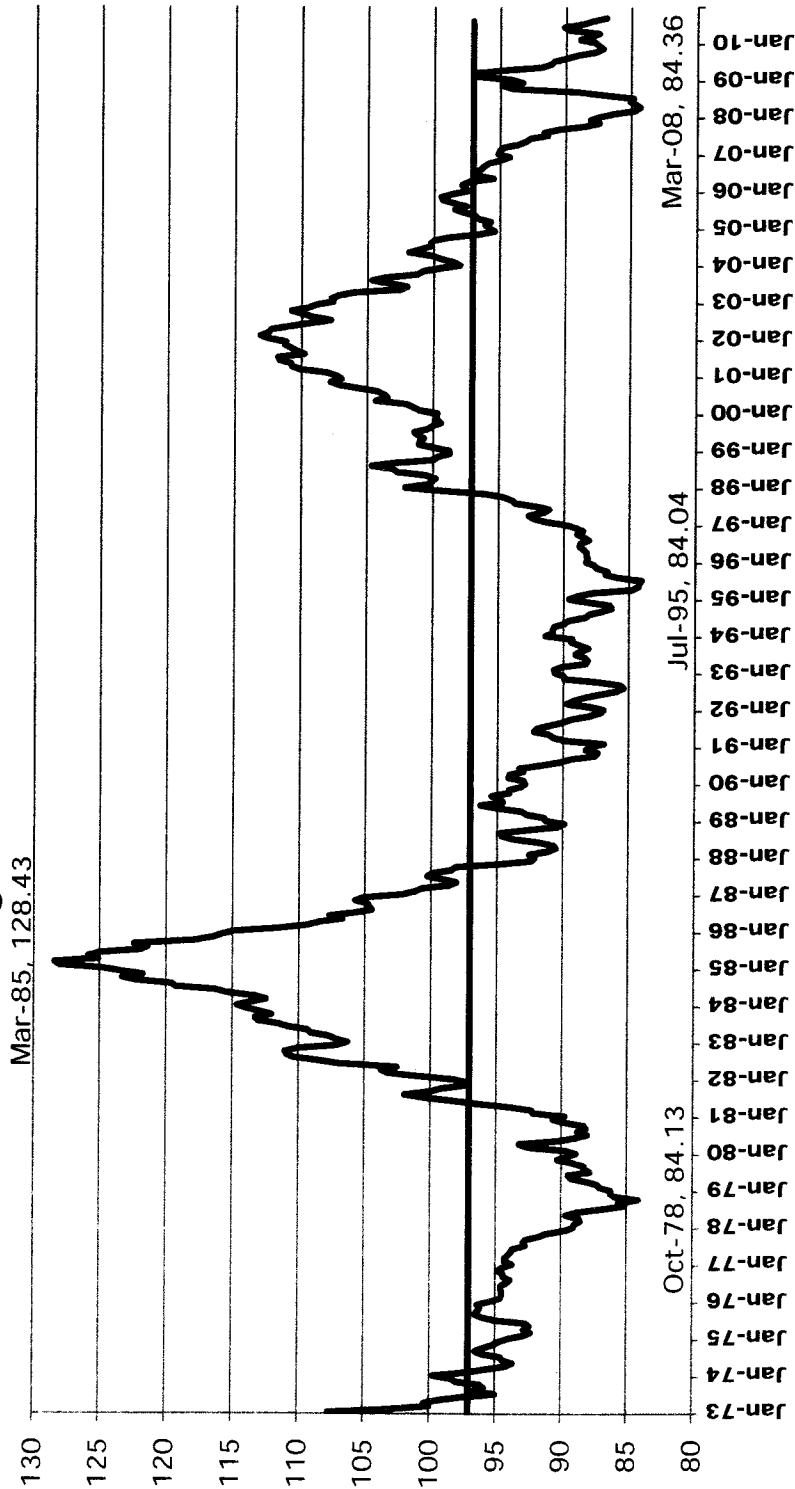


- **Equity market volatility (implied) has abated**

- This is a goldilocks scenario; investors want neither too high nor too low
- We are at or near the long-term average
- A bullish signal for equities

US Dollar

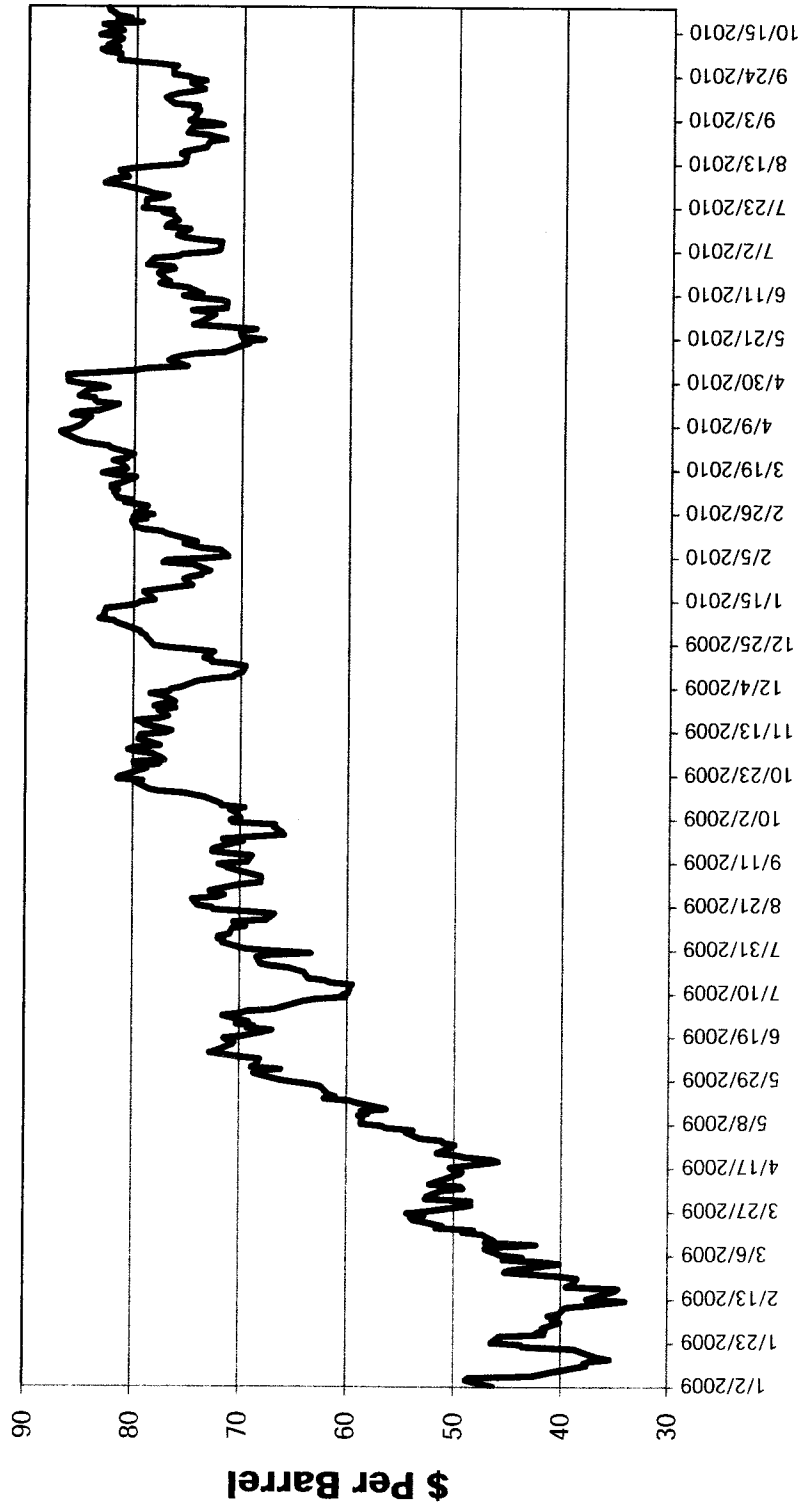
Price Adjusted Broad Dollar Index



- **USD value continues secular decline**
 - Weakens purchasing power of domestic consumers
 - Strengthens exports and trade balance

Oil Prices

Crude Oil Price Per Barrel



- **Crude prices seem to have settled into a more mild trading range**
 - Reflects global investor uncertainty about economic growth prospects
 - Geopolitical concerns continue

What's on the Horizon?

NEPC 2010 Capital Markets Observations & Expectations

- **Return/risk paradigm continues heading lower**
 - Market return expectations continue to moderate in a slow growth world
 - Though some risk measures have abated (e.g. VIX), many investment risks remain high (e.g. fat tail, downside)
- **Policy matters**
 - Powerful policy influence on capital markets persists in a post-crisis world
 - Expect continued divergence between developed markets' focus on low growth and excess capacity while emerging market inflationary pressures increase
- **Global macro influence strengthens**
 - Top-down forces can dominate risk pricing and relative returns, within and among asset classes
 - While we expect rational risk pricing of risk to resume, trading-driven market environments can persist
- **Emerging markets remain relatively attractive**
 - Superior macro fundamentals
 - Compelling economic and demographic growth drivers
 - Liquidity beneficiaries
- **Yield is less abundant**
 - Absolute levels low after bond markets rallied and stimulus packages lowered borrowing costs
 - Spreads have narrowed; some liquidity and confidence resumed
 - Yield curves remain steep; developed world policy makers focused on stimulating growth
- **Liquidity factors dominate**
 - In a world driven by liquidity, concerns focus on its unwind
 - While internal plan liquidity remains paramount, suppliers of external liquidity remain scarce
 - Expect liquidity premium
- **Currency uncertainty rises**
 - Expect continued decline in values of developed vs emerging currencies
 - Strong fiscal position (demographics, growth drivers; debt to GDP)
 - Continued fiscal discipline (healthy corporate and consumer balance sheets)
 - Policy and macroeconomic differences drive volatility

NEPC 2010 General Actions for Clients

- **Add elements of "global macro" return and risk drivers to your portfolio**
 - Complement your fundamentally-based investment strategies with top-down oriented approaches
 - Relax manager constraints; implement Global Asset Allocation
 - Consider dedicated "global macro" funds, where appropriate
- **Maintain or increase allocation to emerging markets; diversify exposure**
 - Diversify by asset class: equity and debt
 - Diversify drivers of return and risk
 - Implement top-down and bottom-up equity strategies
 - Invest along the maturity spectrum in bonds
 - Consider long/short strategies, where appropriate
- **Address liquidity needs and pursue illiquid opportunities**
 - Employ a holistic approach; incorporate liquidity needs when deciding how to allocate capital and risk
 - Take select advantage of illiquid opportunities; prudent and patient suppliers of capital should prevail
 - Perform liquidity analysis on your portfolio
- **Yield matters**
 - Diversify the sources of yield in your portfolio
 - e.g. Consider exposure to higher quality global equities
 - Be mindful of implications from changes in the level and shape of yield curves
 - For your assets and liabilities
- **Monitor currency exposure**
 - Maintain or increase exposure to non-USD assets (e.g. equities and debt)
 - Consider potential implications of maintaining hedged vs. unhedged exposure
 - Expect heightened volatility in relative currency values
- **Address return and risk expectations**
 - Moderate expectations for market returns; the new normal may be a low nominal world
 - Increase expectations for investment risks (e.g. fat tails; downside)
 - Avoid chasing returns in the quest to make up differences in required vs. expected return
 - Revisit risk tolerance ; be aware of portfolio risk factors

Amendments proposed to: **Chapter 10 – Intellectual Property Rights**

Amendment #1:

Section 10.8(k) currently authorizes the Vice Chancellor for Research & Commercialization to negotiate and execute license agreements with business entities for the use of intellectual property in which Texas Tech has an ownership interest.

The amendment would add a requirement that, before the Vice Chancellor for Research & Commercialization may finalize a license agreement: • the Vice President for Research of the involved institution must approve the agreement; and • the General Counsel must approve the agreement as to "form, law, and compliance with the *Regents' Rules* and applicable policies."

Amendment #2:

Section 10.11 currently requires Board approval for any Texas Tech employee (whether the employee is the creator/inventor of the intellectual property or not) to serve as an officer, employee, or member of the governing board of a business entity that has an agreement with Texas Tech for use of intellectual property in which Texas Tech has an ownership interest.

The amendment would:

-- Prohibit an employee who is not the creator/inventor of the intellectual property from serving as an officer, employee or board member of such a business entity.

-- Allow an employee who is the creator/inventor of the intellectual property to serve as an officer, employee or board member of such a business entity ... but:

- Board approval must be obtained (*a state law requirement*);
- The creator/inventor's service to the business entity must comply with all applicable Texas Tech policies relating to ethics, conflict of interest, consulting or outside employment, and disclosures; and
- Following Board approval, the creator/inventor must report information about the business entity and the position(s) with the business entity held by the creator/inventor, including any subsequent change in the creator/inventor's status in those position(s).

-- Authorize the Chancellor (or the Chancellor's designee) to have 'visitation rights' on a governing board of a business entity with which Texas Tech has an intellectual property agreement. This will allow a Texas Tech representative to attend, monitor and participate in the business entity's board meetings and have access to board and executive reports ... which allows Texas Tech's representative to look out for Texas Tech's interest alone without owing any fiduciary duty to any other shareholders.

CH. 10 ... Amendment #1: Amend Section 10.8(k) as follows:

8. Implementation

The following guidelines shall be applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing intellectual property created at TTUS subject to the terms of sponsored research agreements which may have led to the creation of such intellectual property:

• • •

(k) The Director is authorized to negotiate and execute license agreements that have been:

(1) approved by the vice president for research (or the equivalent of that position) of the institution at which the creator is employed;
and

(2) approved as to form, law, and compliance with the *Regents' Rules* and applicable policies by the vice chancellor and general counsel.

[DRAFTER'S NOTE: Ch. 10 currently defines "Director" to be the Director of the Office of Technology Transfer and Intellectual Property (OTTIP). In an overall re-write of Chapter 10 that is in progress, references to the Director of the OTTIP will be changed to "Vice Chancellor for Research & Commercialization."]

CH. 10 ... Amendment #2: Amend Section 10.11 as follows:

Note: Section 10.2 currently provides the following definitions:

- (a) *Creator: A creator is an individual subject to this policy who invents, develops, or authors intellectual property as defined below.*

...

- (f) *Intellectual Property: Collectively, all forms of intellectual property including but not limited to inventions, innovations, discoveries, improvements, biological materials, proprietary materials, plants, copyrightable works, trademarks, and tangible research property.*

11. Board Approval of Employee Participation in Business Entities

- (a) For the purposes of this section, the following definitions apply:

(1) "Creator/inventor" means: an employee of TTUS who conceives, creates, discovers, invents, or develops intellectual property for which TTUS has entered into an intellectual property agreement with an IPA entity.

(2) "Intellectual property agreement" or "IPA" means: an agreement relating to the research, development, licensing, or exploitation of intellectual property in which TTUS has an ownership interest.

(3) "IPA entity" means: a business entity that has an intellectual property agreement with the State of Texas or a political subdivision of the State, including but not limited to TTUS.

- (b) Employee who is not the creator/inventor. A TTUS employee who is not the creator/inventor shall not participate as an employee, officer, or member of the governing board of an IPA entity.

(c) Employee who is the creator/inventor.

(1) [Any request by a TTUS employee] Subject to all applicable policies relating to ethics, conflict of interest, consulting or outside employment, and disclosure provided in Chapters 03 and 10, Regents' Rules, and in institutional operating policies, a creator/inventor who wishes to participate as an employee, officer or member of the governing board of an IPA entity that utilizes intellectual property produced by the creator/inventor may do so only if approved by the board in advance [directors of a business entity that has agreements with TTUS relating to the research, development, licensing or exploitation of intellectual property in which TTUS has an ownership interest must be submitted to the Board of Regents for approval].

(2) After a creator/inventor has received the approval of the board under Section 10.11(c)(1) of this section, the creator/inventor must report to the vice chancellor for technology commercialization and the vice president for research (or the equivalent of that position) of the institution at which the creator/inventor is employed the following:

(A) the name of the IPA entity and the position or positions in which the creator/inventor participates as an employee, officer, or member of the governing board; and

(B) within 30 days of the event, any change in the status of the creator/inventor's participation as an employee, officer, or member of the governing board.

- (d) Attending or monitoring meetings of the governing board of an IPA entity. To the extent authorized by the agreement between TTUS and the IPA entity, the chancellor, or the designee of the chancellor, may attend or monitor meetings of the governing board of the IPA entity. In such event, the chancellor, or the chancellor's designee, shall act solely as the representative of TTUS and shall not accept any compensation or expense reimbursement from the IPA entity.

Amendments proposed to: Chapter 03 – Personnel

Amendment #1:

Section 03.04 currently provides conflict of interest policies that apply to executive administrators system-wide [*for a list of executive administrators covered, see "Notes" re: Section 03.04 on p. 4*]. When there is a question of whether an actual conflict of interest exists, Section 03.04.5 provides that:

- If the potential conflict of interest involves the Chancellor, a President or the System CFO, the Audit Committee chairman makes the final determination.
- If the potential conflict of interest involves other executive administrators, the System CFO makes the final determination.

The amendment would:

- add the General Counsel to the positions for which the Audit Committee chair resolves the question; and
- for other executive administrators, require the System CFO to consult with the General Counsel on questions of whether an actual conflict of interest exists.

Amendment #2:

Currently, the *Regents' Rules* do not provide a policy that specifically addresses service by Texas Tech employees on governing boards of outside entities. The amendment would add a new section to Chapter 03 as follows:

SERVICE ON AN OUTSIDE BOARD BY ANY TEXAS TECH EMPLOYEE:

- Any Texas Tech employee who serves on the governing board of an outside entity must comply with all applicable Texas Tech policies relating to ethics, conflict of interest, consulting or outside employment, and disclosures.
- Any Texas Tech employee who serves on the governing board of an outside entity should be aware of their risk of liability from such service, since: state law limits on the liability of state employees may not apply and ... insurance coverage and/or indemnification by Texas Tech may not apply or may be severely limited.

SERVICE ON AN OUTSIDE BOARD BY EXECUTIVE ADMINISTRATORS:

Executive administrators of the System Administration and component institutions who wish to serve on outside boards must comply with the following:

- Going forward from the date of adoption of this amendment (*so that pre-existing appointments to outside boards are grandfathered*), executive administrators must be approved for such service by their designated approval authority:
Board approves requests from the Chancellor, Presidents, and General Counsel ...
Chancellor approves requests from other System Administration executives ...
Presidents approve requests from other executives at their institution.

[Amendment #2, continued]

-- The General Counsel must:

- (1) evaluate executive administrator requests to serve on an outside board as to whether an actual or apparent conflict of interest would exist; and
- (2) submit his/her evaluation to the Board chair, the Chancellor and, for requests by institutional executives, the President ... and in making an approval decision, the designated approval authority must take into account the General Counsel's evaluation.

-- Unless the approval authority grants a waiver, executive administrators serving on an outside board must use their own time so that their service on the outside board is without cost to Texas Tech. The designated approval authority may grant such a waiver if:

- (1) the service is in a non-compensated position on the board of a civic or non-profit entity; and
- (2) the approval authority determines that the service furthers the best interest and mission of Texas Tech.

-- Executive administrators who serve on outside boards must submit a report each year regarding their outside board service. These reports must include the following information for each outside board:

- amount of time required by service on the outside board;
- whether the service is compensated or non-compensated; and
- whether the outside board provides director/officer liability insurance.

CH. 03 ... Amendment #1: Amend Section 03.04.5 as follows:

03.04 **Conflict of interest and executive administration.**

• • •

03.04.5 Determination of the existence of a conflict of interest. If an executive administrator is aware of a conflict of interest, the executive administrator shall inform the TTUSA and, if applicable, the component entity that employs the executive administrator, and abstain from any participation in the transaction or matter in which the conflict exists. In matters involving a presumed conflict of interest for which the executive administrator does not believe an actual conflict of interest exists, the chief financial officer, in consultation with the vice chancellor and general counsel, shall make the determination of whether there is an actual conflict of interest. However, if the presumed conflict of interest involves the chancellor, a president, the chief financial officer, the vice chancellor and general counsel, or a family member thereof, the chair of the Audit Committee shall make the determination.

CH. 03 ... Amendment #2: Add a new Section 03.08 and re-number all remaining sections accordingly, as follows:

Notes:

- *New Section 03.08 (SERVICE ON OUTSIDE BOARDS) would be inserted immediately after Section 03.07 (CONSULTING OR OUTSIDE EMPLOYMENT).*
- *Current Section 03.08 (HOLIDAYS) would be re-numbered as Section 03.09.*
- *Current Section 03.09 (LEAVES) would be re-numbered as Section 03.10.*
- *Current Section 03.10 (TTU SYSTEM EMPLOYEE RETIREMENT) would be re-numbered as Section 03.11.*
- *Current Section 03.11 (PERSONNEL FILES) would be re-numbered as Section 03.12.*
- *Section 03.04 (CONFLICT OF INTEREST AND EXECUTIVE ADMINISTRATION) referenced in new Section 03.08 applies to the following members of executive administration:*
 - *System: Chancellor ... Chief Financial Officer ... General Counsel ... other Vice Chancellors ... and any other System administration officers designated by the Chancellor.*
 - *Institutions: Presidents ... Provosts ... Vice Presidents ... Vice Provosts ... Deans ... and other component institution officers designated by the President of the institution that employs the executive administrator.*

03.08 Service on outside boards.

03.08.1 Service on an outside board by any TTUS employee.

- a. Conditions of service on an outside board by any TTUS employee. Service on the governing board of an entity other than the TTU system ("outside board" and "outside entity") by any TTUS employee, including executive administrators subject to the provisions of Section 03.08.2 of this section, shall be subject to and conditional upon compliance with all applicable policies relating to ethics, conflicts of interest, consulting or outside employment, and disclosure provided in Chapters 03 and 10, Regents' Rules, and in institutional operating policies.

- b. Risk of liability. All TTUS employees should be aware of the potential risk of liability associated with outside board service and should evaluate those risks and the need for appropriate insurance and indemnification. All TTUS employees also should be aware that statutory limitations on liability of state officials and employees may not apply and that indemnification by TTUS and insurance coverage provided by TTUS may not apply or may be severely limited.

03.08.2 Service on an outside board by an executive administrator.

a. Approval required.

- (1) Except as provided in Section 03.08.2.a(2) of this section, for an appointment or re-appointment to the governing board of an entity other than the TTU system ("outside board" and "outside entity") that is made on or after [ENTER THE DATE ON WHICH THIS AMENDMENT IS ADOPTED BY THE BOARD], an executive administrator subject to Section 03.04, *Regents' Rules*, may serve on the outside entity's governing board only with the approval of the appropriate authority as set forth in Section 03.08.2.b of this section.
- (2) This section does not provide an exception to the requirements of Section 10.11, *Regents' Rules*, regarding participation as a member of the governing board of a business entity that has an agreement with TTUS relating to the research, development, licensing or exploitation of intellectual property in which TTUS has an ownership

interest. Such situations shall be governed by the provisions of Section 10.11, *Regents' Rules*.

- (3) An executive administrator subject to this section who wishes to accept a position on the governing board of an outside entity must advise the vice chancellor and general counsel, who shall evaluate whether an actual or apparent conflict of interest would result from the service of the executive administrator on the governing board of the outside entity. The vice chancellor and general counsel shall report the results of the evaluation to the chair, the chancellor, and the designated approval authority, if different.
- (4) An approval to serve on the governing board of an outside entity as provided by this section shall take into consideration the evaluation by the vice chancellor and general counsel, and approval shall not be granted if the designated approval authority determines that such service would result in an actual or apparent conflict of interest.

b. Designated approval authority.

Person Seeking Approval.....Approval Authority

Chancellor, president, or vice
chancellor and general counsel..... Board

TTUSA: other executive admin-
istrator subject to Section 03.04,
Regents' RulesChancellor

TTUS component: other
executive administrator subject
to Section 03.04, Regents' Rules President of the institution

c. Use of executive administrator's time in service on an outside
board.

(1) An executive administrator who is approved to serve on
the governing board of an outside entity under the
provisions of this section shall use the executive
administrator's own time (time outside of business
hours, vacation time, compensatory time, or other leave
time) while providing service on the outside entity's
governing board so that such service is without cost to
TTUS.

(2) Notwithstanding Section 03.08.2.c(1) of this section, if the
service is in a non-compensated position on the
governing board of a civic or non-profit entity, the
designated approval authority, upon a finding that such
service is in furtherance of the best interest and mission

of TTUS, may waive the use-of-own-time requirement imposed by this section.

d. Reporting requirements. In addition to any other required report or disclosure, each executive administrator who serves on an outside board shall file a report with the TTUS chief financial officer at the same time as the annual disclosure of financial interest report required by Section 03.04.4, *Regents' Rules*. On the service-on-outside-board(s) report, the executive administrator must list each outside board on which the executive administrator serves and must include the following information for each outside board:

- (1) the number of hours per month, quarter or year normally required by service on the outside board;
- (2) whether the service is compensated or not compensated; and
- (3) whether the service is protected by one or more policies of directors and officers liability insurance, and whether that insurance coverage provides for general indemnification or only costs of defense.

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2011

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMENTS	STATUS AS OF DEC 4	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	20,100					
		REQUIRED AUDITS						
Required	ALL	State Auditor's Office Miscellaneous Projects	Miscellaneous (assist)	20	(10)			10
		TTU: 2010 Statewide Financial Audit	Financial (assist)		5	In Progress	2	3
		HSC: 2010 Statewide Financial Audit	Financial (assist)		5	In Progress	3	2
Required	TTUS	Texas Tech University Foundation	Financial (assist)	120		In Progress	10	110
Required	TTUS	Regents, Chancellor, & Presidents Travel and Credit Cards	Compliance (assist)	20		In Progress	10	10
Required	TTUS	Office of Audit Services Annual Report	Compliance	30		Complete	22	8
Required	TTUS	Office of Audit Services Annual Plan	Compliance	100				100
Required	TTUS	Office of Audit Services GAGAS Quality Assurance Activities Review	Compliance	60				60
Required	TTU	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	150		In Progress	148	2
Required	TTU	NCAA Compliance	Compliance	400				400
Required	TTU	Athletics Financial Review	Financial (assist)	240		In Progress	236	60
Required	TTU	Joint Admission Medical Program Grants	Compliance	60		Complete	72	(12)
Required	TTU	KOHM-FM	Financial (assist)	300		In Progress	232	68
Required	TTU	Football Attendance Certification	Compliance	10				10
Required	HSC	Texas Higher Education Coordinating Board ARP/ATP Grants	Compliance	120		In Progress	134	2
Required	HSC	Texas Higher Education Coordinating Board Residency Grants	Compliance	80		In Progress	39	41
Required	HSC	Correctional Managed Health Care Committee Contract	Compliance	200				200
Required	HSC	Joint Admission Medical Program Grants	Compliance	60		Complete	115	(55)
Required	ASU	Carr Foundation	Financial (assist)	20		In Progress		20
Required	ASU	Joint Admission Medical Program Grants	Compliance	60		Complete	97	(37)
New	ASU	Athletics Financial Review	Financial (assist)		240	In Progress	11	229
		TOTALS FOR REQUIRED AUDITS	2,050	240		1,131	547	612
		AUDITS IN PROGRESS AT AUGUST 1, 2010						
Prior Year	TTUS	Technology Transfer/Commercialization	Follow-Up/Compliance	20		Complete	151	(131)
Prior Year	TTU & HSC	Payroll Processes	Operational/Financial	360		Complete	246	114
Prior Year	TTU	Federal American Recovery & Reinvestment Act (ARRA) Funds	Controls/Compliance	330		Complete	419	(89)
Prior Year	TTU	NCAA Compliance	Compliance	10		Complete	5	5
Prior Year	TTU	Restricted Research Expenditures-FY 2010	Financial/Compliance	400		Complete	576	10
Prior Year	TTU	SAO: Veterans' Services	Compliance	2		Complete		2
Prior Year	HSC	SAO: Correctional Managed Health Care	Financial	2		In Progress		2
Prior Year	HSC	Correctional Managed Health Care Committee Contract	Compliance	30		Complete	60	(30)
Prior Year	HSC	El Paso Research Funds	Operational/Controls	40		Complete	40	0
Prior Year	HSC	El Paso IT General Controls Review	IT/Controls	415		Complete	278	137
Prior Year	HSC	Xtender and Laserfiche Security	IT/Controls	236		In Progress	315	5
Prior Year	ASU	College of Fine Arts	Operational	15		Complete	15	0
Prior Year	ASU	Electronic Forms Implementation	IT/Controls	328		Complete	191	137
Prior Year	ASU	Oracle Imaging System Security	IT/Controls	175		Complete	135	40
Prior Year	ASU	State Comptroller's Office Post-Payment Audit	Compliance	1		Complete		1
Prior Year	ALL	Wrap-up on Audits Included in August BOR Report		11		Complete		11
		TOTALS FOR AUDITS IN PROGRESS	2,375	-		2,280	17	(73)
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total Hours Budgeted for Special Projects & Investigations	4,000	(842)				3,158
		IN PROGRESS AT AUGUST 1, 2010						
Special	TTU	Animal and Food Sciences Follow-Up	Special	250		In Progress	247	3
Special	TTU	Effort Reporting	Special	20		In Progress	7	13
Special	TTU	Men's and Women's Track Special	Special	60		Complete	60	0
Special	HSC	El Paso Baby Café	Special	135		Complete	135	0
		BEGUN AFTER AUGUST 1, 2010						
Special	TTU	RCOBA Endowment Special	Special	175		In Progress	168	7
Special	N/A	TeamMate R9 Migration	Special	123		Complete	123	0
Special	ASU	SAO Hotline Report: ASU Financial Aid	Special	19		Complete	19	0
Special	N/A	Miscellaneous Hotline Projects	Special	60		In Progress	59	1
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	4,000	842		818	24	3,158
		HIGHEST PRIORITY						
TTUS		Banner Security	IT/Controls	700				700
TTU		Responsibility Center Management	Management Advisory	500				500
TTU		Honors College	Financial/Operational	300		In Progress	142	158
TTU		Academic Department Reconciliation Processes	Management Advisory	400				400
HSC		Grant Accounting and Reporting Processes	Operational/Compliance	450		In Progress	12	438
HSC		Time and Effort Reporting System	Compliance	400	(400)	Cancelled		0
HSC		School of Pharmacy Research Funding	Financial/Compliance	400		In Progress	28	372
HSC		El Paso Center of Excellence for Diabetes and Obesity	Financial/Operational	350		On Hold	11	339
HSC		El Paso Center of Excellence for Neurosciences	Financial/Controls		400	In Progress	314	86
ASU		Instructional Enhancement Fee	Financial/Compliance	350				350
ASU		Office of Institutional Research & Effectiveness	IT/Controls/Operational	400			400	0
		HIGHEST PRIORITY TOTALS	4,250	-		507	1,793	1,950

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2011

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMTS	STATUS AS OF DEC 4	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
MODERATE PRIORITY								
2	TTU	Xtender Security	IT/Controls	300	In Progress	254	46	0
2	TTU	Center for Professional Development	Financial/Operational	400				400
2	TTU	Grade Reporting Process	IT/Controls	400	In Progress	338	62	0
2	HSC	Lubbock School of Medicine	Financial/Operational	500				500
3	HSC	Information Technology Governance	Governance/IT	600				600
2	HSC	President's Office	Management Advisory	400				400
2	HSC	El Paso Property Inventory Processes	Operational/Compliance	300	In Progress	238	10	52
2	HSC	El Paso Department of Internal Medicine	Financial/Compliance	350				350
2	ASU	College of Sciences	Financial/Operational	350				350
MODERATE PRIORITY TOTALS			3,600			830	118	2,652
LOWER PRIORITY								
3	ALL	Audit Report Follow-Up Procedures and Reporting	Follow-Up	425	In Progress	254	171	0
3	TTUS	Ethical Environment Assessment	Governance	300				300
3	TTU	College of Arts & Sciences	Financial/Operational	500				500
3	HSC	School of Allied Health Sciences	Financial/Operational	350				350
3	HSC	South Plains Oncology Consortium	Financial/Compliance	350				350
3	HSC	El Paso Procurement Processes	Operational/Compliance	300				300
3	HSC	El Paso Department of Surgery	Financial/Compliance	350				350
3	ASU	College of Nursing and Allied Health	Financial/Operational	350	100 In Progress	285	165	0
LOWER PRIORITY TOTALS			2,925	100		539	336	2,150
OTHER VALUE-ADDED WORK								
Total Hours Budgeted for Other Value-Added Work			900	(346)			554	
Other	TTUS	Fraud Prevention Training			Ongoing	25		
Other	TTUS	Cash Handling and Control Environment Training			Ongoing	9		
Other	TTUS	Enterprise Application Steering Committee			Ongoing			
Other	TTUS	Enterprise Application Council			Ongoing	10		
Other	TTUS	Enterprise Application Work Group			Ongoing			
Other	TTUS	Enterprise Risk Management			Ongoing			
Other	TTUS	Research Projects Executive Steering Committee			Ongoing			
Other	TTU	Institutional Compliance Committee			Ongoing			
Other	TTU	SACS Quality Enhancement Plan (QEP) Steering Committee			Ongoing			
Other	TTU	SACS QEP Ethical Institution Task Force			Ongoing			
Other	ASU	Emergency Response Team			Ongoing	2		
Other	HSC	Institutional Compliance Working Committee			Ongoing	4		
Other	N/A	University of Tennessee Peer Review			In Progress	78		
Other	N/A	Professional Organizations (ACUA, TACUA, IIA, TSCPA, SAIAP)			Ongoing	137		
Other	N/A	Other Miscellaneous Projects			Ongoing	81		
OTHER VALUE-ADDED WORK TOTALS			900	0		346		
TOTAL ENGAGEMENT HOURS			20,100	340		6,451	2,835	11,003
KEY								
	TTUS	Texas Tech University System and/or inclusive of multiple Texas Tech institutions						
	TTUSA	Texas Tech University System Administration						
	TTU	Texas Tech University						
	HSC	Texas Tech University Health Sciences Center						
	TTU & HSC	Areas with parallel functions or shared responsibility						
	ASU	Angelo State University						
	N/A	Work that is not attributable to a particular institution or campus						
Required	Audits that are mandated by law, Operating Policies, standards, contracts, etc. Will be performed based on timing of external deadlines.							
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.							
Special	Unplanned special projects and investigations							
4	Engagements that were deemed most critical per the risk assessment at August 1.							
2	Engagements that were deemed to be moderately critical per the risk assessment at August 1.							
3	Engagements that were deemed least critical per the risk assessment at August 1.							
4	Areas of exposure that need attention, but have not been included in the official plan because of resource constraints.							
Other	Other projects, including committee service, class development and instruction, professional organizations, etc.							



TEXAS TECH UNIVERSITY

Rawls College of Business

Jerry S. Rawls College of Business
Capital Campaign/Naming Opportunities
Board of Regents Approval

Format of listings below is:

Donor funding the naming: **Name to be placed on the space**

VARIOUS FLOORS

Lecture Hall

1. Larry Anders: **Larry Anders**
2. AT&T: **AT&T Foundation**
3. Jim Bagley: **James & Jean Bagley**
4. Robert & Sherry Brown: **J. Robert & Sherry Brown**
5. Cash Foundation: **Cash Foundation**
6. Mickey McKenzie: **Mickey & Barbara McKenzie**
7. Don & Ethel McLeod: **Don & Ethel McLeod**
8. The Wood Family: **Clay & Louise Wood, Jack Wood & Don Wood**

Classrooms

1. Randy Andrews: **Andrews Family - GRACO**
2. Frank Burke: **Burke - Mayborn**
3. ConocoPhillips: **ConocoPhillips**
4. Gary Harrod: **Gary & Marguerite Harrod**
5. Hoblitzelle Foundation: **Hoblitzelle Foundation**
6. KPMG: **KPMG**
7. John & Mary Ann McCormack, & William Nicholson (*business partners*): **John & Mary Ann McCormack & William Nicholson**
8. David Stoneking: **David & Jane Stoneking**
9. Valero Energy: **Valero Energy**
10. Valley Foundation: **Robert C. Brown**
11. Jim Wetherbe: **Jim & Brynn Wetherbe**

Conference Rooms

1. Frank Burke: **Burke - Mayborn**
2. Ben & Peggy Bruckner: **Ben & Peggy Bruckner**
3. Ken & Jaye Huseman: **Ken & Jaye Huseman**

FIRST FLOOR

Grand Atrium

1. Emmett & Miriam McCoy: **McCoy Family**

Grand Staircase

2. The CH Foundation: **The CH Foundation**

Conference Center

1. Brian McCoy: **Dennis P. McCoy**

Student Managed Investment Fund Suite

1. Fred P. Mesch: **Fred P. Mesch**

International Business Suite

1. Marjorie Cone Kastman: **Marjorie Cone Kastman**

Communications Reception Suite

1. Jim & Kathy Gilbreath: **Jim & Kathy Gilbreath**

Career Management Center Interview Rooms

1. Lou Diekemper: **Lou Dunn Diekemper**
2. Gayle Earls: **Gayle M. Earls**
3. Randy Golden: **Randy Golden Family**
4. Scott Heitkamp: **Value Bank**
5. Don Key: **Donald A. Key - Ernst & Young**
6. Mark Knust: **Mark & Mitzi Knust Family**
7. J. Michael Lewis: **J. Michael Lewis Family**
8. Steve Smith: **Stephen & Kaye Smith**
9. Stewart Title: **Stewart Title**
10. Ben & Patt Wallace: **Ben & Patt Wallace**
11. Laura Whitley: **Laura B. Whitley**
12. Dory Wiley: **In Memory of Kevin Janik**
13. Dub Rushing: **dub & Mozelle Rushing**
14. Brad Moran: **Brad & Carla Moran**
15. Jerry Smith: **Jerry V. & Gail Smith**

Undergraduate Advisory Offices

1. Arthur Budge: **Arthur N. Budge, Jr.**
2. J. Don McGregor: **J. Don McGregor**
3. Lynn Alexander Morris: **Lynn Alexander**
4. People's Bank: **People's Bank**

SECOND FLOOR

Hall of Honor

1. PlainsCapital Bank: **PlainsCapital Bank**

Technology Suite

1. Bobby Stevenson: **Bobby Stevenson**

Dean's Board Room

1. James & Marguerite Niver: **James & Marguerite Niver**

Faculty Multi-Media Room

1. Steve Hurt: **Steve & Debbie Hurt**

Graduate Lounge

1. Jim Wetherbe: **Jim & Brynn Wetherbe**

Dean's Suite

1. Tex Timberlake: **Fred & Gene Timberlake**

Dean's Conference Room

1. Keith Moore: **Keith & Dena Moore**

Dean's Reception Suite

1. Mark Johnson: **Mark & Carolyn Johnson - Texas Capital Bank**

Case Study Rooms

1. Alan Brown: **Alan & Janice Brown**
2. Alan Hassenflu: **Alan Hassenflu**
3. Lance Hughes: **Lance & Hayley Hughes**
4. Mark Miller: **Mark & Audrey Miller**
5. David Saindon: **David & Anne Saindon**

THIRD FLOOR

Entrepreneurship Suite

1. Jim Stroud: **Mr. & Mrs James A. Stroud Foundation**

Energy Commerce Suite

1. John Walker & Gary Petersen (*friends*): **John Walker - Gary Petersen**

Management Dept (Support Center)

1. Paul Horton: **Paul & Iris Horton**

Finance Dept (Support Center)

1. Bill Pfluger: **Bill & Karen Pfluger**

Faculty Offices

1. David Alderson: **Alderson Enterprises**
2. Ed Benninger: **Ed & Nelda Benninger, Jr.**
3. Frank Burke: **Burke - Mayborn**
4. Bill & Carolyn Burnett: **Bill & Susie Burnett**
5. John Carpenter: **John Carpenter**
6. Kendall Cowan: **Kendall & Becky Cowan**
7. Jack Hamilton: **Jack R. Hamilton**
8. Bill & Cheryl Henry: **Bill & Cheryl Henry**

9. Raleigh Hortenstine III: **Mr. & Mrs. Raleigh Hortenstine, III**
10. Matt Malouf & John Malouf (*son and father*): **Matt Malouf & John Malouf**
11. John Scovell: **Scovell Family**
12. Doug Sewell: **Doug Sewell**
13. Don Sinclair: **Donald R. & Susan Sinclair**
14. James Skinner: **James E. & Alice Skinner**
15. Robert Swanson: **Laredo Energy**
16. Tom Walker: **Tom & Janet Walker**
17. Dana & Carol Weaver: **Dana & Carol Weaver**
18. Paul & Judy Whitman: **Paul & Judy Whitman**
19. CH Foundation: **L. Edwin Smith, CPA - funded by the CH Foundation**
20. Debbie Laverie: **Debra Laverie**
21. John Gavin: **John T. Gavin**
22. Steve Hartnett: **Stephen P. Hartnett**
23. Rick Scott: **Rick & Lori Scott**
24. Jim Wetherbe: **Jim & Brynn Wetherbe**

GARDEN

Benches

1. Tracy Elms: **Tracy K. Elms**
2. Ken Burgess: **FirstCapital Bank of Texas**
3. Dan Pope: **Dan & Denise Pope**
4. Phil Lang: **Phil & Amy Lang**
5. Gary Turner: **Gary & Michele Turner**
6. Cecil Preas: **Cecil Preas Family**
7. Kathy Roberts: **Kathy Roberts Family**

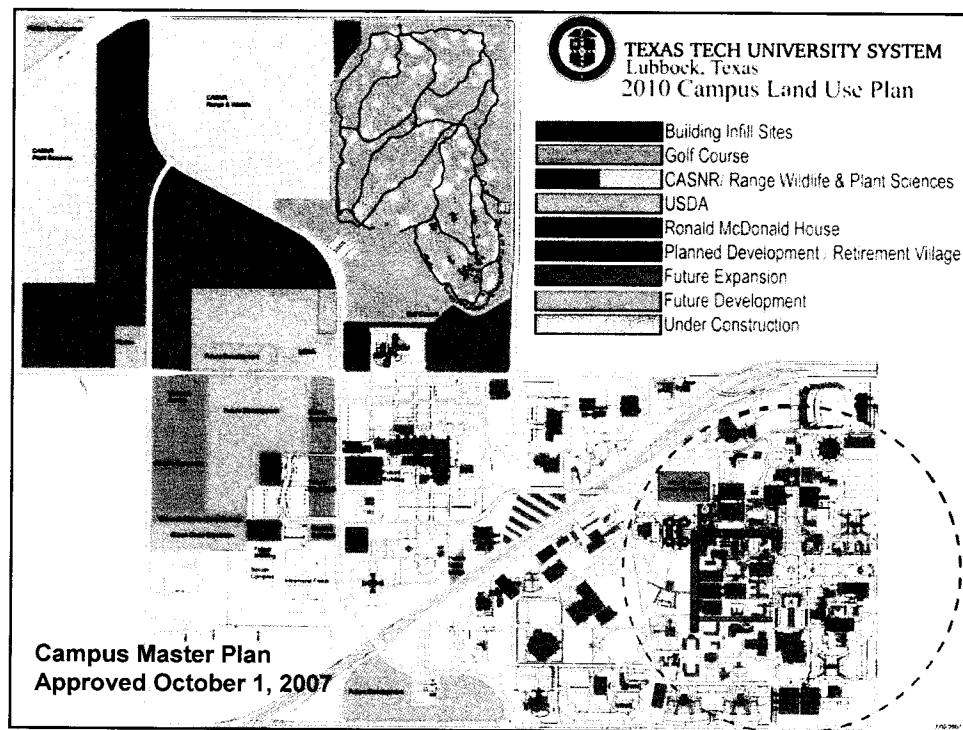
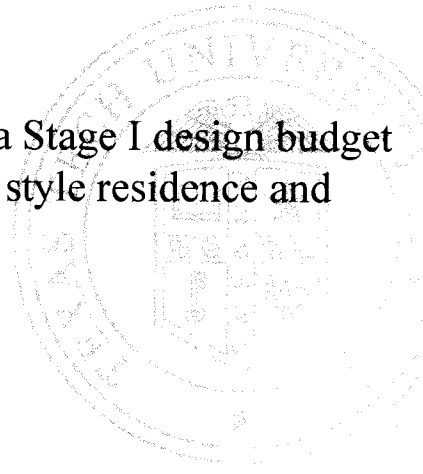
Item 3-A

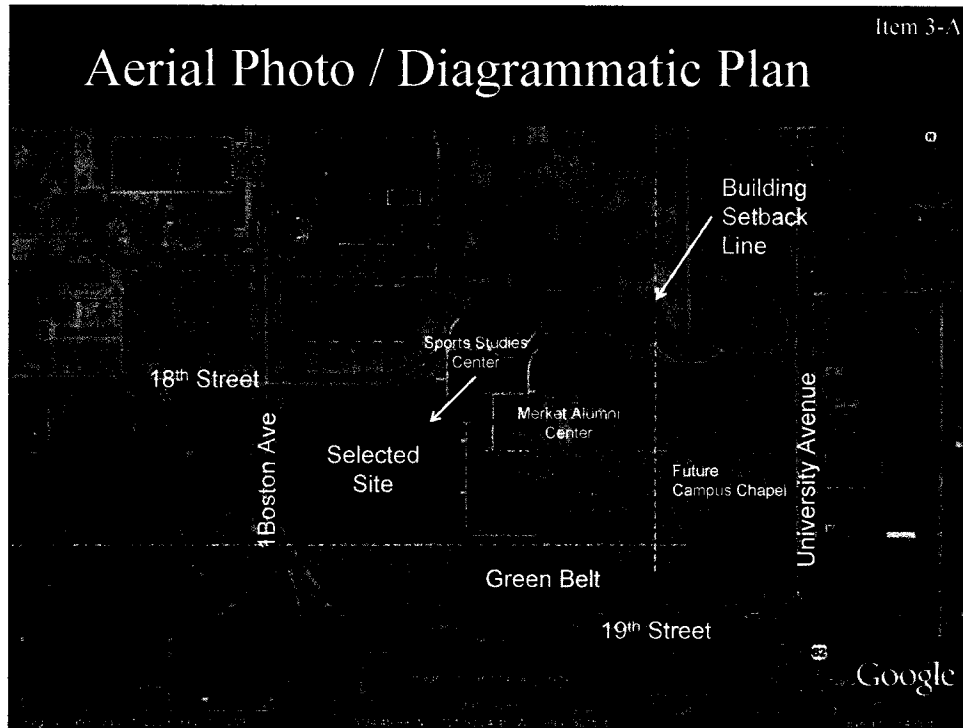
Texas Tech University

Approve establishment of a Stage I design budget
for the planning for a suite style residence and
dining facility

Michael Molina

Dr. Michael Shonrock






Item 3-A

Budget

Stage I Design Budget	\$ 450,000
Construction	\$ 0
Professional Services	
Site Survey	\$ 9,500
Abate/Demo Survey & Design	\$ 75,000
Design-Build Team	\$ 300,000
FF&E	\$ 0
Administrative Costs	\$ 7,605
BOR Directed Fees	\$ 12,895
Contingency	\$ 45,000



Item 3-A

Preliminary Schedule

- Award Professional Contracts Dec 2010
- Budget/Financial Plan Approval Jan 18, 2011
- Site Mobilization Jan 2011
- Start Abatement/Demolition May 2011
Sports Studies Center
- Complete Abatement/Demolition Aug 2011
- Goal Completion July 2012



Item 3-A

Recommendation

- Establish a Stage I Design Budget of \$450,000 funded with University Student Housing and Hospitality Services funds;
- Award a design-build contract to design and develop a total project budget for an up to 500-bed suite style residential/dining facility; and
- Proceed with the planning to abate and demolish the Sports Studies Center
- The total project budget will be established on January 18, 2011 and a special-called meeting of the Board on or about that date will be needed to approve the overall project
- The new residential/dining facility is to be located between 18th Street and 19th Street, just east of Boston Avenue





TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER™

Tedd L. Mitchell, M.D.
President

September 21, 2010

Michael Callahan, President
Harrington Regional Medical Center, Inc.
6641 W. Amarillo Boulevard
Amarillo, Texas 79106

Re: Dedication of 11 acres for Texas Tech University Health Sciences Center

Dear Mr. Callahan and HRMC Board of Directors:

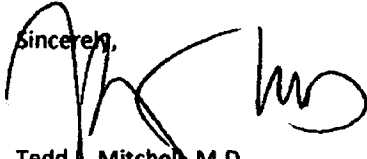
This letter is intended to confirm the Texas Tech University Health Sciences Center's ("TTUHSC") intention to graciously accept certain land dedicated by The Don and Sybil Harrington Regional Medical Center of Amarillo, Inc. ("HRMC") at its September 15, 2009 board meeting subject to the following conditions:

In accordance with *Texas Tech University Health Science Center's Operating Procedures and Policies* Section 02.03 (HSC OP 02.02), the conditions of acceptance of real property applicable to this proposed gift are as follows:

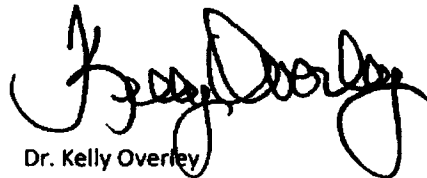
1. HRMC must provide an acceptable policy of title insurance or an acceptable title opinion drawn by a licensed attorney.
2. If TTUHSC staff determines that circumstances surrounding the property warrant an environmental audit, HRMC must provide a Phase I environmental audit.
3. HRMC must provide an updated survey of the real property.
4. HRMC must provide TTUHSC with a general warranty deed by which the real property is to be conveyed.
5. No liens or unpaid taxes may exist on the property at the time of conveyance.
6. TTUHSC shall not be made liable for any fees or assessments on the property.
7. HRMC shall provide a fair market value appraisal by a qualified appraiser. Employees of the Texas Tech University System cannot appraise the property, and the TTU System funds cannot be used to pay for the appraisal.
8. If all conditions above are satisfied, the Vice Chancellor of Institutional Advancement will seek Board of Regents' approval and acceptance of the gift and its conditions prior to any deed execution by HRMC or taking of possession by TTUHSC.

Your generosity will certainly move TTUHSC forward as we strive to improve the health of the people of West Texas through education, research and patient care. This gift marks a pivotal point in developing the TTUHSC Amarillo campus and will be an asset to the students and health care providers in the entire region. We greatly appreciate the foresight of the HRMC board and look forward to a continued partnership.

Sincerely,



Tedd J. Mitchell, M.D.
President



Dr. Kelly Overley
Vice Chancellor, Institutional Advancement

cc: Kent Hance
Michael Hooten

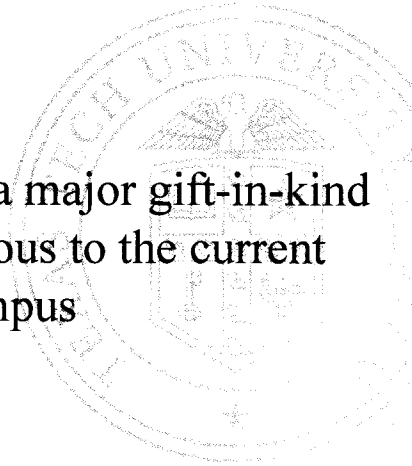
Texas Tech University Health Sciences Center

Item 4

Approve acceptance of a major gift-in-kind
of real property contiguous to the current
TTUHSC Amarillo Campus

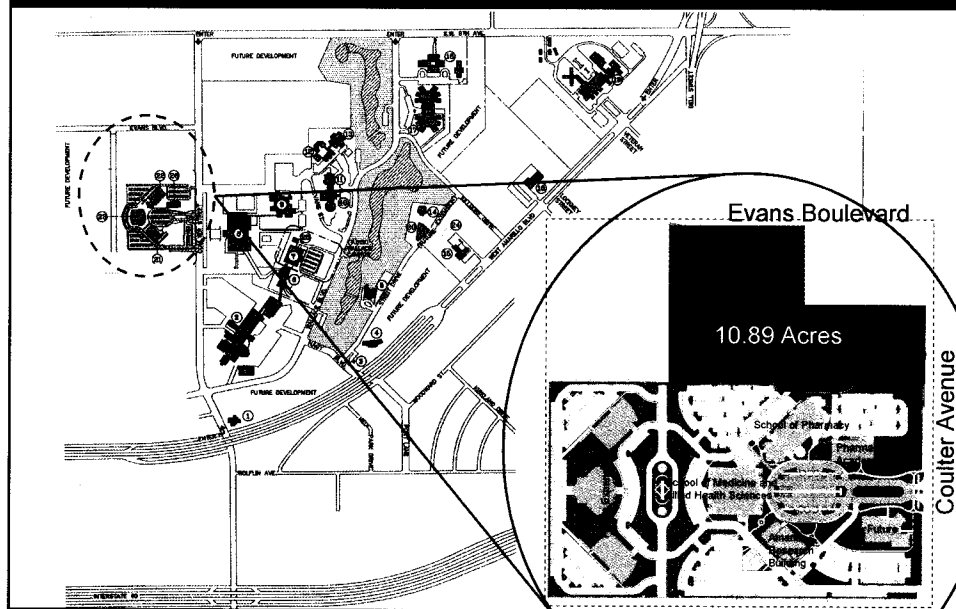
Dr. Ted Mitchell

Dr. Kelly Overley



TTUHSC Amarillo Campus

Item 4



Texas Tech University Health Sciences Center

Item 4

- Approve acceptance of a major gift-in-kind from The Don and Sybill Harrington Regional Medical Center at Amarillo, Inc. of 10.89 acres, contiguous to the Texas Tech University Health Sciences Center's current Amarillo Campus, with an estimated value of \$2,700,000;
- Authorize the president to execute all documents necessary to accept the gift; and
- Authorize the submission of the gift to the Texas Higher Education Coordinating Board for approval





TTUS Design & Construction Review

Under Construction

December 2010

www.fpc.ttu.edu

Project	Cost	Status	Completion Date
TTU			
Jones AT&T Stadium North End Zone Expansion	\$ 6,000,000	Substantially Complete	January 2011
Jones AT&T Stadium NEZ Facilities (Toilets & Concessions)	\$ 1,300,000	Substantially Complete	January 2011
Rawls College of Business Administration	\$ 70,000,000	Under Construction	December 2011
Jones AT&T Stadium East Side Expansion	\$ 34,630,000	Substantially Complete	January 2011
Business Administration Building Renovations	\$ 25,000,000	Under Construction	September 2012
Art 3D Annex Finish Out (Sculpture)	\$ 3,800,000	Under Construction	February 2011
Experimental Science Bldg Build Out	\$ 12,100,000	Under Construction	September 2011
NRHC North Addition	\$ 1,833,000	Under Construction	September 2011
System Office Relocation (2nd Floor)	\$ 2,000,000	Complete	December 2010
TTU Total	\$ 156,663,000		
ASU			
Porter Henderson Library IT Commons Renovation	\$ 4,380,000	Under Construction	December 2010
Plaza Verde Residence Hall Phase I (Design Phase 1 & 2 / Construct Phase I)	\$ 35,000,000	Under Construction	August 2011
Recreation/Wellness Ctr & Center for Human Performance Expansion	\$ 7,000,000	Under Construction	May 2011
ASU Total	\$ 46,380,000		
HSC			
The F. Marie Hall SimLife Center	\$ 6,500,000	Complete	September 2010
4C Cancer Research Lab	\$ 3,200,000	Complete	October 2010
HSC Total	\$ 9,700,000		
Under Construction Grand Total	\$ 212,743,000		



TTUS Design & Construction Review

In Design
December 2010
www.fpc.ttu.edu

Project	Cost	Status	Completion Date
Admin Bldg Abatement and Renovation	\$ 3,850,000	Design In Progress	November 2011
Rawls Course Clubhouse	\$ 3,700,000	Design Complete	April 2012
Material Research Building Renovation	\$ 2,900,000	Design In Progress	TBD
Printech Building Renovation (HESS Relocation)	\$ 2,000,000	Design In Progress	August 2011
The Burkart Center for Autism Education and Research	\$ 10,000,000	RFQ-Design Professional	August 2013
Campus Chapel	\$ 3,000,000	Design In Progress	TBD
NRHC Historic Preservation Building	\$ 468,808	Design In Progress	December 2011
TTU Total	\$ 25,918,808		
Mixed-Use Development	\$ TBD	Pre-Development	TBD
Concho Hall Abate/Demolish	\$ 2,500,000	RFQ-Design Professional	TBD
ASU Total	\$ 2,500,000		
HSC Total	\$ -		
In Design Grand Total	\$ 28,418,808		



	<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>
TTU	Experimental Sciences Building II	\$ 87,750,000	Proposed	TBD
	Engineering Expansion/Renovation Phase II	\$ 90,000,000	Proposed	TBD
	Plant & Soil Sciences Building	\$ 25,000,000	Program Complete	TBD
	Architecture Building LifeSafety Upgrades	\$ 7,400,000	On Hold	TBD
	Biology & Biology Greenhouse Fire Suppression System	\$ 8,300,000	On Hold	TBD
	System Office Relocation	\$ 4,500,000	Design in Progress	TBD
	Human Sciences Life Safety Upgrades	\$ 6,000,000	On Hold	TBD
	TTU Total	\$ 228,950,000		
	College of Nursing and Allied Health	\$ 16,200,000	Proposed	TBD
	Plaza Verde Residence Hall - Phase II	\$ 30,000,000	Proposed	TBD
ASU	ASU Total	\$ 46,200,000		
HSC	Lubbock Education, Research & Technology Renov	\$ 45,000,000	Proposed	TBD
	El Paso Medical Science Building II	\$ 65,000,000	Proposed	TBD
	El Paso Clinical Sciences Building	\$ 30,000,000	Proposed	TBD
	Permian Basin Academic Building	\$ 18,900,000	Proposed	TBD
	Panhandle Clinical/Hospital Simulation Center	\$ 16,500,000	Proposed	TBD
	Abilene School of Nursing	\$ 12,000,000	Proposed	TBD
	Amarillo Laura W. Bush Institute Renovations	\$ 12,800,000	Proposed	TBD
	HSC Total	\$ 200,200,000		
	Future Grand Total	\$ 475,350,000		



Project	Cost	Status	Completion Date
Scholarship Donor Walk-Phase 2	\$ 50,000	Complete	March 2010
Softball Team Facility	\$ 3,000,000	Complete	February 2010
Pulse Power Lab	\$ 1,500,000	Complete	October 2009/February 2010
Soccer Team Facility	\$ 4,080,000	Complete	September 2009
Rawls CoBA Tunnel Project	\$ 1,700,000	Complete	October 2009
Horn/Knapp Window Replacement	\$ 2,500,000	Complete	November 2009
Memorial Circle Utility Tunnel Replacement	\$ 3,887,819	Complete	August 2009
Student Leisure Pool	\$ 8,250,000	Complete	May 2009
SPICE Chess Garden	\$ 71,000	Complete	July 2009
Thompson Gaston Demolition	\$ 2,200,000	Complete	March 2009
Engineering Expansion/Renovation Phase I	\$ 10,000,000	Complete	March 2009
Track Renovation/Relocation	\$ 4,000,000	Complete	May 2009
Softball Field Improvements	\$ 1,000,000	Complete	March 2009
Art 3D Annex Ceramics/Kiln Yard	\$ 1,556,937	Complete	October 2008
High Performance Research Computer Facility	\$ 1,800,000	Complete	September 2008
Sneed/Bledsoe HVAC Upgrade	\$ 6,000,000	Complete	August 2008
Bledsoe Window Replacement	\$ 1,000,000	Complete	August 2008
4th Street Sewer Upgrade	\$ 560,000	Complete	October 2008
Mark & Becky Lanier Prof. Development Center	\$ 13,665,000	Complete	April 2008
NCAA Soccer Complex	\$ 1,998,000	Complete	August 2007
Art 3-D Annex	\$ 8,603,315	Complete	September 2007
Outreach & Extended Studies Building	\$ 8,000,000	Complete	October 2007
Softball Field Repairs	\$ 509,055	Complete	September 2007
Discovery Mall	\$ 1,167,698	Complete	July 2007
Student Wellness Center	\$ 9,229,767	Complete	March 2007
CDRC / CSAR	\$ 8,126,506	Complete	October 2006
Scholarship Donor Recognition Walk	\$ 225,000	Complete	November 2006
Sneed/Gordon/Bledsoe LifeSafety Upgrades	\$ 5,792,000	Complete	September 2006
Jones AT&T Stadium Field Improvements	\$ 2,860,000	Complete	August 2006
Student Union Building Phase II B	\$ 6,034,070	Complete	November 2006

Student Union Building Phase III	\$	1,299,043	Complete	July 2006
NRHC - Christine DeVitt Wing	\$	3,278,509	Complete	June 2006
Experimental Sciences Building	\$	36,702,120	Complete	March 2006
Texas Tech Parkway	\$	9,222,073	Complete	February 2006
Grover E. Murray Residence Hall	\$	24,613,235	Complete	January 2006
Animal and Food Sciences Building	\$	16,809,505	Complete	February 2006
Wall/Gates LifeSafety Upgrade	\$	3,094,012	Complete	January 2006
Student Parking Expansion	\$	660,000	Complete	October 2005
Student Union Bldg. Expansion/Renovation	\$	37,372,009	Complete	October 2003/February 2005
Museum NSRL Addition	\$	3,555,259	Complete	August 2005
Admin Building Stone Repair	\$	2,262,839	Complete	January 2005
Jones SBC Stadium Stage IIA /IIB	\$	53,578,710	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	\$	3,234,692	Complete	August 2004
Football Training Facility	\$	10,974,030	Complete	May 2004
Marsha Sharp Center for Student Athletes	\$	3,789,332	Complete	January 2004
The Rawls Course Support Facilities	\$	1,692,000	Complete	November 2003
Admin Building Roof Repairs	\$	827,901	Complete	November 2003
The Rawls Course	\$	9,013,000	Complete	August 2003
Horn/Knapp Fire Suppression	\$	3,026,015	Complete	December 2002
Campus Conference Bonfire Circle	\$	400,000	Complete	September 2002
English-Philosophy & Education Complex	\$	44,910,950	Complete	August 2002
Flint Avenue Parking Facility	\$	10,670,916	Complete	August 2002
Dan Law Field	\$	1,612,000	Complete	June 2002
Fuller Track Field House	\$	480,000	Complete	June 2002
Pfuger Fountain	\$	826,000	Complete	April 2002
Recreation Center Expansion/Renovation	\$	12,070,277	Complete	November 2001
Jones SBC Stadium Stage I	\$	22,000,000	Complete	September 2001
Frazier Plaza & Masked Rider Statue	\$	515,000	Complete	September 2001
Tennis-Softball Complex	\$	4,059,784	Complete	September 2001
Campus Fiber Optic Connection	\$	1,667,000	Complete	September 2001
West Hall/Visitors Center	\$	5,703,441	Complete	August 2001
Broadway Gatehouses	\$	816,000	Complete	August 2001
Marquee	\$	352,000	Complete	August 2001
Stangel/Murdough Fire Suppression	\$	1,616,293	Complete	August 2001
Chitwood/Weymouth Fire Suppression	\$	2,779,706	Complete	August 2000
TTU Total	\$	454,849,818		

Completion Date

Status

Cost

Project

ASU	Centennial Village Residence Hall	\$	28,215,000	Complete	August 2008/March 2009
	University Hall/Abatement Demolition	\$	2,500,000	Complete	January 2010
	UC Dining Services Expansion	\$	2,500,000	Complete	January 2009
	ASU Total	\$	33,215,000		
HSC	Lubbock Memorial Garden	\$	181,130	Complete	January 2010
	Amarillo School of Pharmacy Expansion	\$	8,010,000	Complete	November 2009
	Amarillo Family Medicine Relocation	\$	7,026,925	Complete	July 2009
	Amarillo Research Building	\$	18,152,430	Complete	March 2009
	El Paso Vivarium Upgrade	\$	737,479	Complete	December 2008
	International Pain Center	\$	7,000,000	Complete	November 2008
	El Paso Strategic Space Study	\$	TBD	Complete	TBD
	El Paso - Archer Building Renovations	\$	1,700,000	Complete	March 2008
	Texas Tech Physicians Medical Pavilion	\$	36,462,388	Complete	June 2006/Dec 2007
	El Paso Medical Education Bldg.	\$	45,000,000	Complete	November 2007
	Abilene School of Pharmacy	\$	9,087,743	Complete	July 2007
	El Paso Medical Science Bldg. I Build Out	\$	3,564,306	Complete	July 2006
	Amarillo Campus Improvements	\$	1,424,677	Complete	September 2006
	HSC Roof Replacement	\$	1,747,867	Complete	April 2006
	The Larry Combest Health & Wellness Center	\$	1,551,549	Complete	January 2006
	El Paso Medical Science Bldg. I	\$	36,977,869	Complete	February 2006
	HSC Campus Infrastructure Improvement	\$	5,028,277	Complete	January 2006
	HSC El Paso Clinic Expansion/Renovation	\$	9,638,830	Complete	February 2005
	HSC El Paso Hydronic Pipe Replacement	\$	1,552,209	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
	HSC Total	\$	246,662,671		
	Completed Total	\$	734,727,489		
	TTUS Capital Project Total	\$	1,451,239,297		

Texas Tech University System



State of Texas Budget Briefing

December 17, 2010

Kent Hance
Chancellor
Texas Tech University System

Jim Brunjes
Vice Chancellor & Chief Financial Officer
Texas Tech University System

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State Budget Forecast: FY 2012 - 2013



"One-Time" Funds Balanced the 2010-2011 Budget

	<u>Current Budget</u>	<u>2012-2013 Budget</u>
General Revenue	\$75.0 Billion	\$75.0 Billion*
ARRA	\$6.4 Billion	\$0
Cash on Hand	\$2.6 Billion	\$0
Property Tax Fund Reserve	\$3.0 Billion	\$0
Permanent School Fund	\$0	\$1.2 Billion
Total General Revenue Budget	<u>\$87.0 Billion</u>	<u>\$76.2 Billion</u>
Budget GAP		\$10.8 Billion

* Comptroller will issue biennial revenue estimate in advance of the legislative session

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State Budget Forecast: FY 2012 - 2013



- Effect on Texas Economy
 - Tax receipts down but recovering
 - Sales tax collections down 7% (\$1.5 Billion) for FY 2010
 - November 2010 sales tax collections up 8.7% from November 2009, but with limited growth over the last 6 months
- If the estimated growth in education and health care cost were funded at this year's rates, the total cost would be \$8 Billion to \$9 Billion.

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State Budget Forecast: FY 2012 - 2013



- Projected \$8 – \$9 Billion in Rainy Day Fund
 - Requires 2/3 vote in both the House and Senate
 - Legislature may choose to use less than half

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State Budget Forecast: FY 2012 - 2013



- 5% Budget Reductions Already Made
 - January 15th, 2010 – Governor Perry, Lt Governor Dewhurst, and Speaker Straus direct state agencies to reduce current budget (FY 2010 – FY 2011) by 5%
 - Does not apply to tuition revenue, Medicaid, CHIP, public education, TRS and ERS programs, and debt service
 - Cuts generated approximately \$1.2 Billion in total savings
 - Higher education accounts for approximately \$520 Million of the \$1.2 Billion in total savings
 - Higher education accounted for 41% of total agency reductions
 - Higher education represents only 12.5% of total state spending

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State Budget Forecast: FY 2012 - 2013



- 2.5% Budget Reductions Directed
 - December 7th, 2010 – Governor Perry, Lt. Governor Dewhurst, and Speaker Straus direct state agencies to reduce current budget (FY 2011) by 2.5%
 - Does not apply to tuition revenue, Medicaid, CHIP, public education, TRS and ERS programs, and debt service

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State Budget Forecast: FY 2012 - 2013



Impact to Texas Tech University System

	FY 2010/2011 Original 5% Reduction	FY 2011 Estimated 2.5% Reduction
Texas Tech University System Administration	\$ 200,000	\$ 50,000
Texas Tech University	\$ 12,824,211	\$ 3,268,363
Texas Tech Health Sciences Center	\$ 14,614,943	\$ 3,790,571
Angelo State University	\$ 2,140,652	\$ 544,886
Total Reductions System Wide	\$ 29,779,806	\$ 7,653,820

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State Budget Forecast: FY 2012 - 2013



- Developing 2012 – 2013 Budget
 - Legislative Budget Board LAR instructions direct:
 - 5% reductions in base appropriations request
 - 5% lower than the current biennium's original appropriations; thus carrying forward the 5% reduction applied to FY 2010 – 2011
 - Include plans for two additional 5% reductions

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State Budget Forecast: FY 2012 - 2013



- How Does 2011 Compare to 2003?
 - Estimated Shortfall:
 - 2003: \$9.9 Billion (18.3% of general revenue)
 - \$3.9 Billion used to balance previous budgets not available
 - \$1.8 Billion current shortfall
 - 2011: \$11 – \$24 Billion (13.6% to 29% of general revenue)
 - Loss of \$6.4 Billion Federal stimulus funds
 - No \$5.6 Billion carry-over from the current biennium
 - Amount of shortfall undetermined

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State Budget Forecast: FY 2012 - 2013



- Texas Budget Compared to Other States
 - 34 states face budget shortfalls for FY 2011 totaling \$121 Billion
 - 39 states face shortfalls for FY 2012 totaling \$102 Billion
- What Other States Have Done to Balance Budget
 - 29 states have cut public health services
 - 24 states have cut services for the elderly and disabled
 - 29 states have cut K-12 education
 - 39 states have cut higher education
 - 42 states have reduced the state workforce

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State Budget Forecast: FY 2012 - 2013



- How Other States Have Balanced Higher Education Budgets
 - 23 states decreased funding for FY 2009 – 2010
 - 10 states decreased 5% or more
 - Average in-state tuition increases for 2010 – 2011
 - California: 13.2% (*University of California increased 32% from Fall 2009*)
 - Florida: 15.0%
 - Arizona: 16.1%
 - Georgia: 10.5%
 - North Carolina: 16.9%

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Higher Education Budget



- Replace Federal Stimulus Funds with General Revenue
 - \$130 Million in formula funding for all academic and health related institutions
 - \$80 Million in incentive funding for academic institutions
 - \$110 Million in special items for all
- Fund Growth in Enrollments and Formulas
 - Fall 2009 and fall 2010 enrollments up statewide and at record levels

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Higher Education Budget



- Equitable and Proportionate Allocation of Any Further Cuts
 - 41% of 5% reductions for higher education
- Continue to Adequately Fund Financial Aid
- Exceptional Items and Tuition Revenue Bonds?
- Existing Special Item Funding?
 - Largest item: four year medical school (PFSOM)

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Texas Tech University System



State of Texas Budget Briefing

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Vice Chancellor & Chief Financial Officer
Texas Tech University System

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Chancellor's Report
Texas Tech University System
Board of Regents Meeting
December 17, 2010

Chancellor Hance presented his report to the Board: "There are a couple of things I would like to discuss. One is fundraising. We are still out there, working hard. For this fiscal year starting in September we have raised \$29 million additional dollars. Through the end of November we are at \$632 million on our billion dollar campaign. That is going well.

"Our commencement speaker is Ginger Kerrick. She will be speaking at all ceremonies today and tomorrow. She is originally from El Paso. She has a bachelors and a masters in physics from Texas Tech. She is the first Hispanic female flight director for NASA. Those of you who are attending commencement will enjoy meeting her and listening to her remarks.

"Tomorrow at the Law School, our own, John Huffaker, will be the commencement speaker. We are very proud of him and look forward to hearing his remarks as well.

"At Angelo State, last weekend, they had their graduation. Agriculture Commissioner Todd Staples was the guest speaker. He did an outstanding job. We were proud to have him.

"Over the last two months, I have met with almost 20 members of the Legislature. A lot of you have helped by attending those meetings. The meetings were to inform the representatives and senators about the importance of what we are doing in higher education. We have increased our number of students at a time that the Legislature and the Governor have asked us to do that over the last 10 years. That is very important. We also pointed out to them the number of alumni that we have in their district. There was one meeting I could not attend. Regents Scovell and Anders met with that Senator Shapiro at that meeting. It is very important for them to know the number of people we have in their districts. A lot of them have really been surprised in the Houston, Austin and San Antonio areas the number of alums that we have in their area. We want them to know that we have a presence in their area as well.

"The Emerging Technology Fund—there has been a lot written about this fund in some of the statewide press. Some have questioned it. We have received to-date \$6.5 million. We still have another \$6.5 million that will be drawn on the NIRE, the wind energy, commercialization. I had the staff go back and check and of the \$6.5 million that we have received from the Emerging Technology Fund; we have been able to leverage it with outside grants from private industry with an additional \$36.7 million. That is a huge return. The Governor's Office is to be complimented on what they have done on the Emerging Technology fund.

"Another thing to mention—the resolution that was passed by the Board in appreciation of our former regent, Clint Formby, has been framed. That will be presented to his

family in the near future when they can work the schedule out. Clint Formby was well thought of. He is the only person who has served as the president of the student body, chairman of the Board of Regent, president of the Alumni Association and chairman of the Ranching Heritage Center. He chaired about everything that you can chair at Texas Tech and did so with distinction. I'd like for us to take a moment of silence after the adjournment of today's meeting in honor of Clint Formby and Margaret Talkington. Margret was a great benefactor of Texas Tech University. She and her husband, J.T., were friends and supporters of Texas Tech. The Texas Tech family is so appreciative of all that the Talkingtons did for our university."

President's Report
Texas Tech University
Board of Regents Meeting
December 17, 2010

Dr. Bailey presented his report to the Board: "The *Accomplishments* newsletter is being distributed. It highlights a number of accomplishments of our faculty on campus. We are very proud of them and everything they do. A packet is also being distributed—you saw the website for admitted students—this is a packet that goes to newly admitted students. It welcomes them to the Red Raider family. Our admissions people are doing a terrific job. Two years ago, we didn't get particularly good feedback about how we handled students who applied here. We are getting great feedback now. There are several other pieces of information included. There are a couple of articles that appeared in *Forbes* magazine. One is an article written last week by Joel Kotkin, a demographer who was here on campus. He spoke about the battle for brains and Texas Higher Education expanding even as that in California contracts. We have developed a very good relationship with Kotkin and will be doing some joint projects with him in the future that will be good. Also, in *Forbes*—this just appeared yesterday—has a ranking of universities according to how well they do in getting women and minorities in STEM. We were seventh in the United States having minority students in STEM. Remember these are critical disciplines in science, technology, engineering and math. We are very pleased about that. I should point out that we have more than \$12 million in external funding for STEM-type education projects. It's a great strength of ours. We are very pleased with that recognition.

"What I'd like to spend most of my time on—at the last Board meeting, I indicated that I would give you a progress report of where we stand with NRUF. Quickly as an introduction, remember that House Bill offered two remarkable opportunities to help the emerging research universities. One was the Texas Research Incentive Fund or TRIP. That provided state matching dollars for private gifts that supported research. Thanks to the efforts of our chancellor and Institutional Advancement—I believe that Kelly is here—we led all of the ERUs and TRIP funding. And, the chancellor is still raising money. We don't know whether the state will provide additional matches, but I have gifts come across my desk that I sign. He may hit some of you up after the meeting. He is doing a terrific job in continuing that activity. We are pleased about that. The second opportunity was the National Research University Fund or NRUF. We've talked about that before. It is a permanent dedicated endowment. It is currently at something over \$500 million. It is designed to enable emerging research universities achieve prominence as major research universities. NRUF like TRIP is competitive. We compete against the other emerging research universities in meeting certain benchmarks. Once those benchmarks are met, then we are entitled to a portion of the payout of the NRUF endowment. It is important to keep in mind that getting into NRUF is not the final goal. It is one step along the way. The final goal for us is to be held in the same esteem as the AAU institutions are. We see this as one step in our move to Tier 1 status. There are some caveats that are important to emphasize before I get into the meat of this. The first caveat: institutions have to meet NRUF criteria for two consecutive fiscal years before the beginning of the biennium. That is a complex

statement, but what we have to do is meet the NRUF criteria for two consecutive fiscal years before the beginning of the biennium. For Texas Tech, this means FY 10 which ended on August 31, 2010 and FY 11 which will end on August 31, 2011. You have to meet the benchmarks two years in a row before the biennium or you will have to wait until the next time. That is very important. The second caveat, criteria 3D, 3E and 3F, in what I will present have not received final approval. I believe that I told you those were about to receive final approval. I was wrong. They did not receive final approval at the Coordinating Board meeting in October. The earliest that can be received is January 27, 2011. We are very hopeful that they will be finally approved then. That should not delay anyone's participation in NRUF. Some of the criteria are still under discussion. I'll point those out as we come to them. Finally, the data that will be presented to you is data that we have submitted to the Coordinating Board. They have not yet certified it as FY 10 data. It's data from the last fiscal year that ended August 31. That has not yet been certified. As I'll point out when we talk about the research data, we are very comfortable with what we have submitted.

"The table outlines the criteria on the left and our progress on the right. First, only seven universities are eligible for this. You have to be designated as an emerging research university by the Texas Higher Education Coordinating Board. That is the first criteria and we have met that. They designated us that. For the second one—the first two everybody has to have—you have to have \$45 million in restricted research. This year, the fiscal year that ended on August 31, we reported a little over \$51 million. We are very confident about this number. That is a huge jump over a two-year period. If you recall, in FY 08 we had \$27 million. We had our internal auditors work on this. I'm going to ask Kim Turner to speak to you in that regard after I conclude my remarks. We had our internal auditors go through and be as hard on us as they could and they were real hard on us, but we are very pleased with that. We feel that we are making great progress and we wanted to make absolutely certain that everything that we are submitting will hold up to the test. Kim will talk about that in a bit.

"Again, we reported over \$51 million. Then you have to meet four of six additional criteria. Criteria 3A, 3B, 3C are in the legislation. You can see our progress on those. You must have an endowment of more than \$400 million. Our endowment stands at \$434 million as of several weeks ago—it may be a little higher now. You have to have membership in either Phi Beta Kappa, Phi Kappa Phi, or ARL. We have all three. We are the only emerging university with memberships in all three and the only Phi Beta Kappa. You also have to grant 200 Ph.D.s. When we discussed this last summer, we were sweating that a little bit, but we granted 214 Ph.D.s. Thanks to all of our staff who have helped with that.

"The other three criteria are the ones which are still works in progress. I'll tell you what I know about them as we go through them. Under D, you have to demonstrate that you have a high quality faculty. There are three ways you can do that which have been proposed right now. One, you can have five national academy members. We have one national academic member. Or, you can have seven faculty awards granted in a year—that is like career awards or such. Depending on what that list is, we may have seven. We don't know for sure since that list has not been finalized. Until the list is finalized, we won't know whether we have those seven or not. The other option is to have a

comprehensive review of five doctoral programs by external reviewers who would certify us. We don't know what the criteria are but they'd certify that we have high quality faculty. On this one, we still have some uncertainty due to pending criteria.

"On E, which is the fifth of the six criteria, you have to demonstrate that you have a very high quality freshmen class. Again, there are several ways that you can do this. You can show that the 75th percentile of your SAT is at 1210. For the fall of 2009, FY 2010, it was at 1190. It was at 1190 this fall as well. Or you can demonstrate the 75th percentile of your ACT is at 26. We were at 26 in the fall of 2009 and the fall 2010. Another option is to show that you have 50 percent of your entering freshmen at the top 25 percent. We had 51.96 percent and we also exceeded the 50 percent mark this past fall—in the fall of 2010. In addition to that, your freshmen class must show progress toward Closing the Gaps. Exactly how this would be done is not finalized, but one suggestion that the Coordinating staff has made is if you had a federal TRiO program and we have an Upward Bound program. So, we do have a federal TRiO _____ program in place. You can see the progress that we have made on those criteria.

"The last is high quality of graduate programs. To demonstrate this you must show that you have more than 50 graduate programs. We have 167 graduate programs. And, you must do the following: you can either have a comprehensive review of your graduate financial support to show that is equivalent to AAU institutions or you can do the following three. You can show that your GRE scores for five of your Ph.D. programs are equal to or greater than the national mean. We have that. You must have a graduation rate equal to or greater than 56 percent of masters. Our masters graduation rate was 71 percent, which by the way is very good. You can also show your doctoral rate is equal to or greater than 58 percent. Ours is at 60 percent. That is also good. Those are better numbers than A&M has. You can show that your median time to the doctoral is eight years or less. Our median time was eight years. You can see exactly where we are on those criteria. We are anxious for the Coordinating Board to finalize these so we can move forward.

"Are there any questions?"

Regent Huffaker asked about the median time to a Ph.D. "Eight years encompasses what?"

Dr. Bailey replied, "It is from the time you start your doctoral until the time you finish. Remember, that is easier said than done. One example, my daughter is trying to finish her Ph.D. right now. Whether she finishes in August or December or maybe later, depends on the behavior of rats and mice in the lab. Our faculty does a very good job of working with our graduate students to help them. This eight year median time is very good nationally."

Chairman Anders asked about the AAU status. "Refresh us again on what you believe the timeline might be with the metrics we are putting in place before we get a chance to be recognized in that category."

Dr. Bailey responded, "If you look at the metrics that are laid out in our strategic plan which you approved a year or so ago, those metrics will help us get there. To have the research numbers, the quality of entering freshmen class—all of that might take a decade. A ten-year time frame would be a realistic goal. Again, that will require steady and constant focus. If we really get focused and maintain our focus on those criteria, I believe that is something we can do in a decade."

Vice Chairman Turner asked about criteria 3F. "That has not received final approval. It looks like 3F is pretty objective. So, is that just a matter of reporting it?"

Dr. Bailey replied, "The 3A, 3B, and 3C were in the legislation and D, E and F has to have Coordinating Board approval. This is hard to predict but they are very objective. We prefer the ones that are objective and not the reviews."

Vice Chairman Turner asked, "So it's just a verification of what you are telling us here because this shows compliance—satisfaction of that."

Dr. Bailey responded, "Yes. We would need the Coordinating Board to approve these criteria and then certify it. That is exactly right."

Regent Neal stated, "If number two has not been reached then three and beyond are immaterial."

Dr. Bailey replied, "That is exactly right. If you don't meet number one and number two, the rest of it is immaterial."

Regent Neal added, "But in reality we are competing with ourselves; we're not competing with anyone else. When it comes to the end of the road, it's not the first one who gets there that is critical. Realistically, the state wants a number of additional Tier 1 schools, so it's not like we have to beat another school to the finish line. Is there more money if we are the only one to achieve this in two years?"

Dr. Bailey responded, "I don't think so. Let me back up—there probably would be some additional money. The formula for the distribution of the NRUF payout has not been finalized. That is still being discussed and is so up in the air that I wouldn't even venture to say as to how that would be done. There may be some virtue in getting there early, but we don't know exactly what the payout will be."

Regent Neal stated, "If we meet this criteria in the year that we just ended and the current year, the earliest for designation would be the following year of 2012?"

Dr. Bailey replied, "Remember the first year of the biennium begins September 1, 2011. So, that would be the earliest. If we were to meet the criteria and all of this can be certified for FY 10 and FY 11, then in FY 12."

Regent Neal added, "And you said that the fact that they haven't absolutely put it in stone yet does not disqualify this year. They'll go back and measure us according to what their measuring stick is."

Dr. Bailey responded, "I believe that is right."

Regent Neal stated, "So, we are in year two of our qualification, in our opinion."

Dr. Bailey asked, "Martha (Brown), you haven't heard anything that would contradict that?"

Ms. Brown replied, "No—that is correct."

Dr. Bailey added, "We are anxious to have everything finalized."

Regent Neal stated, "So, the January Coordinating Board meeting is the one that we are hoping they are going to finalize this?"

Dr. Bailey concurred.

Regent Neal added, "Very good. I know you are monitoring that very closely. I've gotten feedback from other people around the state that Tech looks good. We just hope we can achieve that."

Dr. Bailey stated, "We do think we have made pretty good progress."

"Are there any other questions about this?"

"If you will indulge me for a couple more quick slides—in looking at the next slide, you can see how rapid the growth in research has been. These are restricted research numbers. As you can see we were steady or maybe even slightly declining for several years. During FY 09 and FY 10 we had very rapid growth. Figure two compares us to the other emerging research universities. These are FY 10 numbers that have been posted on the Coordinating Board website. You can see that we are just over 51 and Houston is a little higher than that and you can see where the others are. To get some sense of the degree of progress, figure three gives you the restricted research from expenditures at all of the emerging research institutions over a three-year span. If you go back to FY 08, which in the gray bar, we were not only below Houston, but we were below Dallas and just barely ahead of UTEP and UTA. Over the next two years, we were able to separate ourselves there."

Chancellor Hance added, "Most of that was due to private donations. We have worked that very hard."

Dr. Bailey continued, "Our faculty has done a terrific job in doing research grants as well. There are two things that account for that. One, we have done a much better job of reporting things. The switch to the Banner System, which has brought a lot of headaches too, also gave us an opportunity to make sure that we were following the NACUBO best practices in reporting. That is a lot of that. As the chancellor has said, we have had really good private support and our faculty have done a terrific job and their proposal submissions are way up and their awards as well. After next year, we won't be so concerned with restricted research. We'll be concerned with total research

and how we stack up nationally once we get into NRUF. If you look at figure 4, you can see what our total research expenditures are—remember restricted research is a portion of the total research. We reported the total research expenditures of just over \$125 million this year. The last rankings that were available showed us as 170th—65 to 70. This was from several years ago. Had we had that \$126 million number, we'd be in the top 115 institutions in the country. That is good progress there. Again, I don't have current year total research expenditures for all of the emerging research universities but I do have it for 09, 08 and 07. You can see the growth there. In 09, we were slightly ahead of the University of Houston in total research expenditures. We've had very good growth there and I want to recognize a group of people here and that is the folks who report to me which includes Bob Smith, Taylor Eighmy, Michael Shonrock, Grace Hernandez, Mary Diaz and Kyle Clark who has been instrumental in making sure—Kyle's contributions to this can't be overstated. He's done a great job of ensuring that we do things in exactly the right way. All of these people have done a terrific job.

"I also want to make sure that Kim gives you just a little bit of feedback about what we have tried to do with auditing to ensure that we did things exactly right and reported them in exactly the right way. Kim..."

Regent Scovell asked, "At the end of the day then are you still saying that we are dependent on the Coordinating Board in how they either interpret or define the criteria and are we worried about objectivity from that group?"

Dr. Bailey replied, "On the one hand, I am always nervous until it is done. On the other hand, these are the criteria that have been posted and talked about and that are out there. I am comfortable with most of those. Sure, I'd like for them to get a list of faculty awards that have all the awards that I think ought to be on there, but those are really minor worries. The truth is that I am very comfortable with what they have done. As long as there is objective criteria out there that we can work toward, and almost all of those have some objective criteria, then I have no objections. I'm comfortable."

Regent Scovell asked the chancellor if he is worried about the objectivity.

Chancellor Hance responded, "I am always concerned. It's something we monitor regularly. You don't know exactly what is going to happen, but you just have to monitor it at all times. When the final vote is taken, you'll know. We have really—Mike Sanders and Martha Brown have really watched this for us. Guy and I are watching it closely also."

Dr. Bailey added, "We do have the best monitors that you can possibly have in Mike and Martha. They really are on top of this thing. Fortunately, they know a whole lot and I think the Coordinating Board staff relies on them in many cases. I don't think I am overstating that at all."

Regent Francis stated, "So luck can be a very compelling statistic that we have favor is that we have more Facebook fans than all others."

Dr. Bailey responded, "Our social media stuff is booming as well."

Mrs. Turner addressed the Board. "Dr. Bailey has asked me to comment on the restricted research expenditure audit that we conducted. Thank you for asking me to do so.

"With the full support of Dr. Bailey and the administration, we added this as a risk-based engagement to our annual audit plan. Our objective was very simple. It was to verify the accuracy and validity of fiscal year 2010 restricted research expenditures reported to the Coordinating Board. We conducted the audit in two parts in order to provide management with timely information on any issues that we found in the first half of the testing during the fiscal year so they could make process or policy adjustments as necessary. We tested statistical samples of individual expenditures for allowability under the Coordinating Board and specific grant or donor rules. We also tested accounts for proper classification as both restricted and research, "restricted" meaning from external sources and restricted or designated as to its use for research. We found several fiscal year 2009 transactions that were not recorded until 2010 primarily due to academic departments not entering this information into the University systems in a timely manner. We found only one unallowable expenditure, which is commendable because we actually tested more individual transactions than would have been required under statistical sampling measures in order to extrapolate our results. The reason for the increased sample sizes was because we did the audit in two sections.

"In our final testing of accounts for proper classification, we found only one account that had been misclassified. Management did reduce the fiscal year 2010 restricted research expenditures by these specific errors prior to reporting its totals to the Coordinating Board. We recommended some enhancements to the year-end accrual processes and clarification of account classification procedures and both of those recommendations are being addressed. And, given that the NRUF requirement is that Texas Tech University meet this \$45 million goal for two consecutive years, Dr. Bailey has already requested that we perform the same audit in essentially the same fashion for 2011 expenditures. We will begin that audit next summer. It will be concluded at about this same time next year.

"Are there any questions?"

Dr. Bailey stated that concluded his report.

SGA President's Report
Texas Tech University
Board of Regents Meeting
December 17, 2010

Drew Graham presented his report to the Board: "As you all know, we are excited because finals ended this week.

"We had our student regent applications out. We have closed those and turned them in. We had six applicants and the Committee sent the top five on to Ben Lock on Thursday.

"The dance marathon that has been discussed over the past several meetings which was done in partnership with the HSC ended up raising over \$22,000. It all went to the Children's Miracle Network. This is the first year we've been able to re-start the dance marathon so we are pretty excited about those numbers. We had over 400 students participants in that event.

"For our Austin applications, we had close to 100 students apply to go on the Austin trip in February. We are taking 53 students, 23 senators and to promote diversity and allow more students to travel on this trip, we have 30 general students who got to apply and will join this group.

"I'd also like to recognize those people who work in our office who help us out quite a bit. I know you have met our officers, but I'd also like to introduce Laura Stout. She's our chief of staff. She's a business major with a concentration in pre-professional health careers and a minor in chemistry. She is in the Honors College. She is currently in charge of SORC which is our Student Organization Representative Council. She helps us coordinate information to all of the organizations that the Student Government works with. There are over 400 organizations. They help get the information back to the Student Government so we know we are representing the students as much as we possibly can. She has a 3.85 GPA, is a member of the Mortar Board, Kappa Alpha Theta and Dr. Bernard Harris Pre-Med Society. This summer while studying abroad in Spain she ran with the bulls and went sky diving. She is a jack of all trades. She has also just finished her application into medical school and hopes to attend at Texas Tech.

"At any rate, the Student Government is doing great. We're very excited that finals are over.

"Are there any questions?"

Chairman Anders thanked Drew for his report.

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 17, 2010

Dr. Mitchell presented his report to the Board: "I would like to focus on some events that have happened since our last Board meeting. On your screens you will see the amounts of State funds that we have surrendered. The point I want to make is that the Health Sciences Center cannot make the difference simply by raising tuition. When you have 35,000 students and you raise their tuition, you can make up the difference. When you have 3,500 students, this formula does not work. So it is important to understand this point when speaking with our representatives in Austin that the answer for health sciences centers everywhere is not to raise tuition. You cannot do it enough to get more than a drop in the bucket for what you will need. From that standpoint, we are absolutely distinct from the general academic campuses when it comes to our funding.

With all our deans and members of the President's Executive Committee, we have reviewed each of the 4,000 plus accounts at the HSC. Many of them are from donors for endowments and things of that nature. The deans and administrative department heads have received their proposed budget cuts. We have asked them to identify areas covered in the present cuts and additional areas for possible future cuts. When more accurate numbers are provided to us by the State in January, we can make the necessary decisions.

We are also looking at our own "rainy day funds." We are fortunate that Mr. Cavin has done a good job for many years, as have our deans and vice presidents, of making sure that we have maintained fund balances in different areas. We have also tried to identify available funds that can bridge programs during these challenging times. We have also looked at potential opportunities for growing our non-state funded income through innovation in managing the Medical Practice Plan, an active Nurse Practice Plan, and a practice plan in our School of Allied Health Sciences.

We are also looking for every opportunity to consolidate programs, departments and initiatives. If any of these are not mission critical, we may have to close them if future cuts are larger than anticipated. The idea behind this is to prepare for the worst but hope for the best and do everything that we can to make sure that we make our case to the people in Austin. As you may be aware, our administrative overhead is low relative to other health-related institutes in the State of Texas. I am extremely proud of the work that has been done before I got here. I am thankful to our leadership team.

Several faculty, staff and I attended the SACS annual meeting in Louisville, Kentucky earlier this month. Taking its direction from the US Department of Education, SACS is taking a serious look at enrollment growth, especially in distance education programs. The Commission's concern is that these do not turn into diploma mills. We have a significant number of distance education programs in our School of Nursing and School of Allied Health Sciences and they are phenomenal. The criteria that we use as far as

faculty members per students are much lower. We keep a much better ratio than what is actually allowed, but our idea is to make sure that our programs are quality programs and that when somebody receives a certificate from Texas Tech, that means something. This issue is really on the radar screen for the federal department of education.

Vice Chairman Turner asked, "That's not just in the HSC area?"

Dr. Mitchell responded that it is everywhere.

Vice Chairman Turner continued. "That's in academics. So, rapid growth in distance education raises concerns about diploma mills?"

Dr. Mitchell replied, "That is exactly right. This is for all universities—the general academics, the health related—all of them. This even applies to community colleges. They really have their radar up for distance education. In getting back to what Regent Francis was saying earlier regarding Facebook—I have a slide about this. This is the world that we are operating in. How we are perceived on Facebook probably has a greater impact than the criteria that the people in Austin would use. These are the tools that are going to drive us forward with the younger generation. That is the world they live in. So, distance education is going to be an integral part of what we are doing. We have to make sure we are doing it right. I can tell you—I can say 100 percent, the programs that we have in place are stellar. They are highly sought after.

Another important factor to the Department of Education is rapid growth as it means that educators will be looking for additional funding. We, as well as other state universities, live or die by growth. If we do not grow and other state institutions do, we will lose out on the pot of money. I asked the president of SACS about this. What are we supposed to do? If we're supposed to hunker down and not grow, but our sister institutions grow, then we lose money. Every head in the room is nodding, so this is something that we are all faced with. This is something that the federal authorities are looking at under a microscope.

An education update, we have a working committee looking into the development of a public health program. Texas Tech is the only health sciences center in the state that does not have a school of public health. One of the things that we are working toward is a public health program. Based on our timeline, we plan on matriculating our first group of students for a master in public health degree in the fall 2012. We are diligently working on identifying the curriculum needs and satisfying the requirements of the Coordinating Board. This program is a very important component of rural health and is vital to an institution like ours. We are moving forward rapidly on this.

A couple of updates on the Paul L. Foster School of Medicine and the Gayle Greve Hunt School of Nursing, the Paul Foster School will undergo its accreditation site visit in February. Dr. David Steele, the curriculum director, Dr. Steven Berk and I have had conversations on numerous occasions. His goal is to ensure that 100 percent of our students pass their part one exams—not 98 percent, not 95 percent, but 100 percent of

them. They are moving strongly in that direction. As far as the Gayle Greve Hunt SON, the accreditation process is actively under way. The target is to matriculate our first 40 students in the fall of 2011.

This is showing you where we stand, the darker the red, the fewer the doctors there are in that area. That is our service area in west Texas and we have physicians serving in many areas. This also shows you counties where we are having declines in population. Last night, Chancellor Hance commented that in the next apportionment, we may lose some representation and this is why. We have several counties with declining populations and yet those are the same counties that need healthcare provided to them by us. This also shows you that the deeper the purple the higher the percentage of children under the age of 18 in those counties. So, we have a healthy area of folks who have young children in our area. Yet, this shows that patients who live in the "red" areas have to travel more than 20 miles to get to prenatal and child care in our state. If you look, we are the ones who suffer from this. This illustrates the need for us to have a more impactful method of reaching people where they are. Dr. Steven Ponder, a pediatric endocrinologist from the Permian Basin, has been a fantastic strategic hire for us. His area of expertise is diabetes. He is also a telemedicine expert. Dr. Ponder is the only physician in Texas who Blue Cross/Blue Shield will reimburse for a telemedicine visit as it will do for a standard office visit. That is because he utilizes a glucagon kit that enables him to treat patients from his office and the moms and their children are sitting in their living rooms in the pajamas. He will have all the information he needs about his patients. He has a very effective, very forward thinking way of addressing the needs of people in rural areas. Presently, he treats children from Houston to Lubbock; from Dallas to Corpus Christi, and other areas in Texas. I have asked Dr. Ponder and Dr. Billy Philips in Rural Medicine to collaborate on treating in a similar manner our adult population for diabetes, high blood pressure, and high cholesterol. There is no reason why we cannot use this same type technology in our adult populations as well.

Regent Huffaker asked, "Is that happening anywhere else in the United States?"

Dr. Mitchell replied, "It is but nearly not to the extent that Dr. Ponder is doing it. He really does have a unique method that he has set up. I am going to come back to what you just asked in a minute.

The darker purple areas on this slide indicate an older population. In our area, we have a pretty good number of seniors heading up toward the Panhandle and with that you have all the issues related to senior care. This is showing areas where it takes more than 20 miles to obtain cardiovascular and vascular care. It is the same thing—the same image. We see this whether they need neurological care, Alzheimer's care, or cardiovascular care. Seniors have particular problems and particular needs that we should be able to address closer to their homes. Again, using telemedicine more effectively is one way of accomplishing this. Earlier this morning, I introduced Dr. Bradley Miller, a neuropathologist with a specialty in neurodegenerative diseases. He works with the team at our Garrison Institute on Aging. Our goal is for the GIA to become a designated Alzheimer's Center, a clinical center of excellence. This is a difficult designation to acquire but we are well on our way to doing so.

This initiative also complements the ongoing research of Dr. Sid O'Brien. You may have heard of him earlier from some national press that he has received from publications in the archives of neurology. He has found a blood marker that when used in combination with a patient's algorithm can distinguish Alzheimer's patients from normal controls. I believe that we should attain excellence in a few areas rather being mediocre in many. We pick some areas that are naturals for us here in West Texas and we work hard at excelling in them.

From a basic science standpoint, Dr. Doug Stocco has judiciously redirected some tobacco money to recruit new basic science researchers. He identified researchers who are already NIH funded to come on board. I have asked Dr. Stocco to provide some of the tobacco funds for this biennium to our current researchers for equipment and other needs while we are in a holding pattern (and not recruiting new researchers) due to the state budget crisis. I have also directed the reallocation of a portion of that money for the development of better translational and clinical science. The Council of Deans recently voted to approve the creation of the Institute for Clinical and Epidemiological Research. This will then in turn help us with our clinical research efforts for areas like the Laura Bush Institute. This also gives us a mechanism for actively supporting those on our faculty who are interested in clinical research but who have not had the type of technical support they need. Dr. Lutherer is the new director of this institute.

As you may know, we have received a significant amount of CPRIT money—the Cancer Prevention and Research Institute of Texas. Texas has been very forward thinking and establishing a fund of a significant amount of money that will be awarded over the course of several years. The science aspect is led by Dr. Alfred Gilman, a Nobel Laureate, from UT-Southwestern. We actually did very well with this. We received nearly \$5 million from both the basic science and clinical science areas from CPRIT funding. And, after familiarizing the CPRIT leadership with the uniqueness of our programs and the areas we serve, CPRIT has agreed to accept two grant applications from us for shared instrumentation in Lubbock and Amarillo.

From a growth standpoint, it is still our goal to grow. We cannot afford a "let's see what happens" attitude and hope for the best. Our growth has to be very strategic, especially given the budget crisis. We cannot afford to deploy funds to underperforming areas—the weakest-link theory of things. We cannot afford to employ education and patient care strategies of the 20th century. There is a Nielsen survey on utilization of telephones by teenagers versus instant texting, the latter by far outweighing the former. We live in a different world; we live in a digital world. Everything we do needs to be targeted towards this new medium of communication.

As far as campus growth, this is something that we will just touch on briefly. At the February Board meeting, and at our strategic planning meeting, I will lay this out in great detail. The idea is not plan for the next biennium but rather for the next two decades and beyond. Along those lines, I have been working with Michael Molina and his group on how we can accomplish this in a way that enhances our presence on all campuses. Based on the needs of each campus, we have broken them into 10,000 square foot buildings. Each of those buildings will run about \$3 million to build. In Amarillo, our

priority is a simulation training center. Therefore, the first 10,000 square foot building would be that. Over the long-term, if our needs expand to childcare, another 10,000 square foot space would be added. If a student recreation center is needed, then another 10,000 square feet would be built out. We want new brick and mortar to be architecturally similar within a campus, and even architecturally similar to the TTU campus. This also makes sense from a fundraising standpoint. Instead of going out and trying to raise \$12 million or \$15 million, our development officers can do this in \$3 million increments and keep us moving forward. Taking small steps in the right direction may be the best and only way of reaching our goals, at least in the present.

In conclusion, what are we known for in west Texas? We are known for oil, cattle, and cotton. When it comes to what we can provide as an academic center both on the general academic side as well as the health sciences center side, what are our goals? What is the mission and what should we aim for? The fact is we are serving and studying rural America. Even though it only makes up 15 to 20 percent of the population, it is that 15 to 20 percent who provide food, fiber and fuel for the rest of the country and a large part of the world. The individuals in west Texas are a unique population. They have unique problems. They have unique needs. Our job is to become the best, the number one, rural health sciences center in the United States. There is no reason for us not to be that. We have the requisite geography. We have the demographics and the expertise we need. We have to keep moving forward and not be weighed down by one or two bienniums.

Regent Turner stated, "When we are in San Angelo, help us better understand the mission-critical nature of cancer research as part of us being the number one rural health care institution in the country."

Chairman Anders thanked Dr. Mitchell for his report.

SGA President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 17, 2010

Phillip Gall, Vice President for Finance, presented the SGA report to the Board: "Good morning. Back in the beginning of summer, the new Executive Board met with President Mitchell for our first meeting. During that meeting, he charged us with coming up with a new recruitment video for the Health Sciences Center. His requirements were that we showcase all five of our schools across all of our different campuses; as you know, we have several of them. With the help of our Office of Communications, our production company, Studio 84, and a lot of help from volunteers which included students, faculty and staff, this is the video that we came up with. (Video shown to audience)

"We had help from a lot of different people in the production of this video. The intent of this video is to show it at recruiting events across the state and also to our own undergraduate campus because we want to encourage the students who we have here to stay within our System. I think we did a great job at showcasing our programs and the level of care that we can provide and also how the different programs interact with each other.

"That concludes my report."

Chairman Anders commented on how nicely done the video was.

President's Report
Angelo State University
Board of Regents Meeting
December 17, 2010

President Rallo presented his report to the Board: "Good morning. I'd like to bring you up to date on some things happening on campus. The first thing is on the Center for Security Studies. We have talked about that. That is the DOD grant that we have been working on for the past couple of years. The Board earlier approved the creation of the Department of Security Studies which will be the academic portion of it. We have already had three degree programs approved by the Coordinating Board. The final two will hopefully be approved in January. We have hired instructional designers who have created 82 degree-specific courses for the online—if you remember the first iteration is online for active duty. Those will be ready by August to start those. We have significant instructional facilities being built on campus or dramatically renovated. The Planetarium, now known as the Global Immersion Center, which is going from an Etch-A-Sketch to an IMAX will have a new language lab and interactive seminar rooms. We are already seeing some benefits. The Air Force is moving its critical thinking program, which is for mid-level active duty majors and intelligence, from Maxwell Air Force Base to ASU. That is starting in February. There will be about 30 majors and active duty there for about two weeks. We hope to grow that to about five or six of those cohorts per year. We're going to highlight the Center when the Board is there in February. I believe you will enjoy seeing that.

"As you know, two of my four Rs—I always talk about my four Rs. One of them is recruiting and one recognition and we need to get name recognition out. We really seek to have ASU included in appropriate types of brochures and recognitions. College of Distinction is an online guide that recognizes colleges and universities that appeal to various interests of students. We were selected as 1 of 170 school representing 39 states. The only other from Texas included were SMU, TCU and St. Edwards. We are trying to get our name out in appropriate company. This is a good example.

"We are also actively working on budget alternatives. We have created the University and Budget Advisory Team which is representative of members across campus including students. As of right now, they are in the process of collecting proposals. They will then prioritize options and then based upon the needs of the System and of the state we will be able to respond to those in appropriate fashion.

"The Board was also notified yesterday that we have hired a new vice president for finance and administration. As you know, Sharon Meyer will be retiring on March 1, 2011. Michael Reid comes to us from Mansfield University in Pennsylvania which is a part of the Pennsylvania State System, which is an institution very similar to ours. He will join us no later than March 1, 2011.

"Our HSI grant continues. We have a group of people looking right to make sure that we are not duplicating activities on campus. The Board may remember that the value statement for the grant is to help with retention across campus not just for our Hispanic

students. We are in the process right now of ensuring that we create the best possible types of positions and put those into place. By January, we will be up and running.

"We opened a Veteran's Lounge in the University Center because increasingly we are getting more and more veterans. As a veteran myself, I think that is important.

"Finally, our flag football team won two titles at the Stephen F. Austin University regional championships. They will advance to the national championships in January at Texas A&M University. Two years ago, they actually brought home the national title.

"Barbara and I are looking forward to hosting you on campus and I am happy to answer any questions."

Chairman Anders thanked Dr. Rallo for his report.

SGA President's Report
Angelo State University
Board of Regents Meeting
December 17, 2010

Austin Osmanski presented his report to the Board: "As you know, I was elected right after the last Board of Regents meeting in October. This is my first meeting. Thank you for having me; I appreciate it.

"We have four points to cover today. Hector will present the last one.

"Just to tell you a little bit about myself, I am a lifelong Ram. My dad is a professor at Angelo State. I am a third generation ASU student. ASU has always been a part of my family and always will be. It's a legacy and a tradition. There are very few families who have that sort of history at ASU but I'm proud to be part of one.

"One thing that the SGA is doing at the moment: we are trying to keep students interactive. We've got a lot of departments on campus doing multiple events. You may have the SGA holding an event; you may have Housing Department holding an event; you may have separate organizations holding events. What I did this past semester was bring all of these departments and organizations together and created what I call the True Blue initiative. We are bringing these organizations together under one banner and having them consolidate their efforts and campus programming to make a serious strive towards having effective programming throughout the year. This next semester we already have something scheduled for the beginning of January. We'll have a basketball game and we'll have a shindig. We'll have free food and a lot of cool stuff. The departments under that are the SGA; something called the UCPC which is like the Student Union—we actually have an organization run by students by our Student Union; the Housing Department; the Alumni Center; the Center for Student Involvement; Development; and Communications and Marketing. We are bringing all of these resources together in making sure that we consolidate our efforts of our spirit and traditions. Since we came in midyear, one of things is that you don't want to do is reinvent the wheel. There are already great things going on at ASU, so we don't want to totally change everything. One of the things that Regent Harris started when he was president of the SGA was the Student Discount Program. We basically have corporate partners within the community. Students can get discounts whether it be 10 percent off at a Whataburger, dry cleaning, etc. We are talking with him to make sure and get that program expanded and keep it running. We don't want to lose the legacy that we have already started and don't want to lose the groundwork that he's already laid.

"Other than that we have Noel-Levitz coming on campus. We have students involved with that. We had recruiting efforts just a week before school let out. All of our tour guides met with the Noel-Levitz team. We discussed what our recruiting strategies are from a student perspective and how important students are as far as bringing these recruits to campus. That is really how you are going to get kids to ASU—once you bring them to campus and they see the beauty of campus. They are coming back in the

spring with retention efforts. We will be involved in the same manner with them. We appreciate having them and look forward to see good things from those guys.

"This is Hector Romo, he is my vice president. He'd like to speak with you briefly about what we will be doing in the spring."

Hector Romo addressed the Board. "Hello everyone. One of the things that the senate plans to do is visit the Texas legislature so that some of our student senators will have some involvement. We will also relay ASU's student's views as a part of the TTUS. That will take place at the end of January and beginning of February. We will travel in conjunction with some of the SGA students from Texas Tech. That concludes my report but before I end I would like to speak briefly about Austin.

"Both Austin and I are biology majors. We both follow an extremely rigorous and competitive pre-med program at ASU. Austin and I both started in the SGA as senators for the Biology Department. Austin founded a student organization which he presides. He is also involved in five more student organizations and he is an officer for some of them. Also, in my opinion, he is the best tour guide that ASU has. As you know, with all of those programs that he participates in he is a great leader. He also serves on several university committees which allows the student voice to be heard. That way the administration can't just take advantage. We have both spent a lot of sleepless nights just trying to resolve all of the student issues. We are both members of the honors program but he—one top of all of these things—has been able to maintain an excellent GPA. He has also been doing scientific research on water moccasins for our Biology Department. So, I just wanted to let you know what an extraordinary and exemplary leader we have at ASU. Austin, thank you for being my president and I would please ask you all to give him a round of applause."

Chairman Anders thanked Hector for his remarks.

Student regent Harris added, "Hector took a lot of what I was going to say. We had a rocky start last semester but these are two very solid individuals. I have known them for most of their college career as well. I think they are going to do some very good things. I am proud of this group who will be serving our SGA."