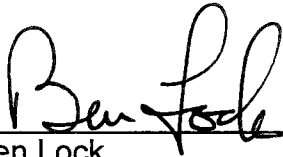


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I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on December 11-12, 2014.

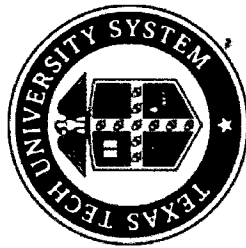

Ben Lock
Secretary

SEAL



NEPC, LLC

YOU DEMAND MORE. So do we.SM



Texas Tech University System

Capital Markets Review & Outlook

December 11th, 2014

Timothy Bruce, Partner

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

- **Overview**
- **Global Economy**
- **Fixed Income**
- **Equities**
- **Conclusion**

Overview

Investment Market Update: As of November 30, 2014

PERFORMANCE THROUGH 11/30/2014

Sector	Index	2008	2009	2010	2011	2012	2013	Q1	Q2	Q3	OCT	NOV	2014
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	12.7%	7.8%	5.1%	4.2%	4.3%	38.8%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	1.9%	10.1%	7.2%	-3.1%	10.7%	2.1%	29.3%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	6.6%	4.9%	1.0%	2.2%	1.6%	17.3%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	6.3%	5.0%	0.2%	1.9%	1.0%	15.2%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	1.1%	5.1%	1.5%	2.6%	3.2%	14.2%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	1.8%	5.2%	1.1%	2.4%	2.7%	14.0%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	2.0%	5.1%	0.7%	2.4%	2.6%	13.5%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	32.5%	3.0%	5.1%	-0.2%	2.2%	2.0%	12.8%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	3.3%	2.6%	1.5%	0.7%	0.2%	8.5%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	17.6%	2.1%	3.8%	-1.5%	2.2%	1.3%	8.2%
EMD USD	Barclays EM USD Agg	-14.7%	34.2%	12.8%	7.0%	17.9%	-4.1%	2.8%	4.5%	-0.8%	1.2%	-0.4%	7.5%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	1.8%	2.0%	0.2%	1.0%	0.7%	5.9%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	2.3%	3.6%	-5.3%	4.4%	0.9%	5.6%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	1.2%	1.6%	0.0%	0.8%	0.6%	4.3%
High Yield	Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	3.0%	2.4%	-1.9%	1.2%	-0.7%	4.0%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	-0.9%	1.0%	1.2%	-0.0%	0.7%	0.5%	3.5%
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	43.3%	0.5%	1.7%	-6.1%	6.2%	0.6%	2.6%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-0.4%	6.6%	-3.5%	1.2%	-1.1%	2.5%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	1.1%	2.0%	-7.4%	6.6%	0.1%	2.0%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	0.4%	0.7%	-0.0%	0.5%	0.3%	1.8%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	34.5%	1.8%	2.4%	-8.6%	7.0%	-0.5%	1.4%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.2%	0.3%	0.0%	0.3%	0.1%	1.0%
EMD Loc	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	1.9%	4.0%	-5.7%	1.6%	-1.3%	0.2%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	2.7%	2.3%	-3.8%	-0.2%	-0.6%	0.2%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	0.7%	4.1%	-5.9%	-1.5%	1.4%	-1.5%
Commodities	Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	7.0%	0.1%	-11.8%	-0.8%	-4.1%	-10.2%

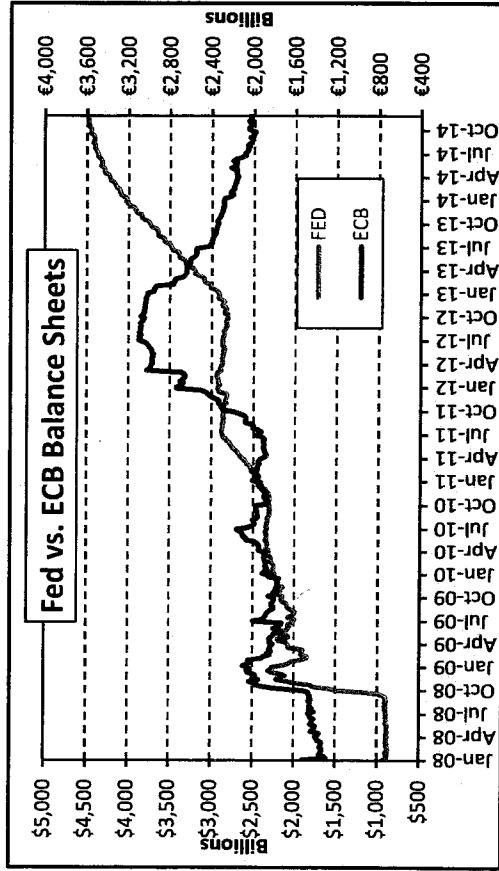
* 35% LC, 10% SC, 12% Intl Equity, 3% Emerging Equity, 25% Core Bonds, 5% HY, 5% Global Bonds, 5% REITS

Source: Morningstar Direct

- **Federal Reserve and European Central Bank well on their way to diverging paths**
 - Fed remained steadfast with tapering
 - ECB, China, and Japan have been forced into action and some will embark or continue on asset purchasing stimulus plans
- **Global bond yields have fallen**
 - 10 year yields in Germany, France, Spain, Italy, Portugal, and Japan are all near all-time lows as growth prospects in many developed countries remain muted
- **Oil prices fell significantly**
 - GSCI Crude Oil Index down 17.8% on the month
- **US equities churned along at strong pace**
 - S&P 500 up 14.0% for the year as Fed taper caused little disruption and relative growth appears strong
- **Global currencies remained in flux**
 - US dollar strength combined with precipitous decline in the Russian Ruble and weakness in the Yen and Euro have eroded international returns
- **Emerging markets experienced continued return dispersion**
 - Macroeconomic conditions and potential risks vary greatly by country

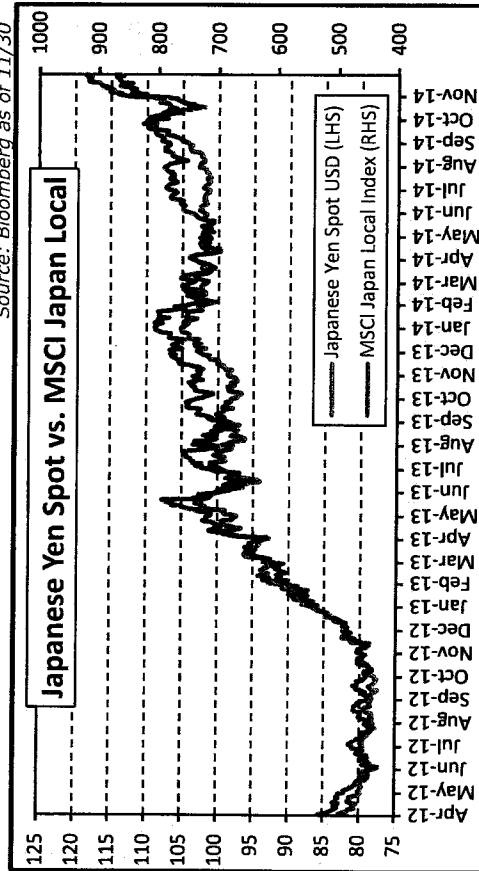
Global Economy

Economic Environment – Significant Monetary Policy to Strengthen Global Economy



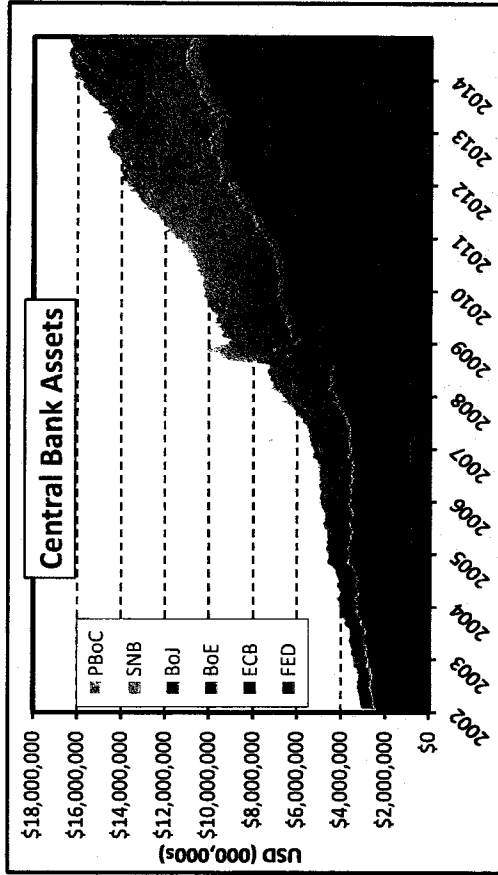
- The Federal Reserve Bank balance sheet has increased in 2014 while the European Central Bank balance sheet has decreased

Source: Bloomberg as of 11/30



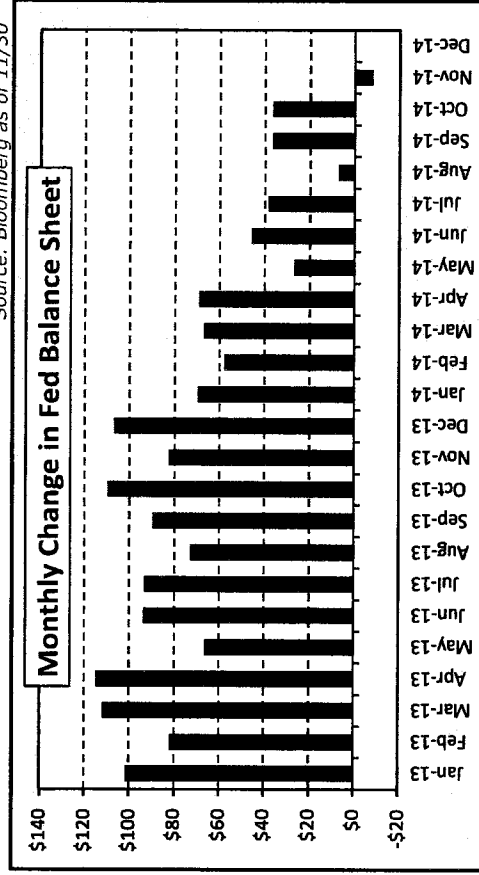
- The Japanese Yen has weakened 10.0% relative to the US dollar in 2014; while the MSCI Japan TR Net Local Index returned 12.65%

Source: Bloomberg as of 11/30



- Central bank assets worldwide have risen significantly since 2008

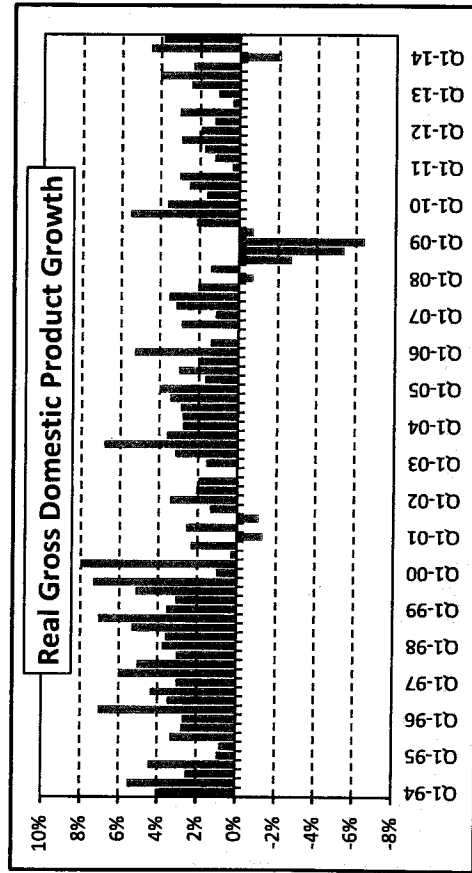
Source: Bloomberg as of 11/30



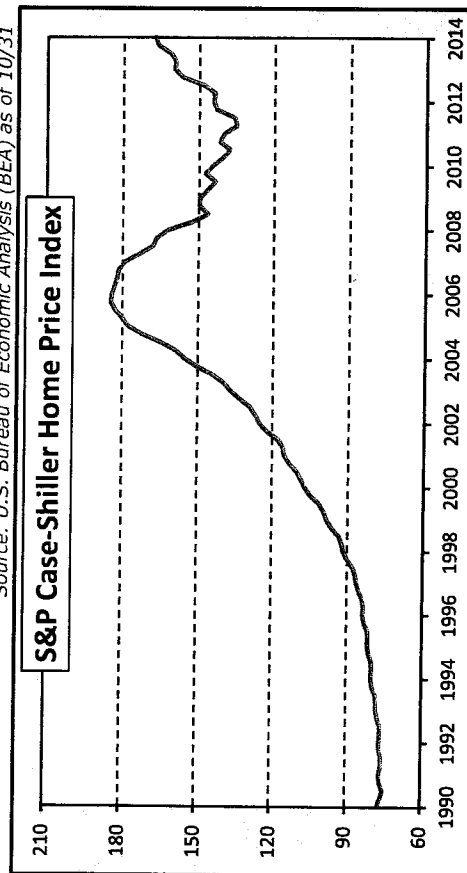
- The Fed has completed it's taper as scheduled.

Source: Bloomberg as of 11/30, Values after 11/30 based on market projections

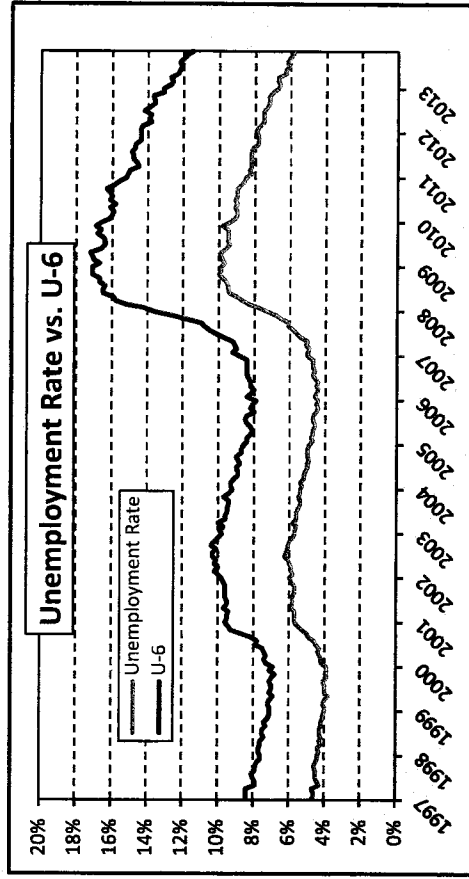
The Impact of Monetary Policy Stimulus in the US Economy



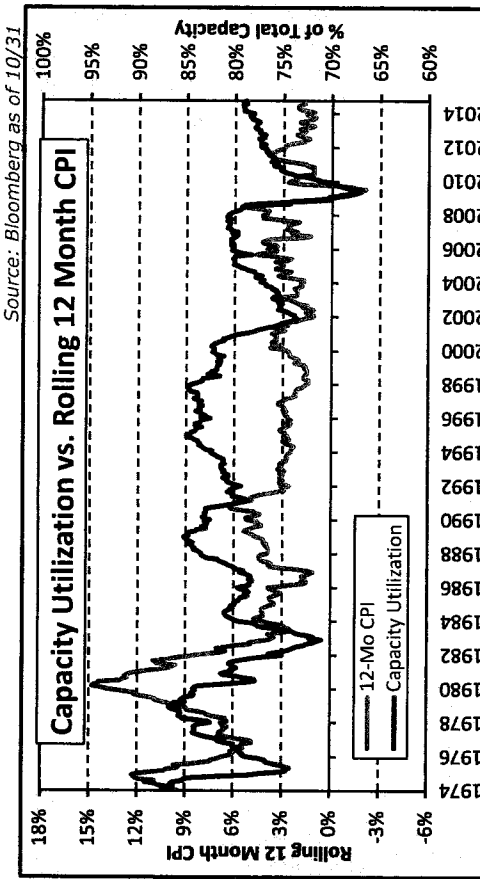
- The GDP estimate for the third quarter of 2014 increased at an annual rate of 3.9 percent



- The Case-Shiller home price index (as of 9/30) rose to 167.32 by September end

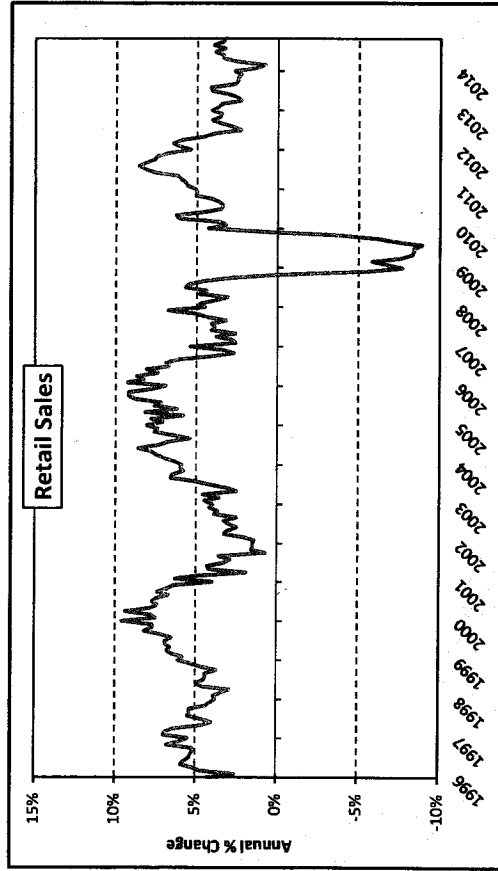


- Unemployment fell to 5.8% in October; along with U-6, dropping to 11.5%



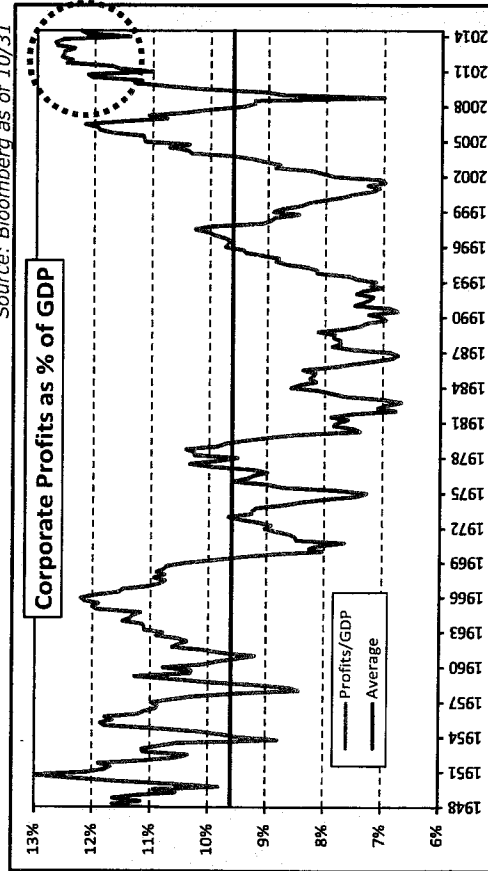
- Rolling 12 month CPI remained at 1.7% through October; capacity utilization fell to 78.9% in the month

The Impact of Monetary Policy Stimulus in the US Economy



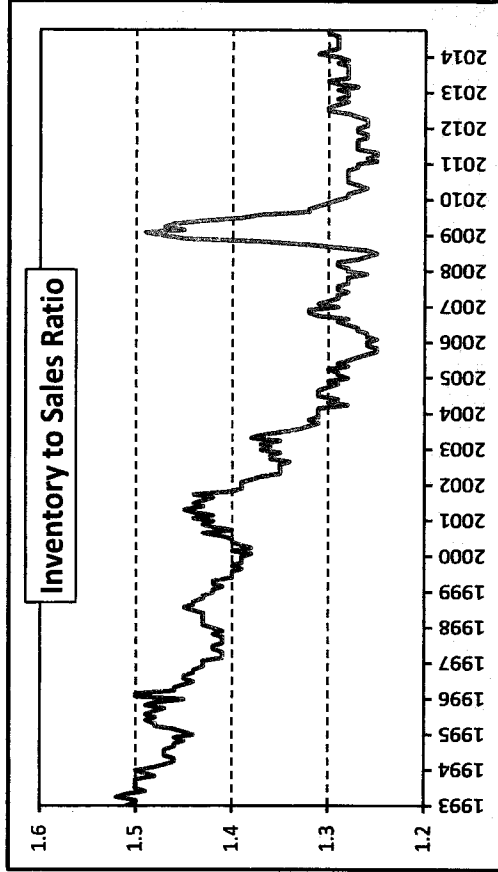
- Retail sales rose to a 3.3% year-over-year growth rate in October

Source: Bloomberg as of 10/31



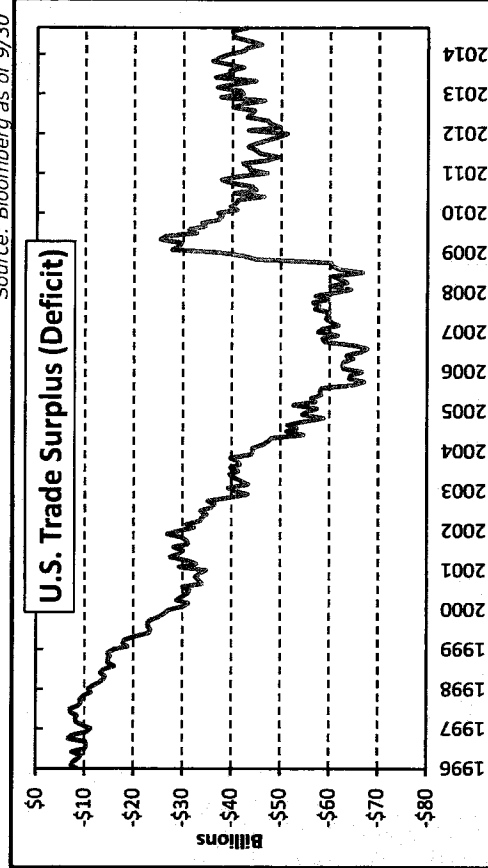
- Third quarter corporate profits, as a percent of GDP, increased since the second quarter ending at 12.0%.

Source: Bloomberg as of 9/30



- The inventory-to-sales ratio rose slightly to 1.3 through September continuing a fairly consistent level

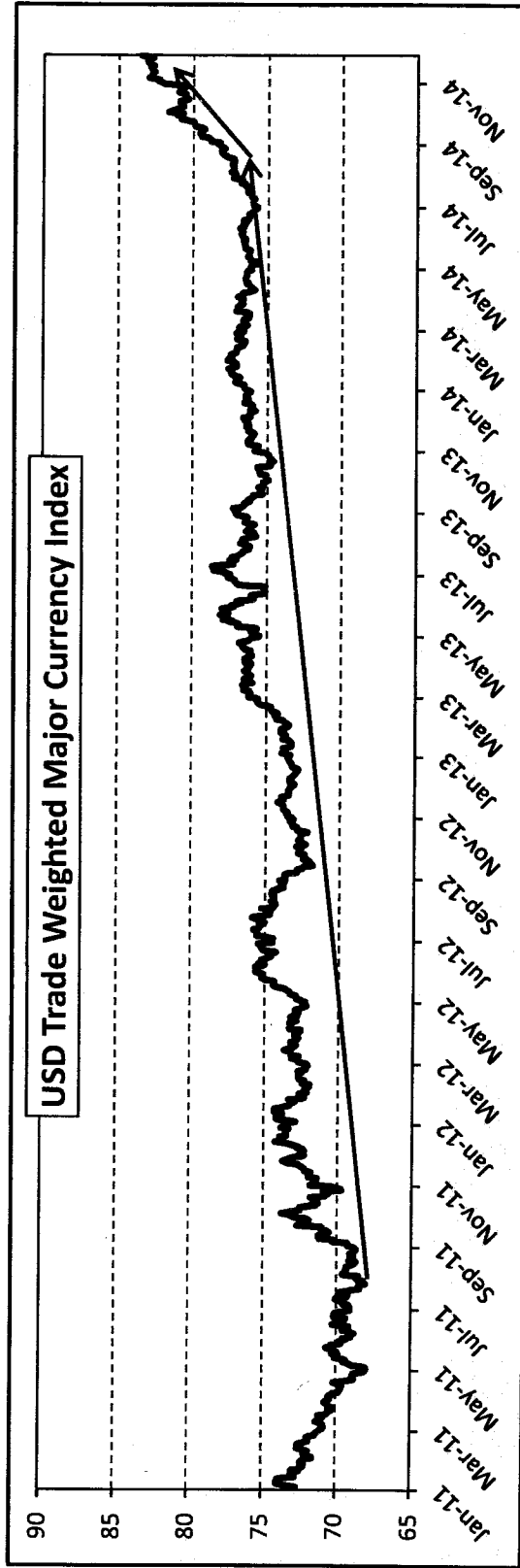
Source: Bloomberg as of 9/30



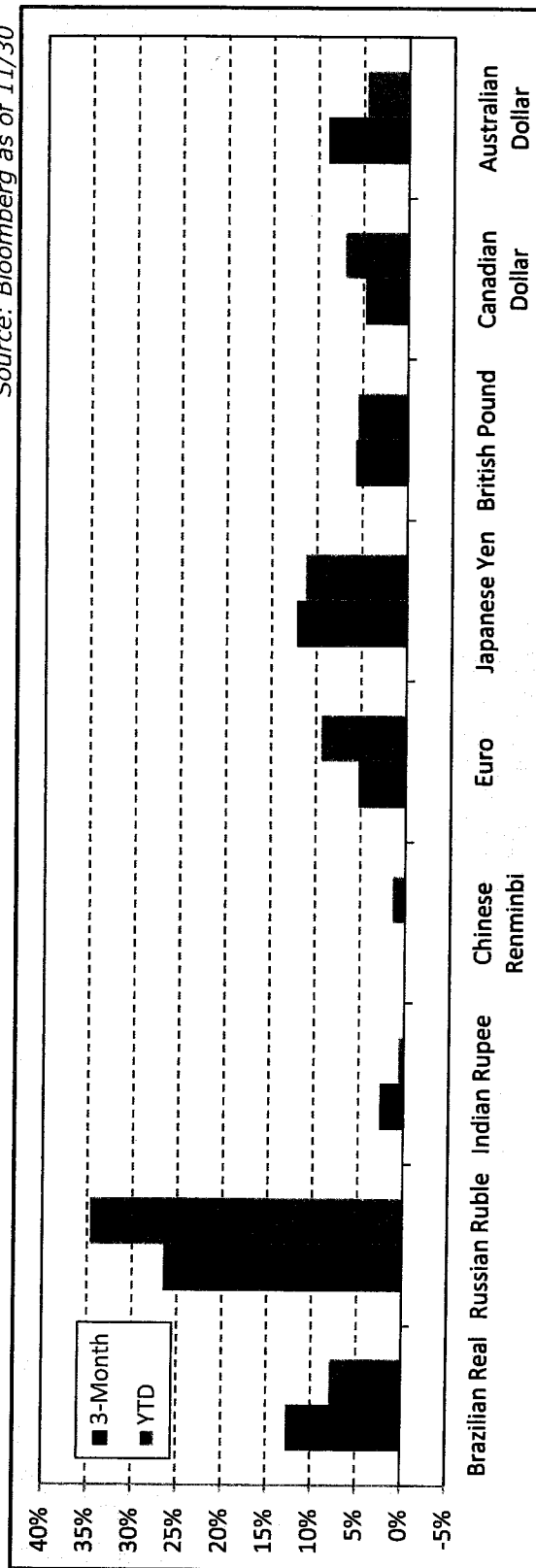
- The trade deficit increased through September

Source: Bloomberg as of 9/30

The US Dollar Has Strengthened Versus Most Major Currencies



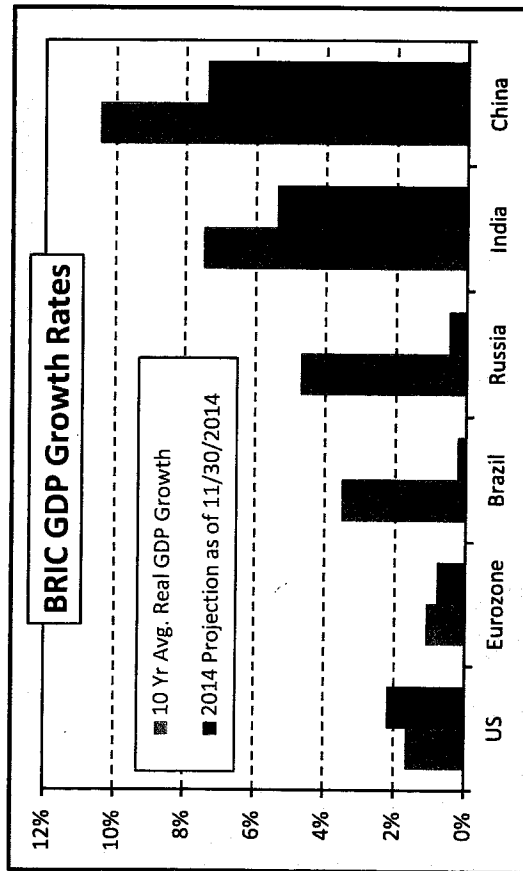
Source: Bloomberg as of 11/30



Source: Bloomberg as of 11/30

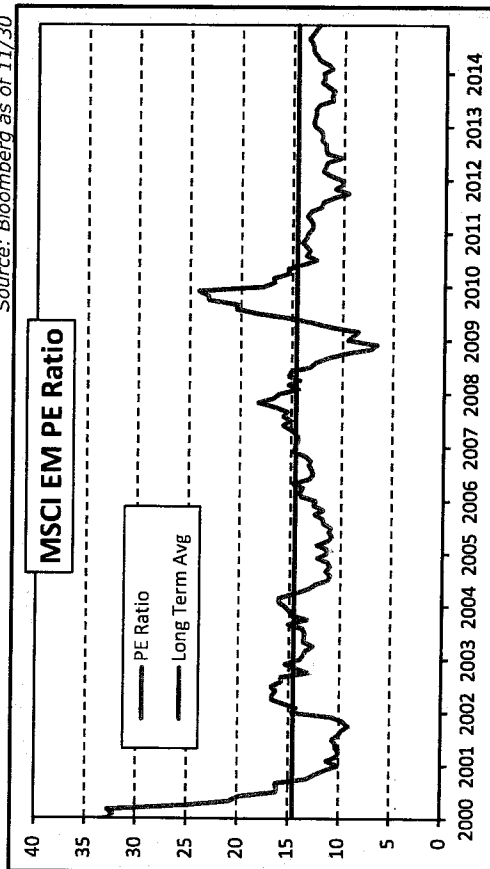


The Impact of Monetary Policy Stimulus *Outside* of the US



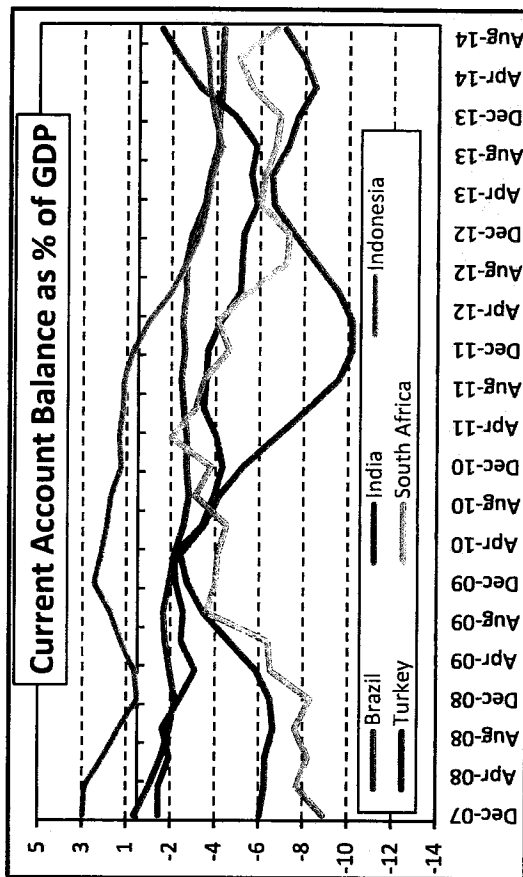
- Projected GDP growth rates have declined in emerging market countries

Source: Bloomberg as of 11/30



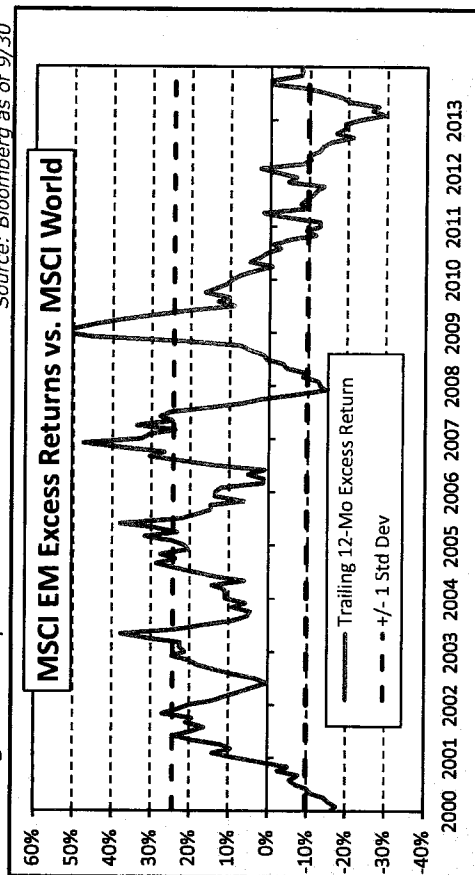
- The MSCI EM PE Ratio remains below its long term average

Source: Bloomberg as of 11/30



- Balance of payment challenged countries have shown signs of improvement

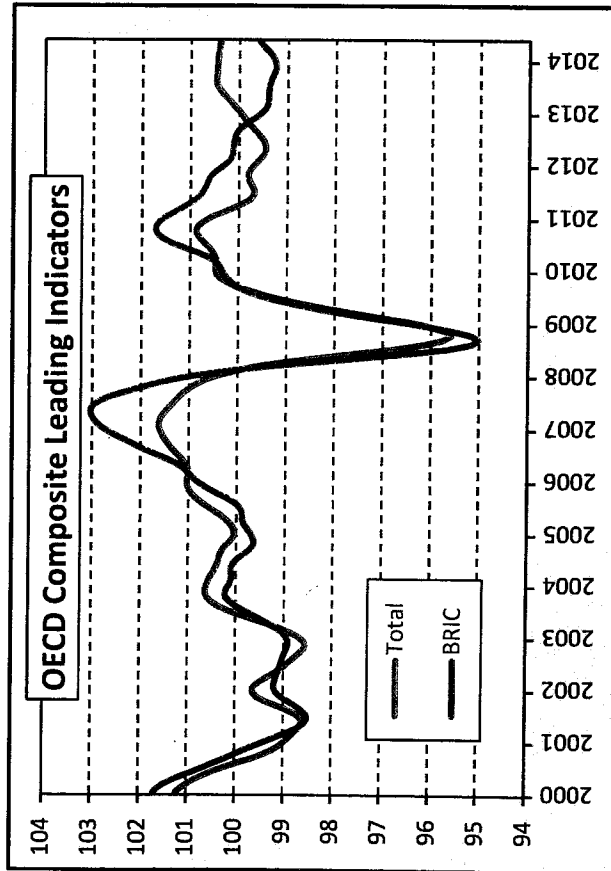
Source: Bloomberg as of 9/30



- MSCI EM Rolling 12-Month excess returns relative to MSCI World have moved above the lower bound of the historical range

Source: Bloomberg as of 11/30

The Impact of Monetary Policy Stimulus *Outside* of the US

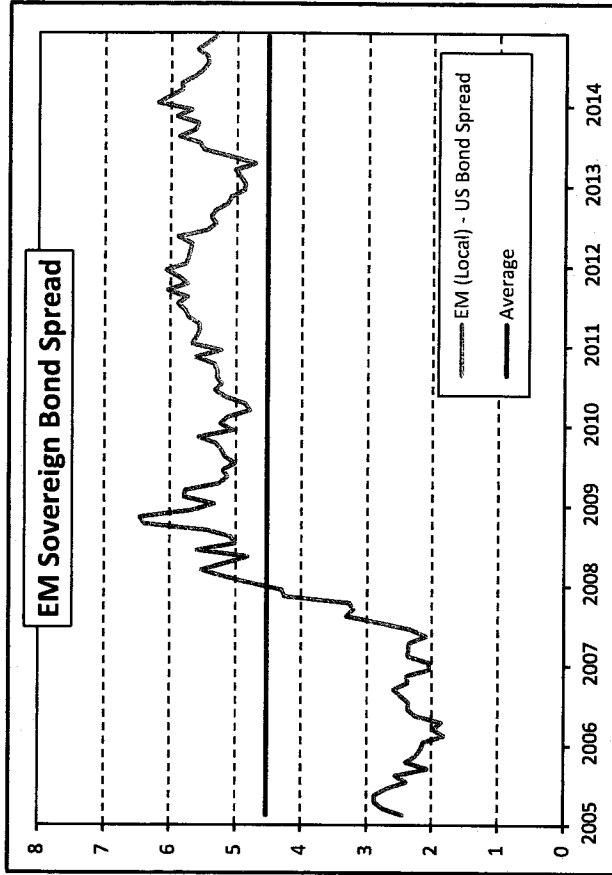


Source: Bloomberg as of 9/30

Emerging Markets Valuation		
	MSCI EM	MSCI EM Small Cap
PE Ratio	12.96	21.30
PE Historical Avg	14.45	18.33
PB Ratio	1.49	1.28
Historical Avg	1.53	1.28
PS Ratio	1.03	0.82
Historical Avg	1.11	0.72

- The MSCI EM Small Cap PE and PS ratios are above historical averages while the PB ratio is inline with its historical average
- MSCI EM's PE, PB, and PS ended September below their historical averages.

Source: Bloomberg as of 11/30



Source: Bloomberg as of 11/30

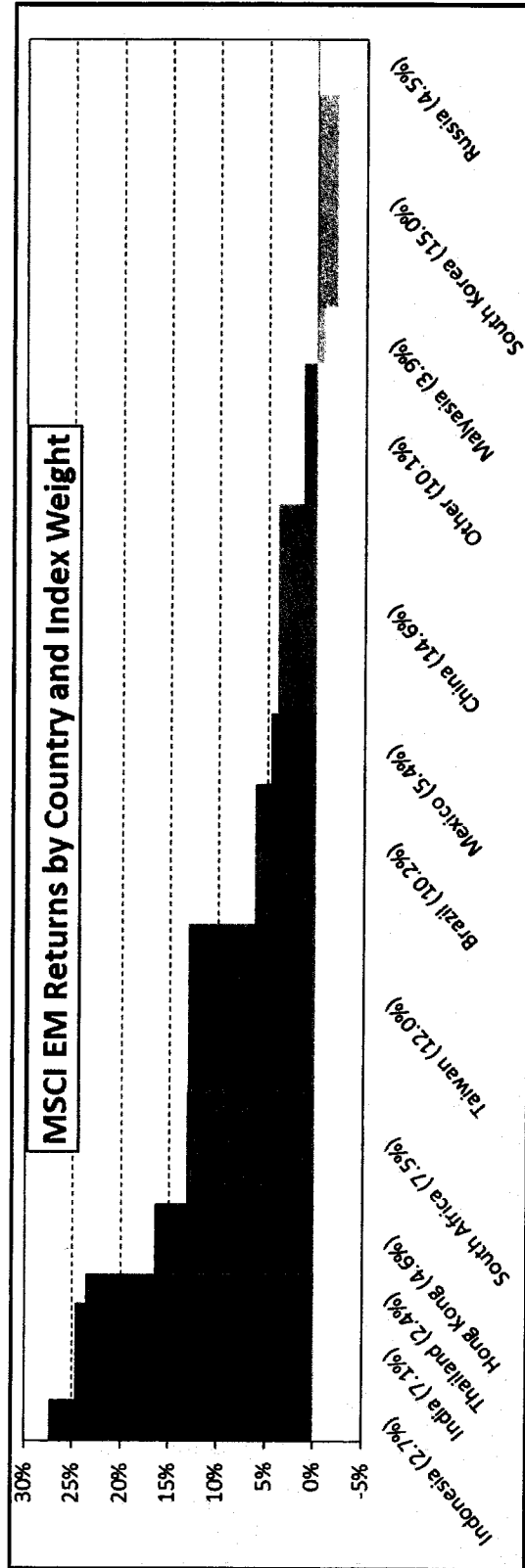
US Dollar Return vs. Major EM Currencies

(Negative = Dollar Depreciates; Positive = Dollar Appreciates)

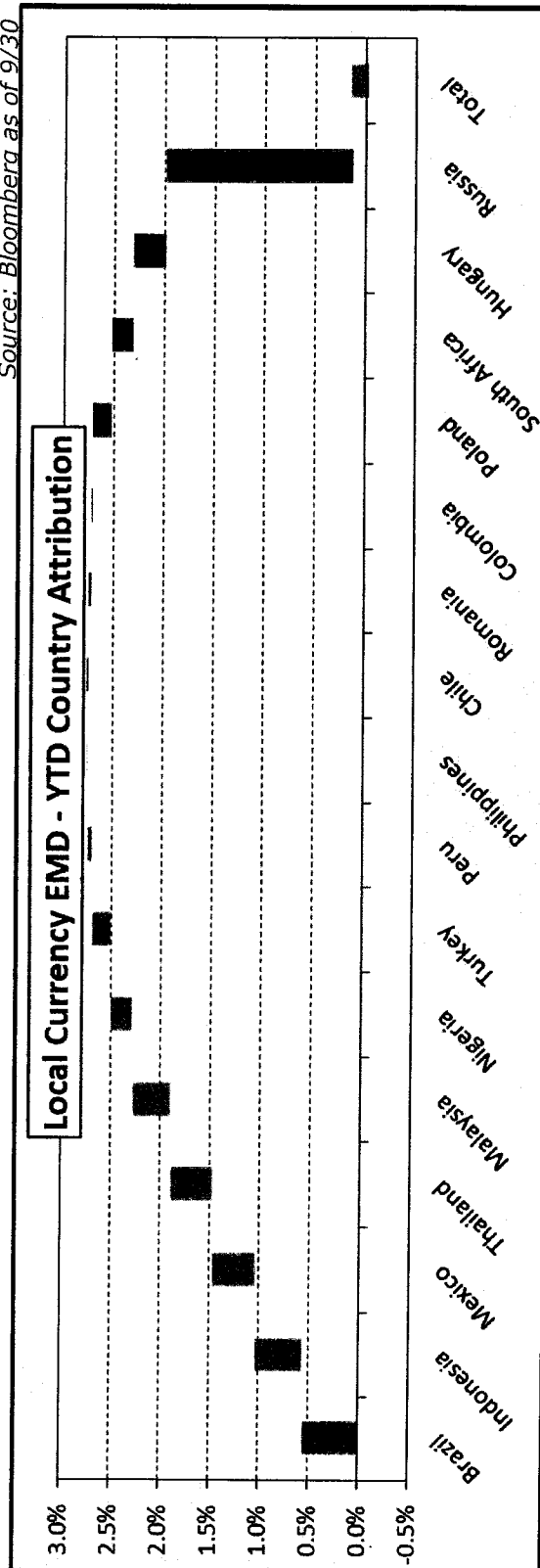
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Brazilian Real	7.9%	12.7%	9.0%	11.0%
Russian Ruble	34.7%	26.5%	34.3%	15.2%
Indian Rupee	0.6%	2.6%	-0.4%	5.7%
Chinese Renminbi	1.4%	-0.1%	0.8%	-1.3%
Singapore Dollar	-0.8%	-0.2%	-0.9%	-0.9%
Hungarian Forint	11.9%	2.4%	9.8%	2.8%
Turkish Lira	3.3%	2.6%	9.1%	6.3%
Mexican Peso	6.4%	6.1%	5.9%	0.7%
So. African Rand	5.0%	3.5%	8.0%	9.8%
So. Korean Won	5.4%	8.9%	4.9%	-0.8%

Source: Bloomberg as of 11/30

The Impact of Monetary Policy Stimulus *Outside* of the US

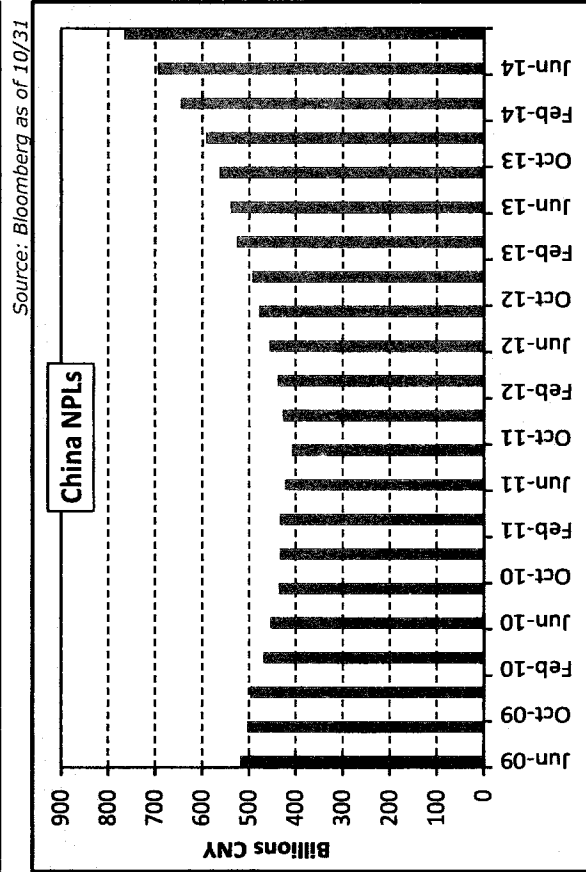
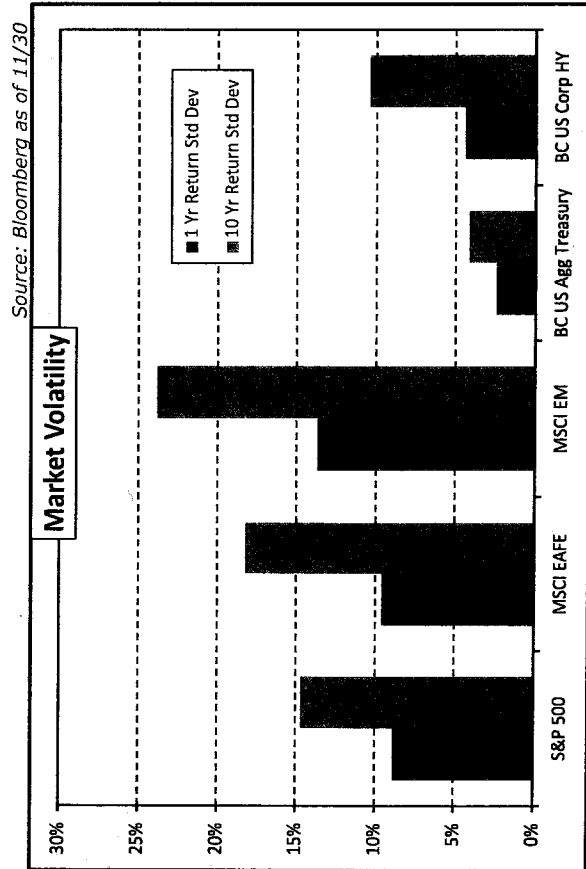
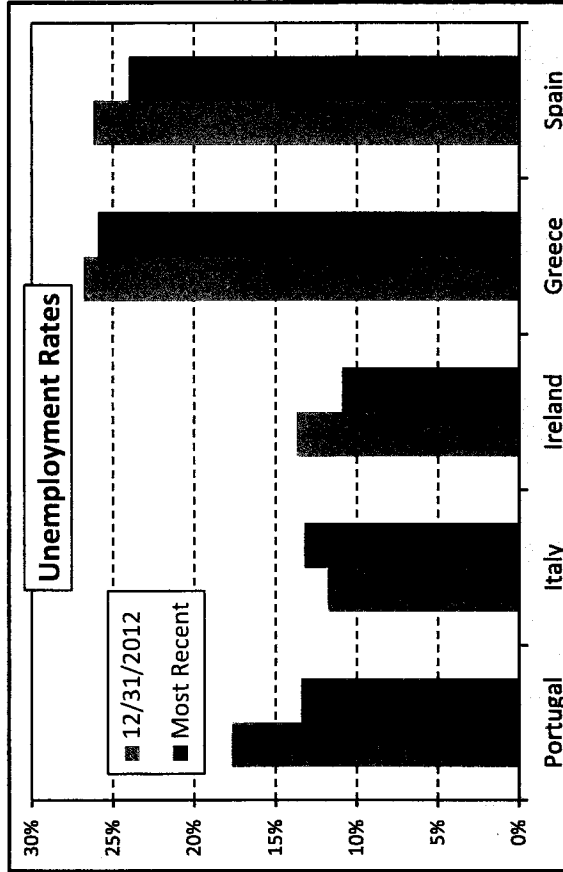
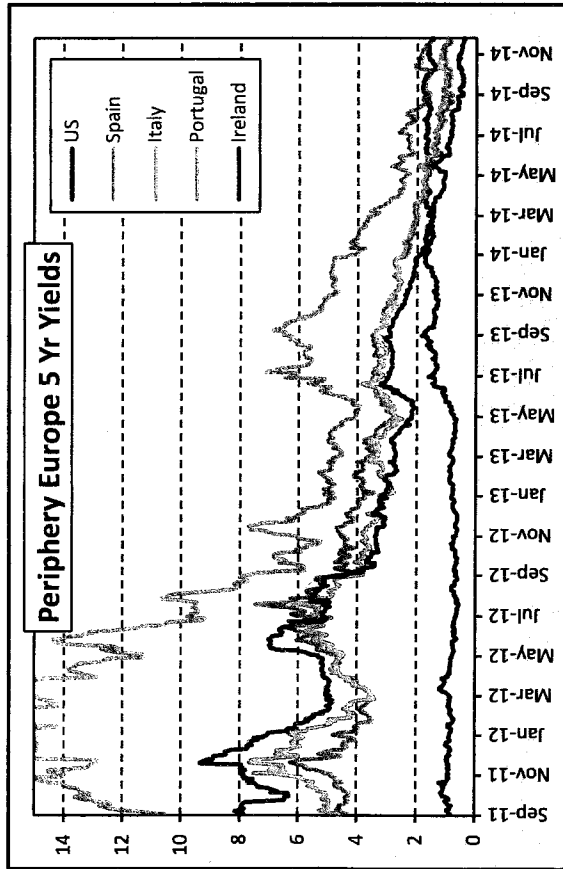


Source: Bloomberg as of 9/30



Source: Morgan Markets as of 9/30

But...even with monetary stimulus, macroeconomic issues remain

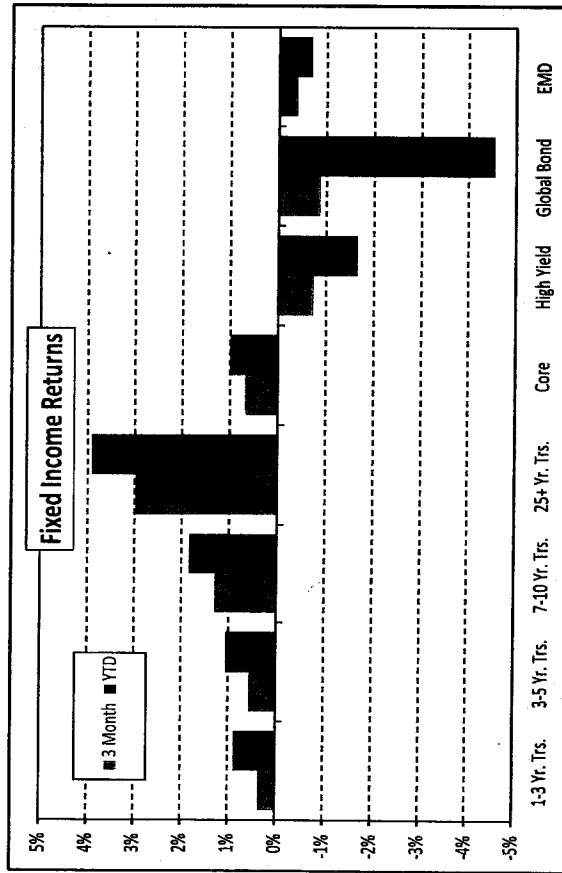


Source: Morningstar as of 11/30

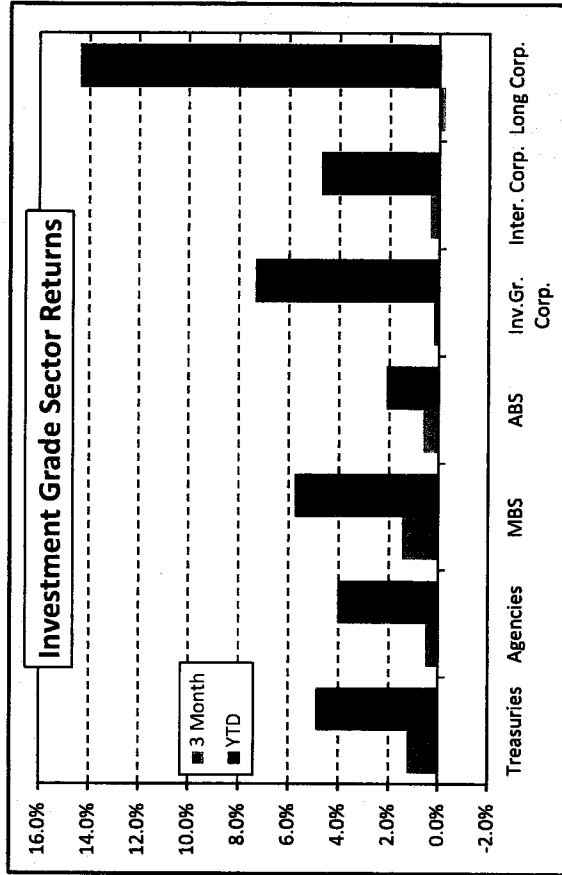
Source: Bloomberg as of 9/30

Fixed Income

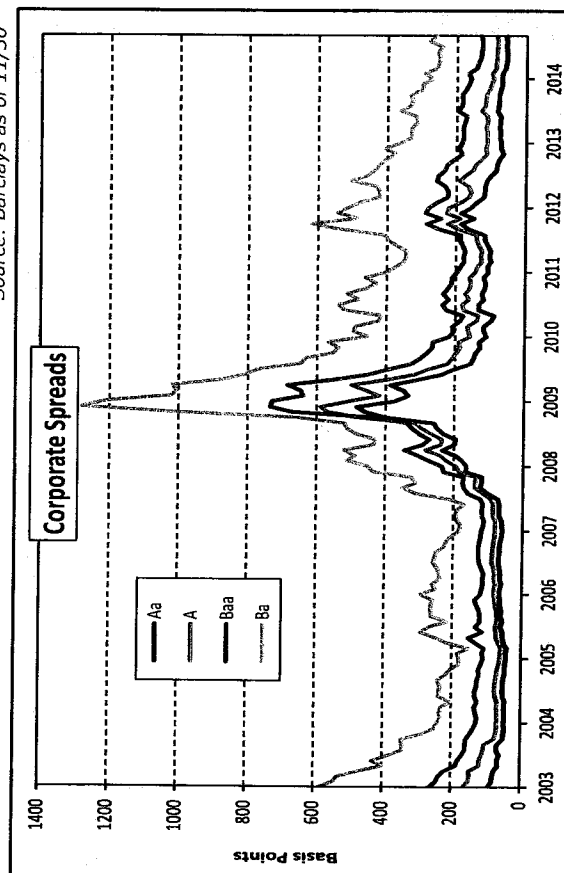
The Impact of Monetary Policy Stimulus On Global Rates



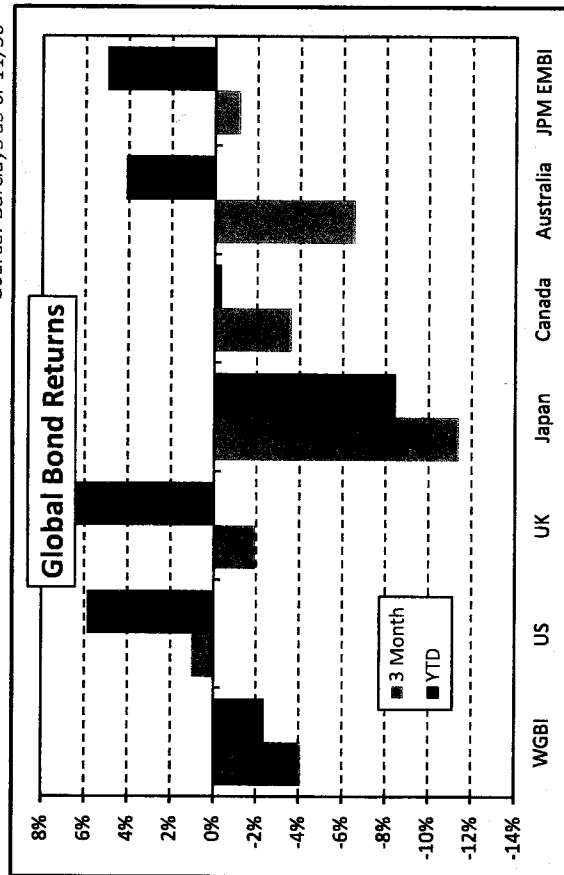
Source: Barclays as of 11/30



Source: Barclays as of 11/30



Source: Barclays as of 11/30

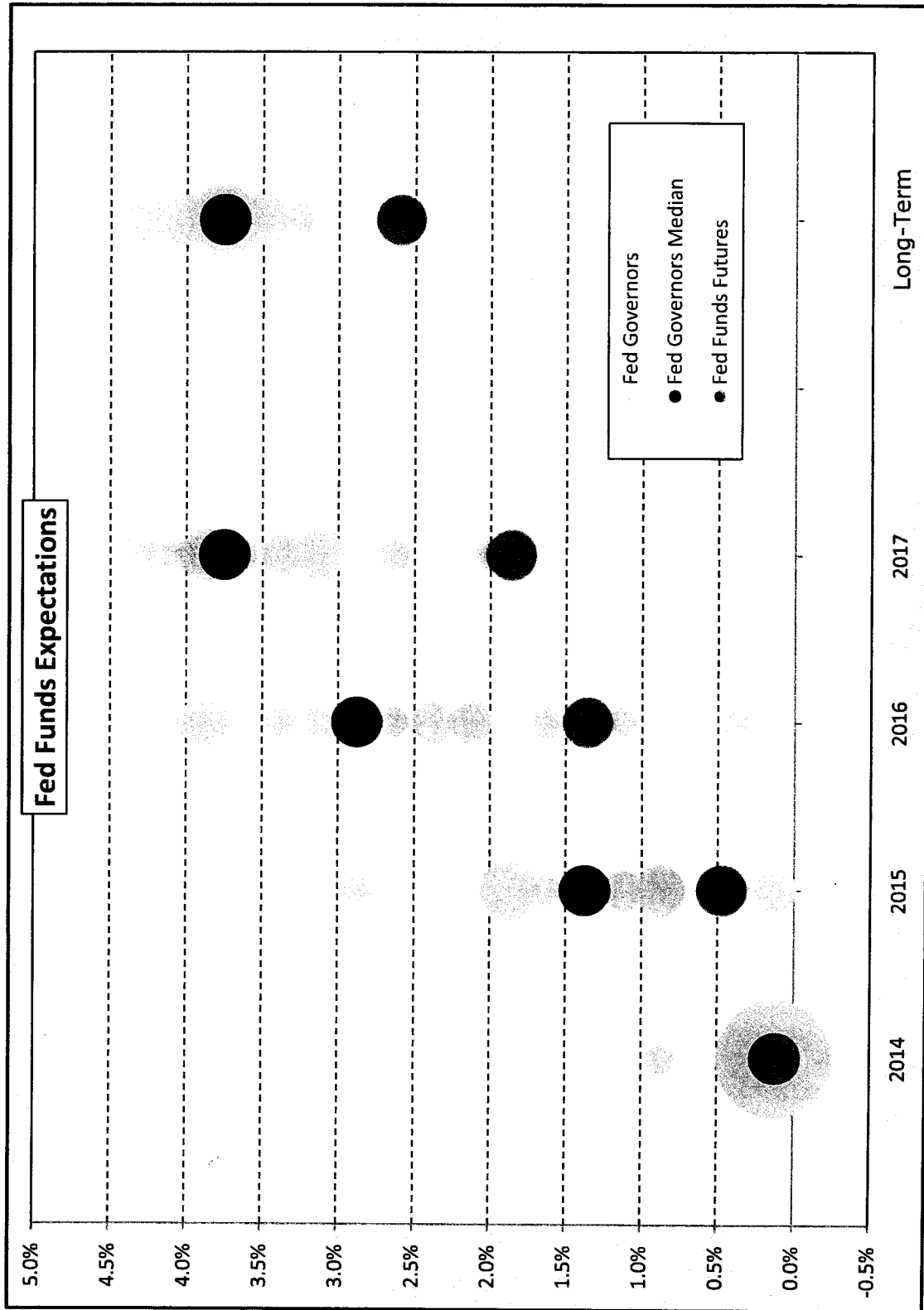


Source: Barclays, Bloomberg as of 11/30



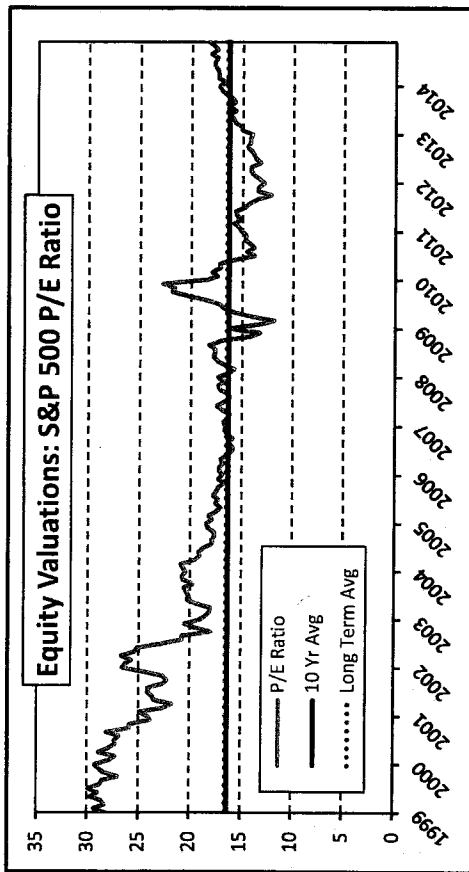
NEPC, LLC

Market Expectations of Fed Funds Rate at Lower Bound of Fed Opinions



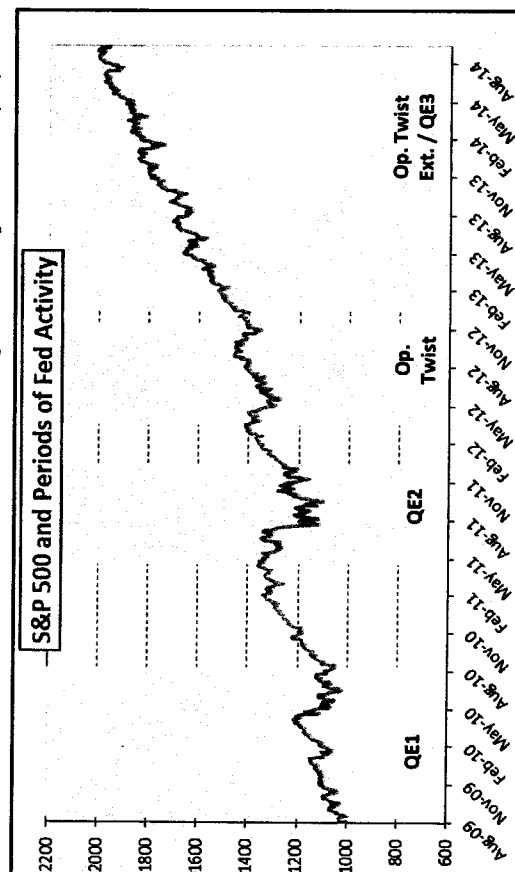
Equities

US Equities: Valuations

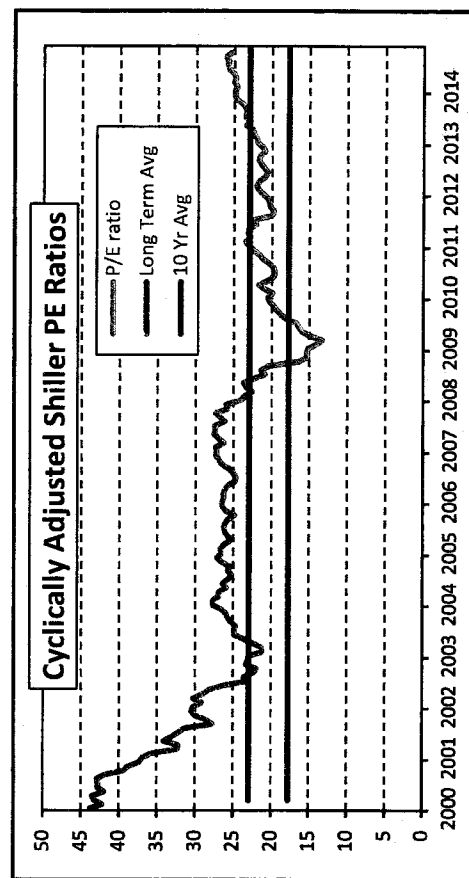


- S&P valuations increased slightly through November remaining above the 10 year and long term averages

Source: Bloomberg as of 11/30; Long term average dates to 1/29/1954

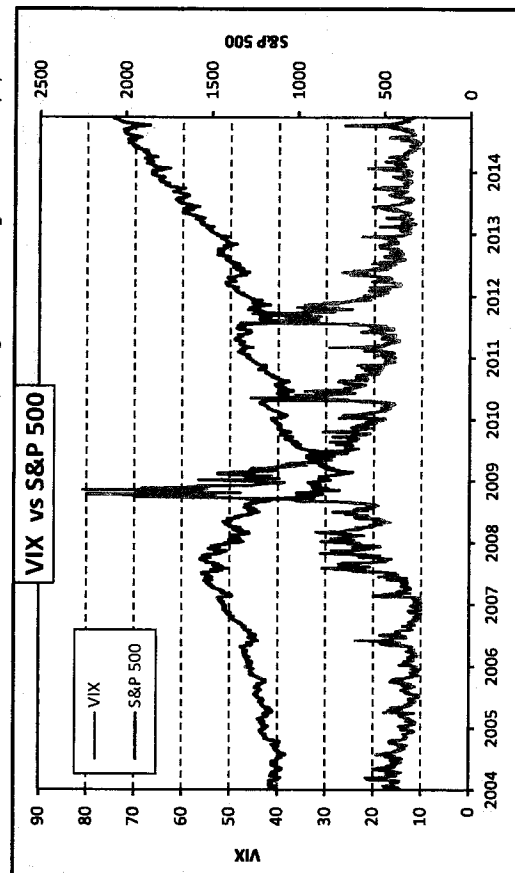


Source: Bloomberg as of 11/30



- The Shiller PE Ratio, is above the long term average of 17.6 and slightly above the 10 year average of 22.9

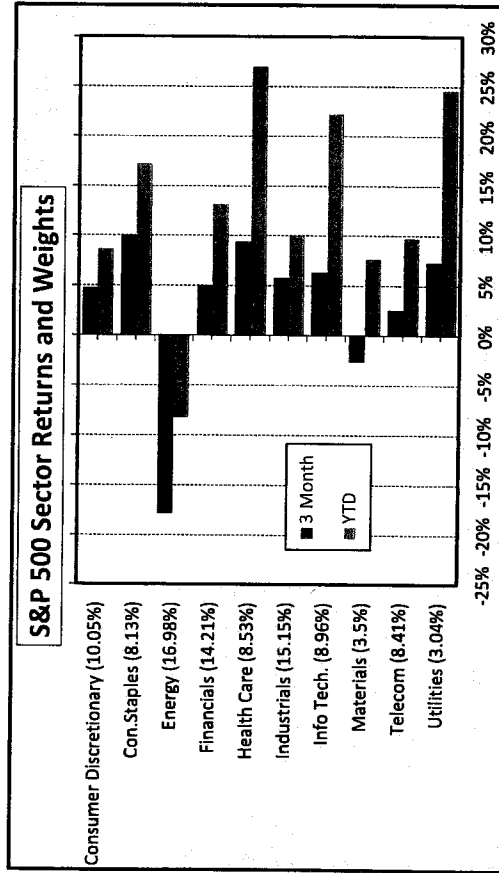
Source: Shiller Data as of 11/30; Long term average dates to 1/1/1926



- The VIX fell slightly on the month; the S&P 500 rose 2.7% through November

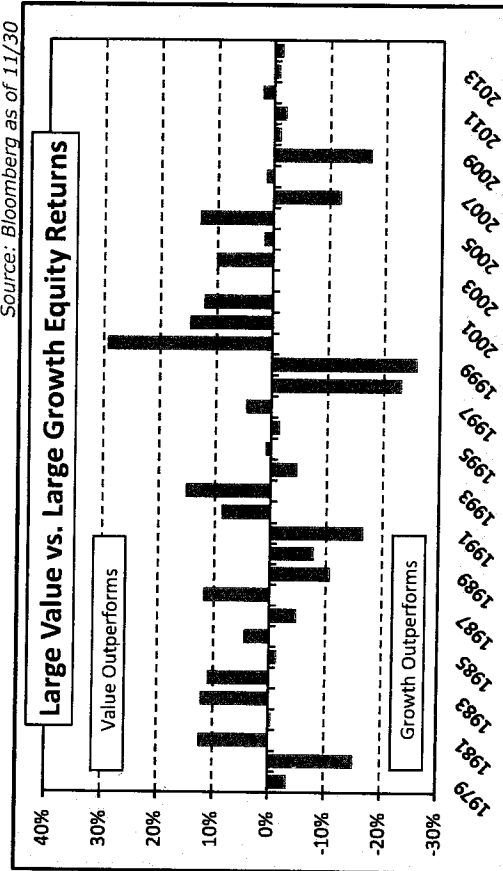
Source: Bloomberg as of 11/30

US Equities: Performance



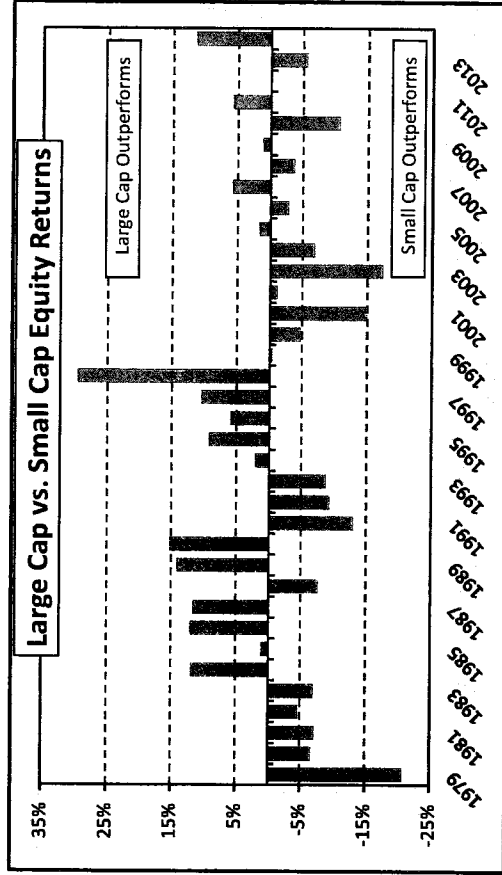
- All sectors apart from energy are positive in 2014 with utilities and healthcare providing the highest returns

Source: Bloomberg as of 11/30



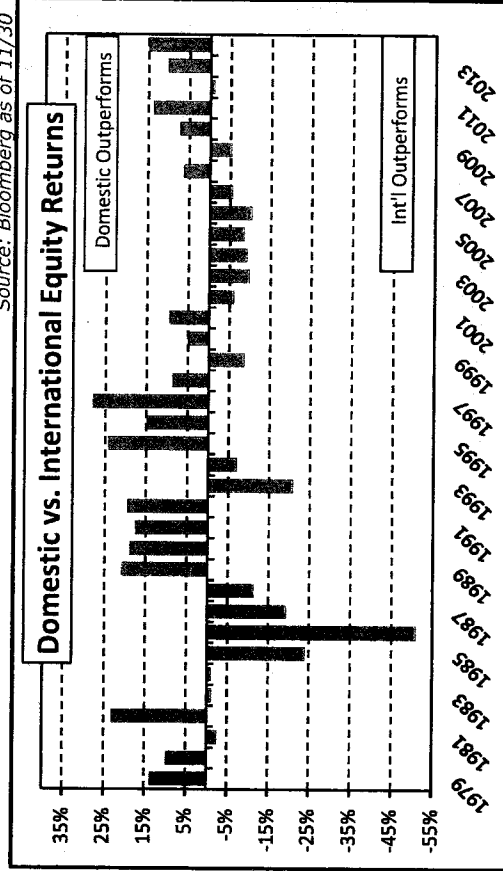
- Large growth stocks have slightly outperformed large value in 2014

Source: Bloomberg as of 11/30



- Large cap has outperformed small cap in 2014

Source: Bloomberg as of 11/30



- Domestic equity has outperformed international equity in 2014

Source: Bloomberg as of 11/30

Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)

	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Europe ex UK	-3.6%	-2.5%	-1.8%	11.2%
United Kingdom	-6.2%	-7.4%	-3.7%	6.5%
Japan	-4.2%	-2.3%	-3.5%	8.4%
Pacific Ex Japan	-1.7%	-9.6%	-3.1%	5.6%
Canada	1.6%	-9.6%	3.1%	3.0%
USA	11.6%	3.0%	14.4%	18.4%

US Dollar Return vs. Major Foreign Currencies

(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Euro	9.4%	5.2%	8.4%	2.5%
Japanese Yen	11.2%	12.2%	13.6%	13.2%
British Pound	5.5%	5.7%	4.4%	0.1%
Canada	7.0%	4.7%	7.0%	3.7%
Australia	4.6%	8.9%	6.6%	6.1%

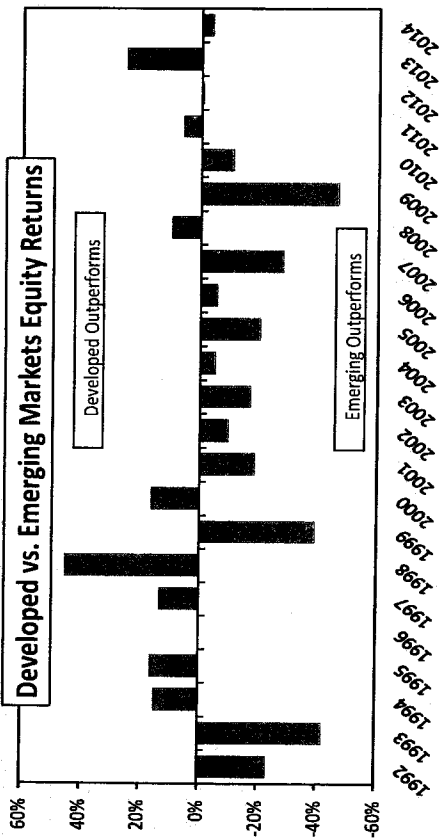
Currency Impact on Developed Mkt. Returns

(Negative = Currency Hurt, Positive = Currency Helped)

	YTD	3-Mo	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	7.5%	3.4%	9.0%	17.2%
MSCI EAFE (USD)	-1.5%	-4.0%	-0.0%	12.0%
Currency Impact	-8.9%	-7.4%	-9.0%	-5.2%

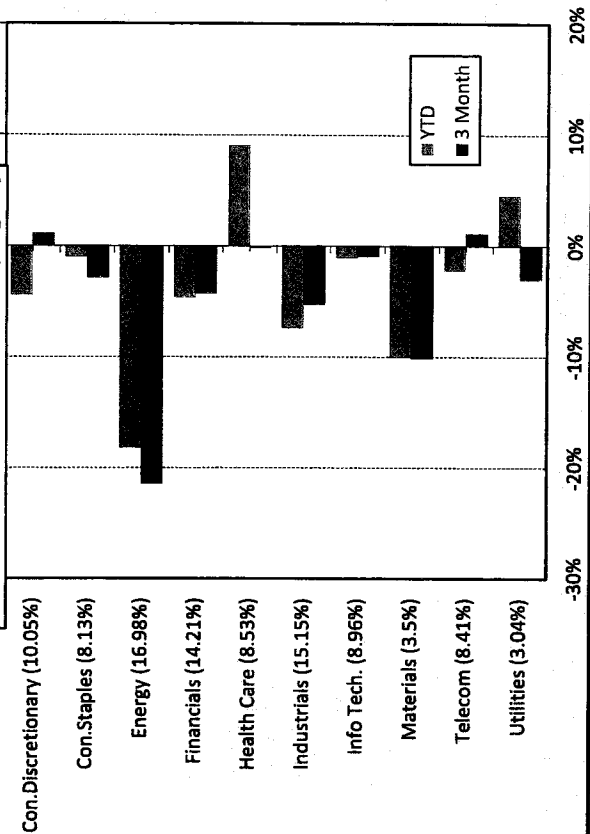
Source: Bloomberg as of 11/30

Developed vs. Emerging Markets Equity Returns



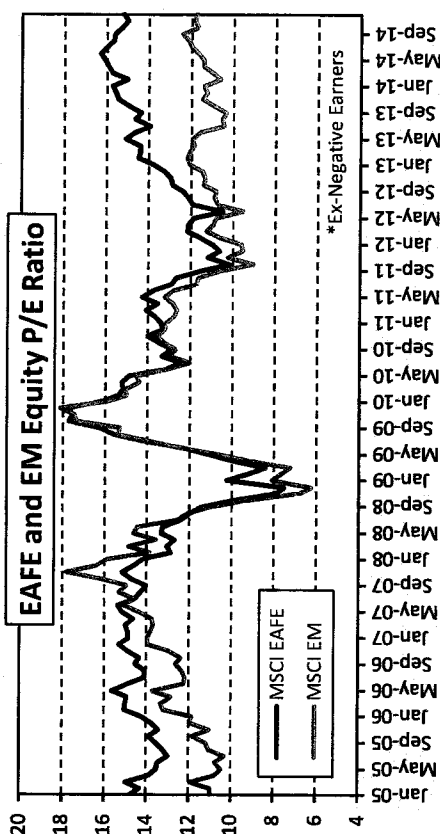
Source: Bloomberg as of 11/30

MSCI EAFE Sector Returns (Wgts.)



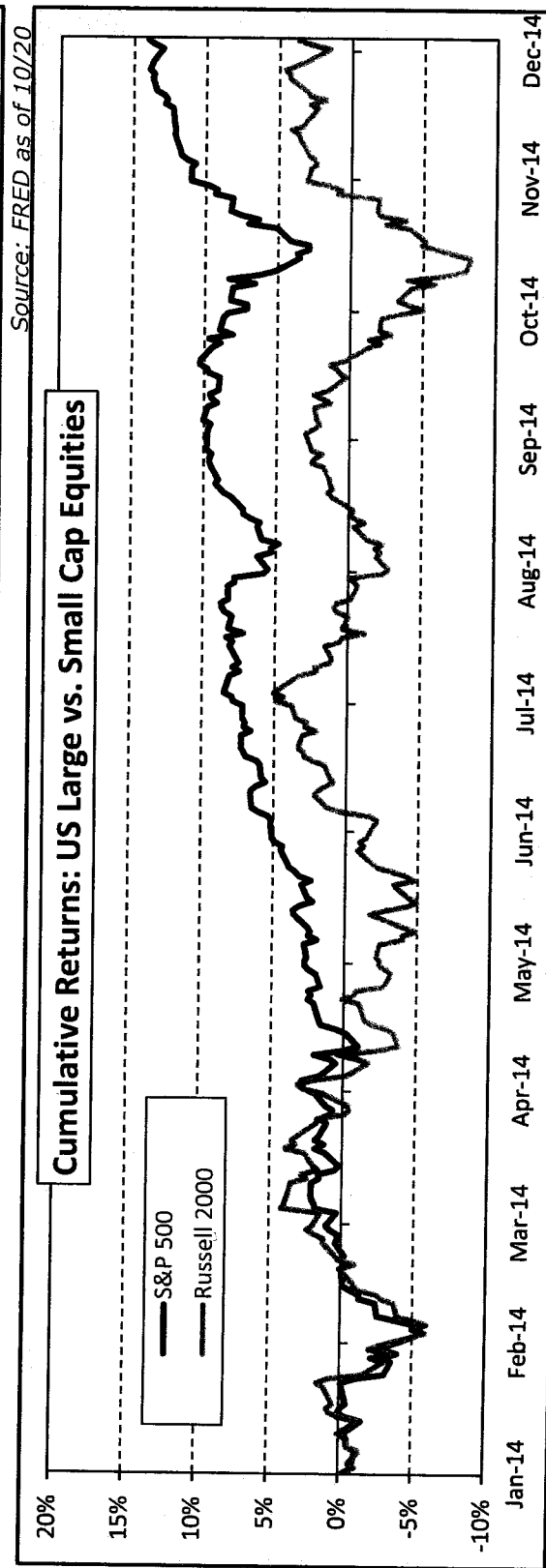
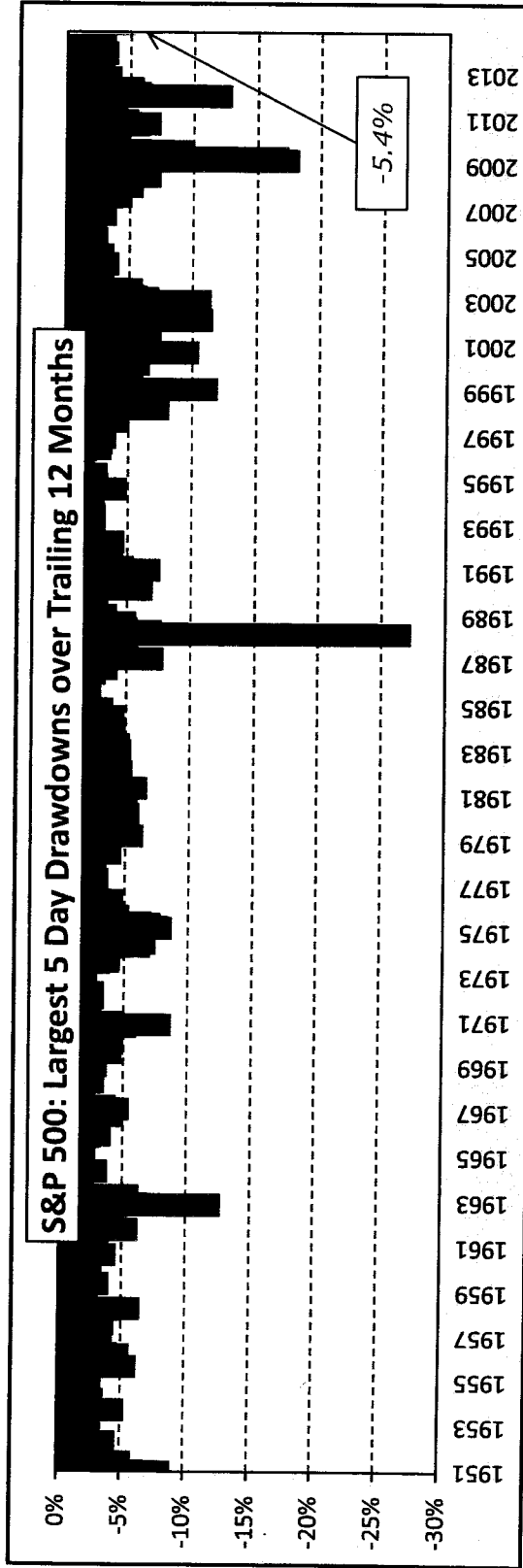
Source: Bloomberg as of 11/30

EAFE and EM Equity P/E Ratio



Source: Bloomberg as of 11/30

Recent Equity Pullback and Large vs. Small Cap Divergence



Conclusion







- **Currency volatility is likely to continue**
 - Effect of divergent central bank policies is ongoing and subject to change themselves
 - Good opportunity to evaluate currency risk and consider a partially hedged approach
- **US equities have rallied since sell-off in October**
 - US has experienced moderate growth rebound and cheaper energy and stronger dollar can provide buffer to the economy
 - However, US valuations are above average and profit margins appear stretched
 - European equities have less positive macroeconomic outlook but ECB actions could provide short-term support
- **Low yields mean few opportunities in fixed income**
 - Core US and global benchmarks do not appear attractive
 - Utilize an unconstrained approach to access return in low-yield environment and consider longer duration instruments that still offer strong diversification benefits

- **Emerging market dispersion to remain an ongoing theme**
 - Geopolitical risks continue to simmer in many countries while others appear to be well positioned for strong growth
 - Employ active management with well-developed macro views to help navigate tricky environment and avoid pitfalls of benchmark biases
- **Stay positioned to take advantage of volatility as central bank policy expectations flow through to markets**
 - Uncertainty remains about the effectiveness of ECB stimulus and the timing of the Fed raising rates
 - Higher volatility should benefit active management and yield more attractive opportunities for dynamic strategies







Appendix

Fixed Income (Appendix)

Diversifying & Defensive Strategies

FPL Strategy	Current Perspective	Outlook
Core & Core Plus	<ul style="list-style-type: none"> • Index duration at an all-time high of 5.6 years • Return potential is muted with yield of 2.4% • Preference for high quality conservative managers • Look to shift portion of Core into Unconstrained Bonds 	<i>Underweight</i> 
Global Bonds	<ul style="list-style-type: none"> • Provides a defensive/correlation benefit in a portfolio • Hedged or active currency allocation preferred • Look to pair with Unconstrained Bonds • Significant exposure provided by Risk Parity 	<i>Hold to Target</i> 
Inflation-Linked	<ul style="list-style-type: none"> • 10-year real yields increased in the third quarter • 5-year real yields now in positive territory • Hedged global ILB provide added diversification benefit • Significant exposure provided by Risk Parity 	<i>Hold to Target</i> 
Unconstrained Bonds	<ul style="list-style-type: none"> • Conservative allocation to complement defensive assets • Low correlation to interest rates and equities • Ability to hedge duration and credit risk • Targets return of LIBOR plus 3% to 5% 	<i>Overweight</i> 
Long Duration	<ul style="list-style-type: none"> • Long term interest rates have declined through 2014 • Long-term credit spreads at historical averages but liquidity profile is challenged • STRIPS/capital-efficient strategies offer compelling options (e.g. SURF/TURF, double beta solutions) 	<i>Hold to Target</i> 
Municipal Bonds	<ul style="list-style-type: none"> • High quality strategies offer competitive after-tax yields • Risk are posed from duration extension and AMT bonds • Focus on after-tax yields, look to include tactical credit allocations 	<i>Hold to Target</i> 

Credit & Return Seeking Strategies

FPL Strategy	Current Perspective	Outlook
Investment Grade Credit	<ul style="list-style-type: none"> • Corporate fundamentals still positive • Spreads remain tight with modest room for compression • High duration risk versus other credit sectors 	Underweight 
High Yield	<ul style="list-style-type: none"> • Leverage multiples increasing, approaching critical levels • Spreads and yields more attractive following selloff • Corporate fundamentals still favorable for credit • Liquidity is challenged in the high yield market 	Underweight 
Bank Loans	<ul style="list-style-type: none"> • Use of proceeds shifting towards M&A, dividends • Floating-rate coupon offers duration protection but LIBOR floors and dovish Fed policy mitigate near-term benefit • Liquidity concerns heightened due to retail market flows 	Underweight 
Emerging Market Debt	<ul style="list-style-type: none"> • Long-term secular outlook is positive but near term volatility is elevated • Local EMD Index yields 7+% • Tactical approach preferred – opportunities in country selection 	Hold to Target 
Global Multi-Sector	<ul style="list-style-type: none"> • Offers greater exposure to non-core sectors in a relatively benchmark agnostic approach • Targets high risk-adjusted returns versus traditional FI • Shift from Core Plus or single-sector credit mandates 	Hold to Target 
Flexible Credit	<ul style="list-style-type: none"> • Viewed as the return-seeking component of a portfolio • Either full credit spectrum or below investment grade only • Some strategies allow the use of tactical credit hedging 	Overweight 

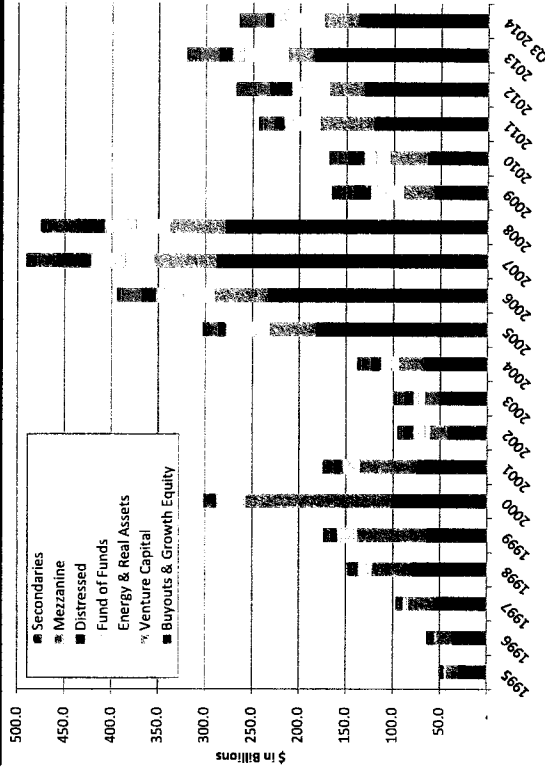
Private Equity (Appendix)

- **Fundraising pace for high demand managers continues to be quick**
 - Investors need to make early and quick decisions when capital demand exceeds fundraising targets for select managers
 - Several FPL managers have Q4 2014 closings but won't be investing until 2015
- **Look for buyout and growth equity exposure with value orientation to protect down-side risk**
 - With transaction multiples high and debt financing easily obtained, focus on those managers that have demonstrated an ability to remain disciplined on price
 - Seek managers with operational expertise, sector focus and which have demonstrated the ability to drive top and bottom line growth through improved operations
 - Asia and emerging market PE environment reflects attractive relative valuations to the US with higher expected growth, but not without risks as key countries are undergoing reforms
- **Complement credit related distressed exposures with turnaround and deep value strategies**
 - Strong LP interest for these strategies given high level of economic uncertainty
- **Seek secondary managers able to trade on deal complexity and information asymmetries in order to generate alpha**
 - Continue to support managers able to capitalize on multi-year financial institution sell-down of assets

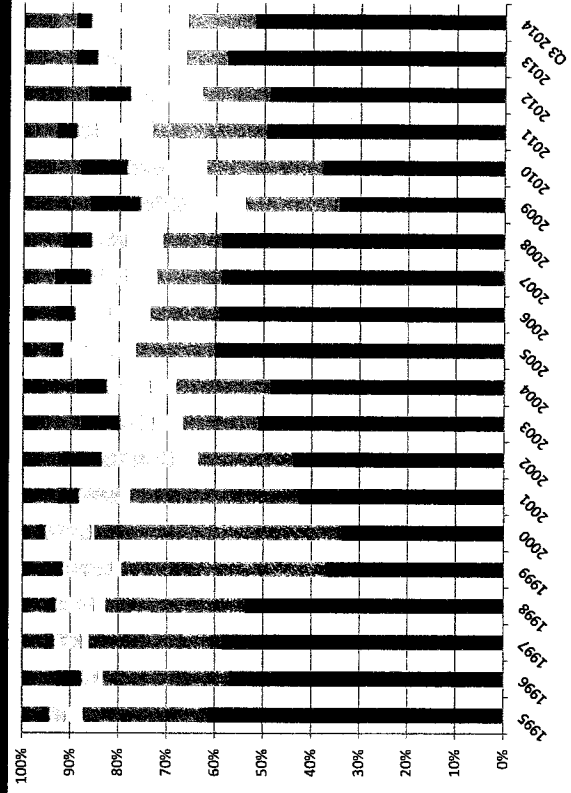
Private equity fundraising for the first nine months of 2014 is ahead of 2013 Pace

- **\$264.9 billion was raised by new funds in the 1st nine months of 2014**
 - \$85.6 billion was raised by new PE funds in Q3 2014
 - \$6.5 billion less than raised in Q2 2014
 - \$3.7 billion more than raised in Q1 2014
 - 2014 first nine month total represents 83% of total PE raised in 2013
 - Capital overhang in PE is contributing to high pricing environment and large amount of secondary buyouts (e.g., company sold from one PE firm to another)
- **Buyout and growth equity funds raised \$88.5 billion (52%) in the 1st nine months of 2014**
 - Mega buyout firms accounted for 41% of all buyout/growth equity funds
- **Venture Capital raised \$37.0 billion (14%)**
 - Funds raised in 1st nine months of 2014 exceeds capital raised by VCs in 2013 by \$9.3 billion
- **Mezzanine funds raised \$12.9 billion (5%)**
 - Mezzanine deal flow is facing competition from senior and unitranche lenders
- **Secondary funds raised \$16.2 billion (6%)**
 - Eclipses 2013 fundraising total of \$13.2 billion as wave of large funds start to have closings

Global Private Equity Funds Raised

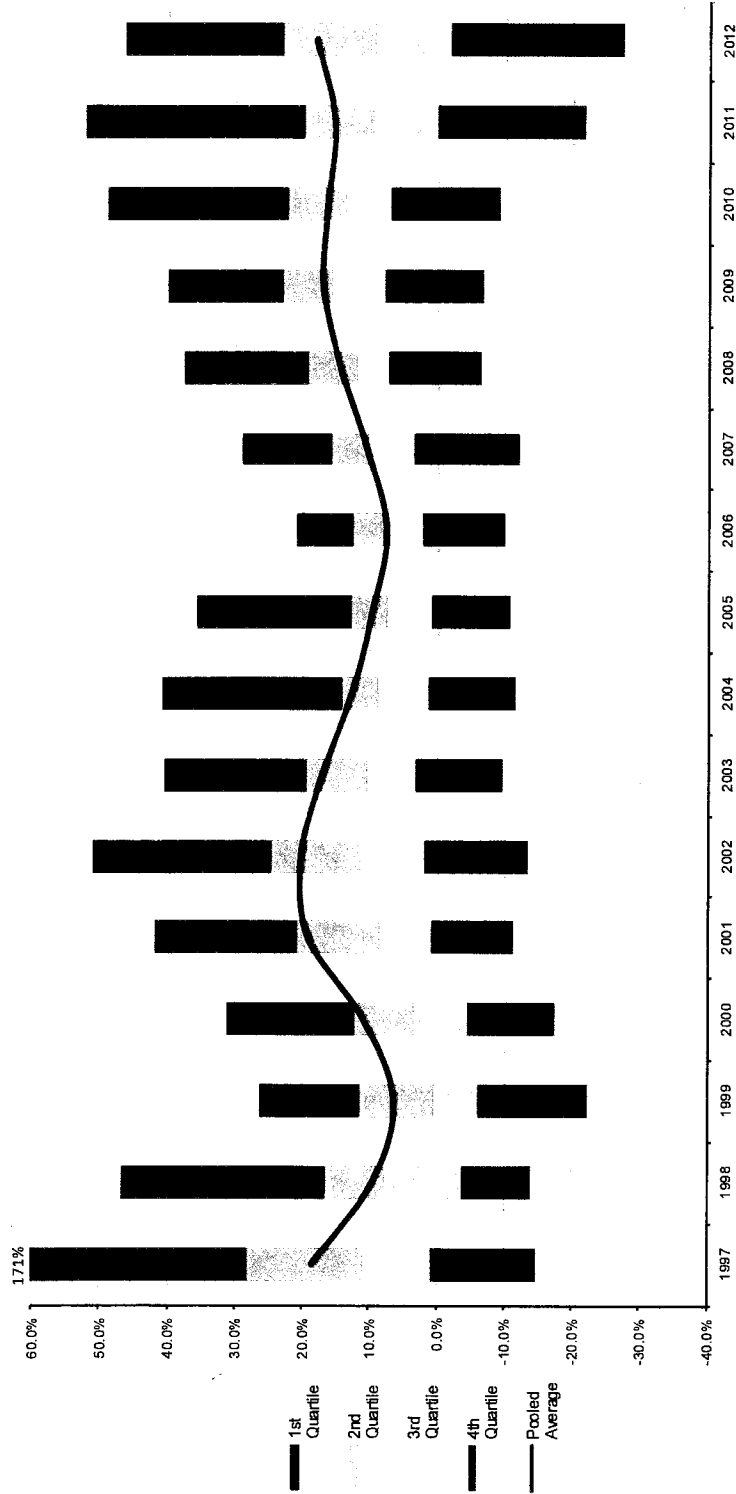


Allocation of Global Private Equity Funds Raised



Global private equity IRRs by vintage year as of Q2 2014 (preliminary)

IRR Quartile Analysis



Vintage Year:

5th Percentile	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Quartile	28.1%	16.7%	11.5%	12.4%	21.0%	24.6%	19.6%	14.2%	13.0%	12.6%	15.8%	19.2%	23.0%	22.3%	20.0%	23.0%
Median	11.2%	7.7%	0.6%	3.5%	8.5%	11.5%	10.5%	8.8%	7.4%	7.7%	10.2%	12.2%	15.8%	13.6%	9.6%	9.4%
Lower Quartile	0.9%	-3.6%	-6.2%	-4.6%	0.7%	1.9%	3.3%	1.3%	0.9%	2.1%	3.6%	7.3%	7.9%	7.1%	0.0%	-1.9%
95th Percentile	-14.9%	-13.9%	-22.2%	-17.5%	-11.3%	-13.4%	-9.7%	-11.5%	-10.7%	-9.9%	-12.1%	-6.4%	-6.8%	-9.1%	-21.8%	-27.5%
Number of Funds	164	185	214	299	468	101	109	159	251	285	303	260	113	134	178	162
Pooled Average	18.5%	9.5%	6.3%	10.8%	19.1%	20.2%	17.1%	12.6%	9.6%	7.5%	10.4%	14.4%	17.0%	16.3%	16.2%	18.0%






Real Estate and Real Assets (Appendix)

General Real Estate Market Thoughts and 2014 Tactical Recommendations

General Market Thoughts

- **Core/REIT market environment has normalized**
 - Real estate fundamentals and debt terms are attractive, however future interest rates (and the impact on cap rates) and ongoing capital inflows to real estate cause concern
- **Opportunity remains in non-core strategies (value-add and opportunistic)**
 - Europe is still viewed as the best place for a marginal dollar of real estate investment; however, many other groups are seeing this as well so the outsized opportunity won't last forever
 - In the US, we're targeting managers focused on cash flow, niche-focused managers, and managers with a proven ability to invest conservatively/avoid overheated markets
- **Debt opportunities have normalized**

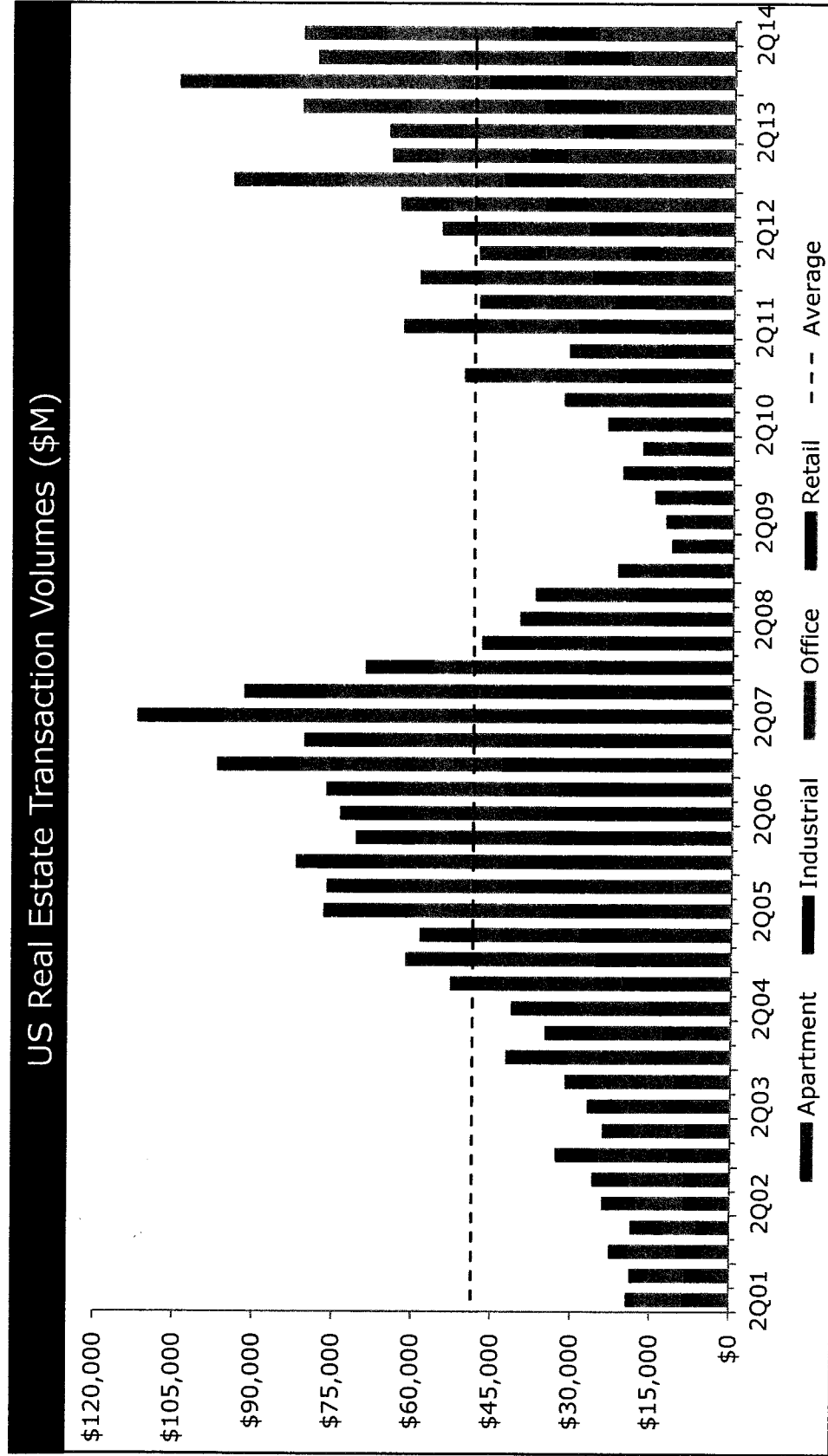
2014 Tactical Recommendations

Investment Strategy		Recommendation
Core	Core Real Estate	Neutral / Hold to Target 
REITs		Neutral / Hold to Target 
Value-Add	Non-Core Real Estate	Over-weight 
Opportunistic		Over-weight 
Real Estate Debt		Neutral / Hold to Target 

US Transaction Markets Have Returned to Pre-Recession Levels

- **US Real Estate transaction volume is above the long-term average**

- Over \$344B of transaction volume in the US in the past 12 months



Data through 2Q 2014 - Source: Real Capital Analytics.




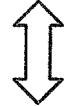
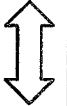


NEPC, LLC

General Real Assets Market Thoughts and 2014 Tactical Recommendations

General Market Thoughts

- **Domestic Energy continues to be attractive despite price volatility**
 - Near-term pressures due to lower oil prices, private opportunities remain profitable
 - Focus on operational efficiency as risks in sector have shifted
- **Select Infrastructure opportunities**
 - Focus on stable, yield-oriented strategies that should protect from market volatility
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations
- **Agriculture and Metals & Mining outlook supported by demographic trends**
 - Long-term opportunities in demand-driven sectors with short-term challenges
- **Timber fundamentals and returns remain weak**

2014 Tactical Recommendations

Investment Strategy	Recommendation
Energy	Overweight 
Infrastructure	Neutral/Hold to Target 
Agriculture	Neutral/Hold to Target 
Metals & Mining	Neutral/Hold to Target 
Timber	Underweight 

Disclaimer

Disclaimer

- Past performance is no guarantee of future results.
- Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The goal of this report is to provide a basis for substantiating asset allocation recommendations.
- All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
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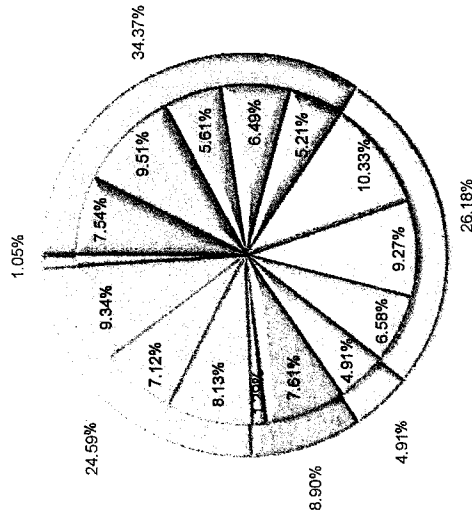
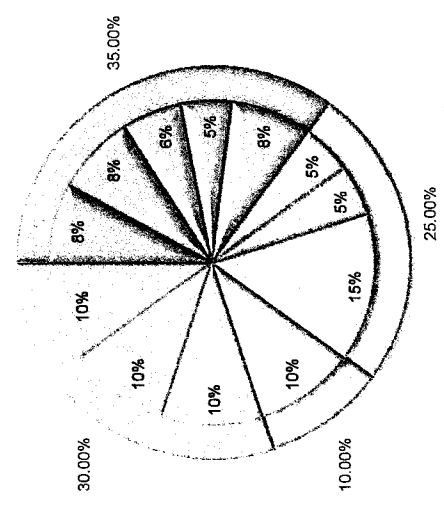


TEXAS TECH UNIVERSITY SYSTEM™

Board of Regents Report for August 2014

Texas Tech University Endowment

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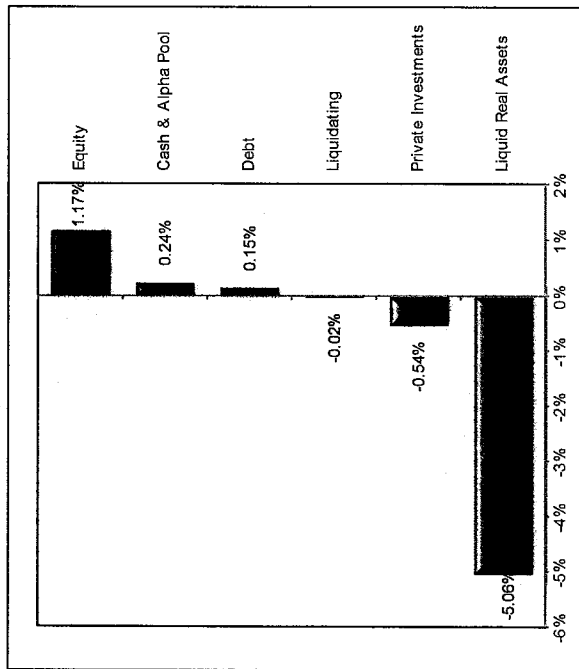
**Asset Class Allocation: Actual vs. Target****Actual Allocation****Target Allocation**

Asset Class	Sub-Asset Class	Actual \$ Allocation			Total % Allocation	Target % Allocation	Target Range
		Physical	Synthetic	Total			
Equity	US Equity	0	79,254,974	79,254,974	7.54%	8%	
	Global Equity	84,702,195	15,257,966	99,960,161	9.51%	8%	
	Non-US Developed Equity	48,997,993	9,988,160	58,986,153	5.61%	6%	
	Non-US Emerging Markets Equity	68,241,987	-13,731	68,228,256	6.49%	5%	
	Alternative Equity	54,807,543		54,807,543	5.21%	8%	
	Sub-Total	256,749,718	104,487,369	361,237,087	34.37%	35%	30% - 40%
Debt	Sovereign/Investment Grade Bonds	8,679,431	99,853,782	108,533,213	10.33%	5%	
	Credit	97,475,115		97,475,115	9.27%	15%	
	Emerging Markets Debt	69,169,314		69,169,314	6.58%	5%	
	Sub-Total	175,323,861	99,853,782	275,177,642	26.18%	25%	20% - 30%
Liquid Real Assets		51,637,958	0	51,637,958	4.91%	10%	5% - 15%
Cash & Alpha Pool	Cash	101,465,899	-21,475,790	79,990,110	7.61%		
	Cash Collateral	19,392,441	-19,392,441	0	0.00%		
	Alpha Pool	177,051,000	-163,472,921	13,578,079	1.29%		
	Sub-Total	297,909,340	-204,341,151	93,568,189	8.90%	0%	0% - 10%
Private Investments	Private Equity	85,462,150		85,462,150	8.13%	10%	
	Private Credit	74,857,662		74,857,662	7.12%	10%	
	Private Real Assets	98,121,128		98,121,128	9.34%	10%	
	Sub-Total	258,440,940	0	258,440,940	24.59%	30%	10% - 55%
Liquidating		11,002,977	0	11,002,977	1.05%	0%	
Total		1,051,064,794	0	1,051,064,794	100%	100%	



Asset Class Performance: Actual vs. Policy

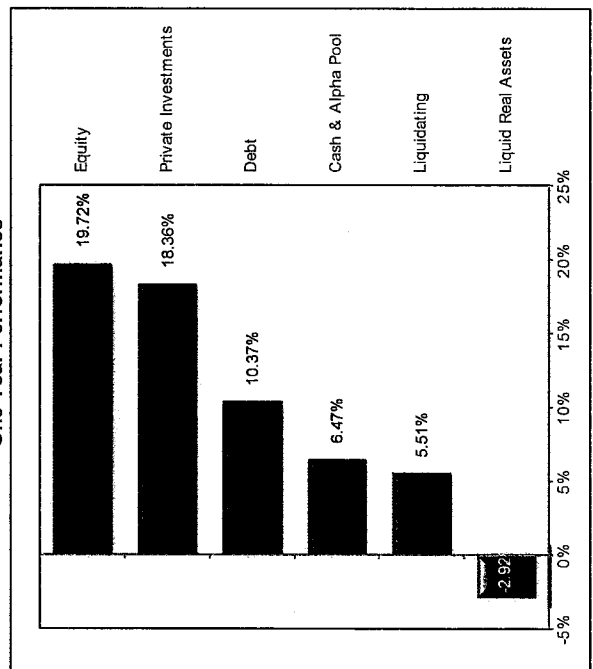
QTD Performance



Asset Class	Month			
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return
Equity	2.39%	2.36%	0.21%	2.42%
Debt	0.20%	0.46%	0.21%	0.32%
Liquid Real Assets	-0.47%			-0.47%
Cash & Alpha Pool	0.14%			0.14%
Private Investments	-0.13%			-0.13%
Liquidating	-0.04%			-0.04%
Total	0.59%	1.50%	0.21%	0.78%
				1.06%

Asset Class	QTD			
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return
Equity	1.51%	-0.50%	0.35%	1.17%
Debt	0.06%	0.19%	0.35%	0.15%
Liquid Real Assets	-5.06%			-5.06%
Cash & Alpha Pool	0.24%			0.24%
Private Investments	-0.54%			-0.54%
Liquidating	-0.02%			-0.02%
Total	0.12%	-0.12%	0.35%	0.15%
				0.61%

One Year Performance



Asset Class	Calendar YTD			
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return
Equity	6.27%	3.74%	1.76%	6.01%
Debt	6.92%	0.82%	1.80%	6.28%
Liquid Real Assets	1.52%			1.52%
Cash & Alpha Pool	3.02%			3.02%
Private Investments	8.49%			8.49%
Liquidating	-2.17%			-2.17%
Total	5.07%	2.32%	1.80%	5.29%
				7.19%

Asset Class	1 Year			
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return
Equity	20.02%	3.74%	1.76%	19.72%
Debt	11.03%	0.82%	1.80%	10.37%
Liquid Real Assets	-2.92%			-2.92%
Cash & Alpha Pool	6.47%			6.47%
Private Investments	18.36%			18.36%
Liquidating	5.51%			5.51%
Total	14.48%	2.32%	1.80%	14.71%
				15.64%



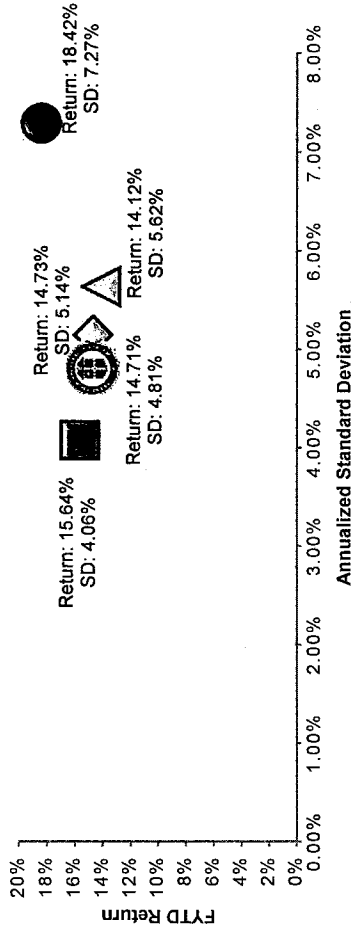
Long Term Risk/Return of Endowment vs. 60/40 Portfolio & Policy Returns

Commentary

- The Texas Tech portfolio generates a higher risk adjusted return than a 60/40 portfolio.
- The Texas Tech portfolio is less volatile than a 60/40 portfolio over all time horizons
- The 60/40 portfolio has the most volatile returns over all periods.

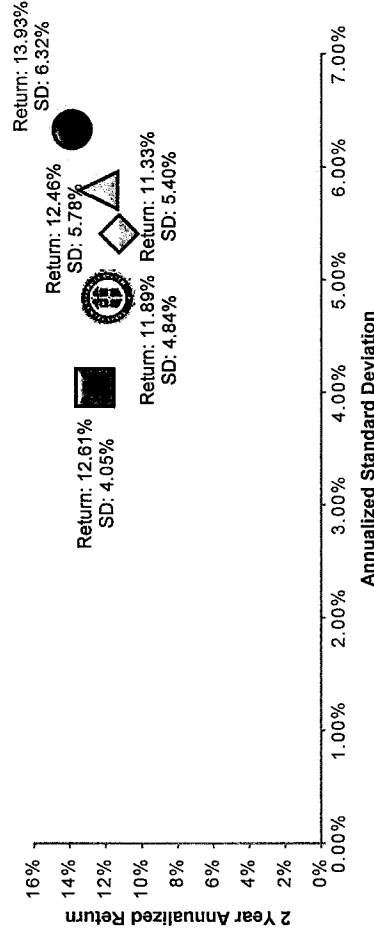
FYTD

Policy 60/40 Texas Tech Liquid Assets Private Investments



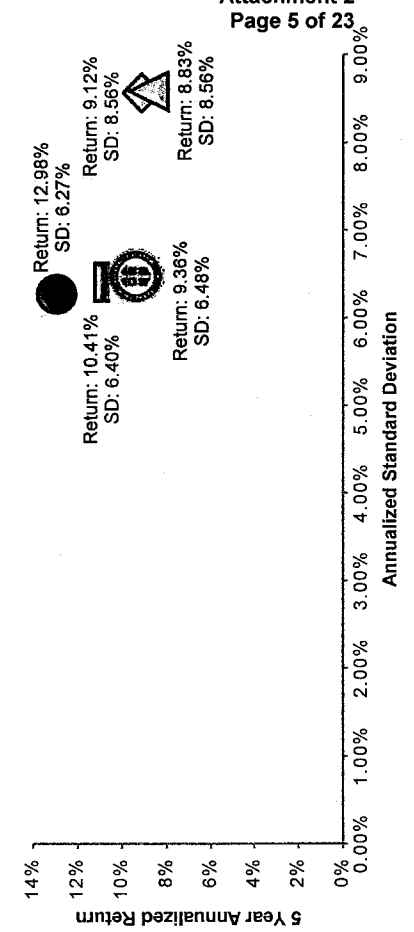
2 Years

Policy 60/40 Texas Tech Liquid Assets Private Investments



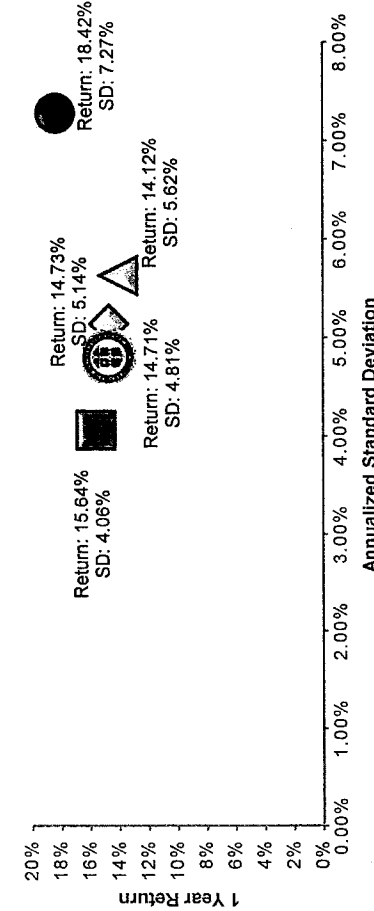
5 Years

Policy 60/40 Texas Tech Liquid Assets Private Investments



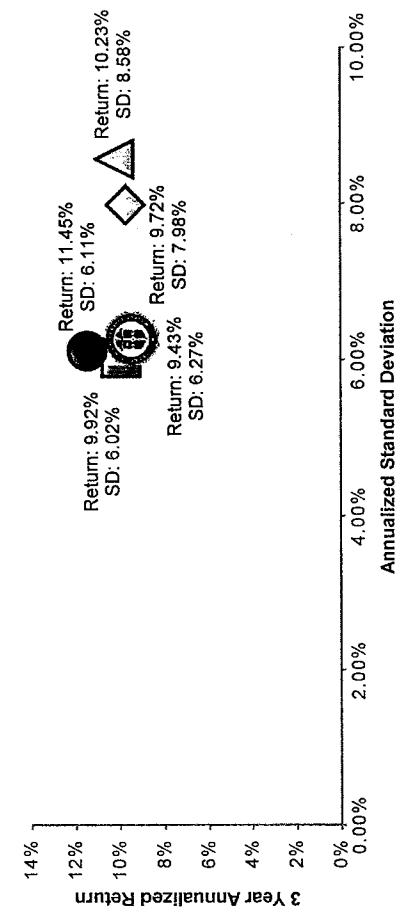
1 Year

Policy 60/40 Texas Tech Liquid Assets Private Investments



3 Years

Policy 60/40 Texas Tech Liquid Assets Private Investments





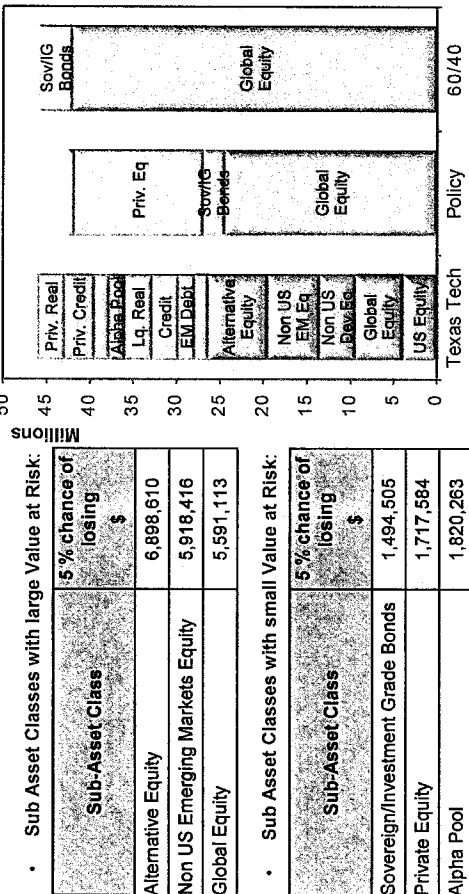
Risk Profile (VaR)

- The Texas Tech portfolio has a 5% chance of losing \$46 million (or more) in a month with a 1% chance of losing \$69 million (or more) in a month based on observed portfolio volatility.
- Liquid Real Assets, Alternative Equity and Liquidating have generated the lowest risk adjusted returns.

Risk Profile

- Alpha Pool, Private Credit and Private Equity have provided the highest risk adjusted returns.
- Liquid Real Assets, Alternative Equity and Liquidating have generated the lowest risk adjusted returns.

Value at Risk – One Month – 95% Confidence

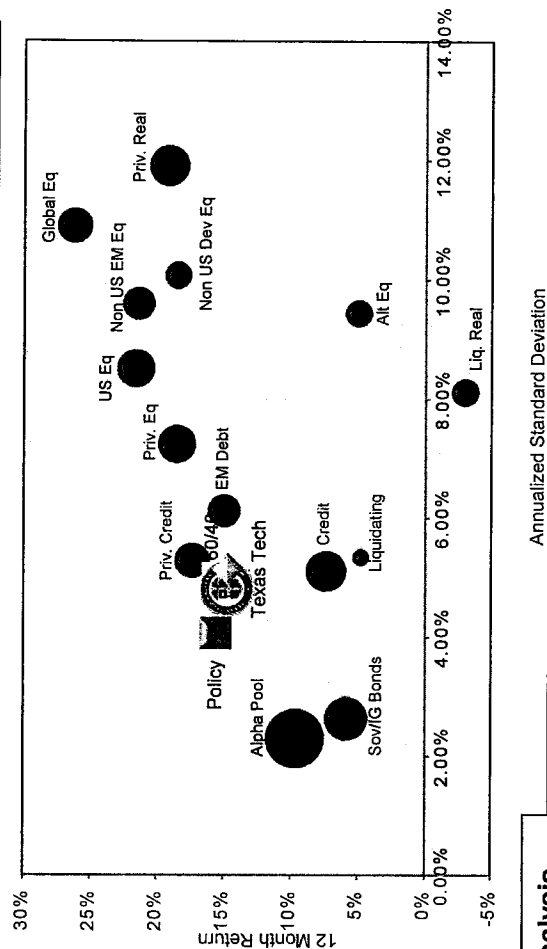


Factor Analysis

- The model analyses historical returns of the portfolio against the returns and volatility of key indicators:
 - Credit is benchmarked against the High Yield North American CDX Index.
 - Risk-Free is benchmarked against the US 10 Year Treasury Bond.
 - Volatility is benchmarked against the VIX Index.
 - Equity Markets is benchmarked against the MSCI AC World IMI (Net).

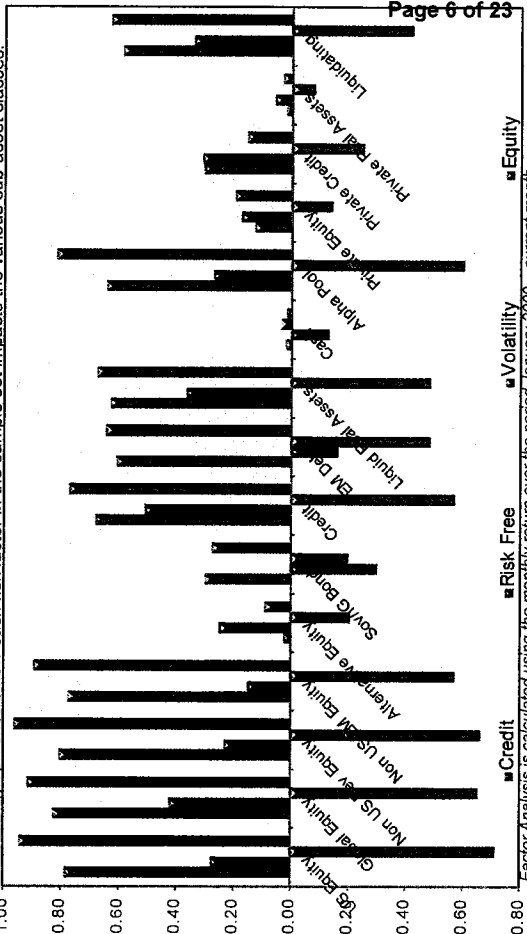
- The model shows that performance and volatility of both the Texas Tech portfolio and a 60/40 portfolio are well explained by the 4 factor model.
- The Texas Tech portfolio exhibits a lower correlation to the Equity markets than the 60/40 and Policy portfolios, but a higher correlation to the risk free index.

Portfolio	Credit	Risk Free	Volatility	Equity	R ²
Texas Tech	0.79	0.31	-0.69	0.92	0.83
60/40	0.81	0.18	-0.68	0.99	0.83
Policy	0.76	0.21	-0.63	0.95	0.79



Annualized Standard Deviation

The below graph shows how each risk factor in the sample set impacts the various sub-asset classes.



Factor Analysis is calculated using the monthly return over the period January 2009 – current month.

Equity

(Total NAV: \$361,237,087)



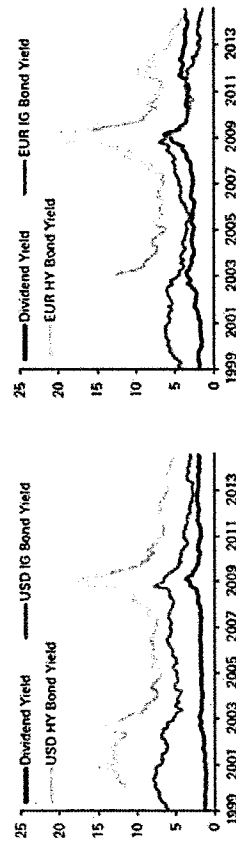
TEXAS TECH UNIVERSITY SYSTEM

Overview and Risk Profile by Asset Class

Commentary

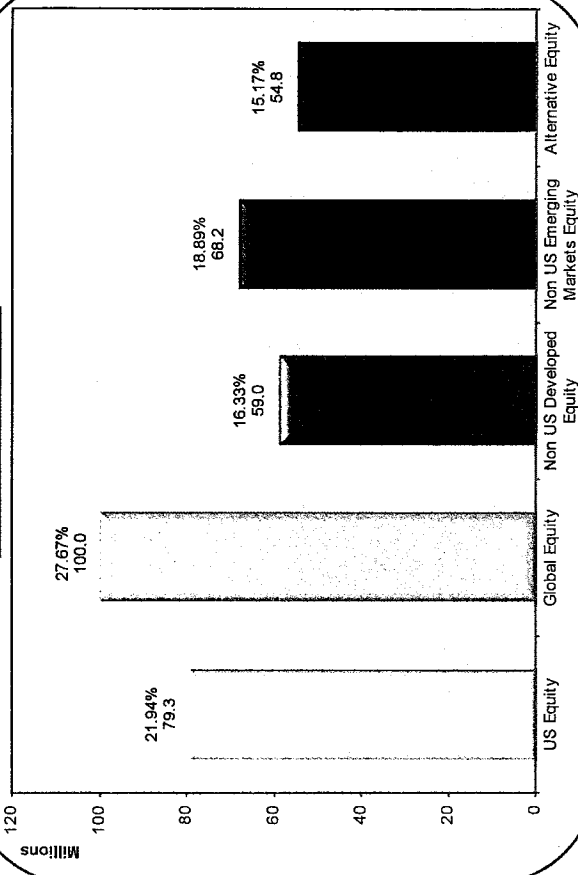
- By comparing the bond yields of HY and IG corporate bonds with a broad equity index aggregate dividend yield, Deutsche Banks show that, on an aggregate basis, US investment grade corporate bond yields have not fallen below dividend yields.
- In the EUR market, however, the story is very different. Aggregate dividend yields appear to be higher. Along with generally lower corporate bond yields, this has IG corporate bond yields comfortably below dividend yields.

Figure 41: US and European Dividend Yields vs. Corporate Bond Yields



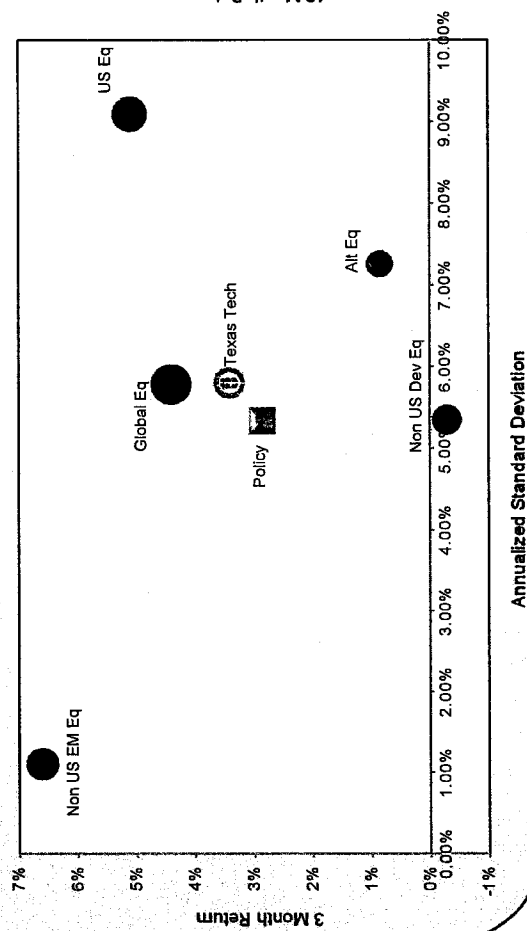
Source: Deutsche Bank Research, January 14

Exposure (Sub Asset Class)

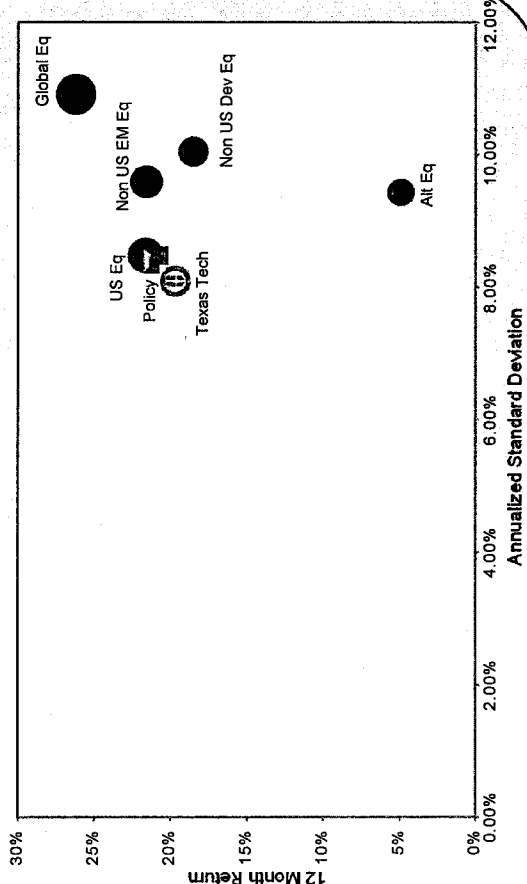


Risk vs. Return (Sub Assets)

Three Months



One Year



*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.

Debt

31st August 2014 (Final)

(Total NAV: \$275,177,642)

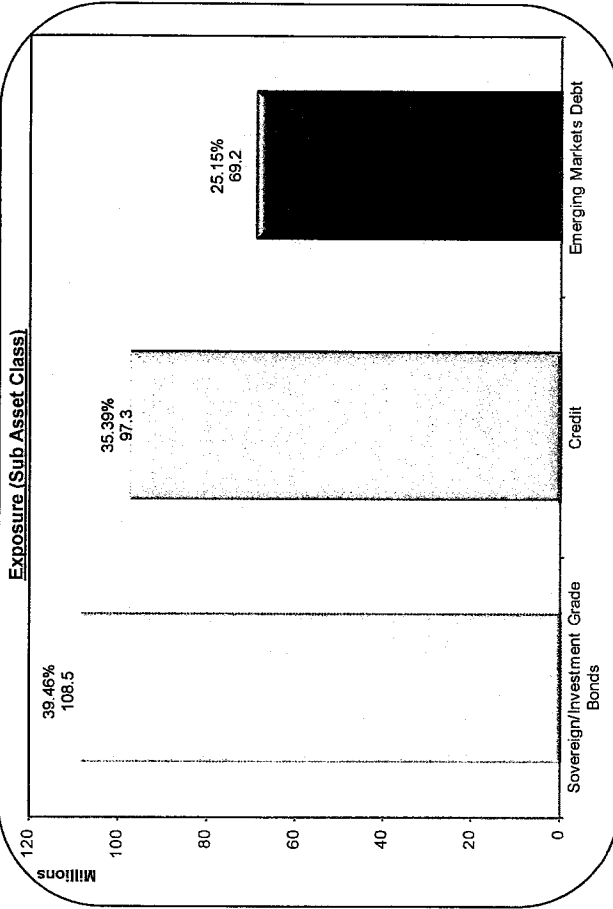
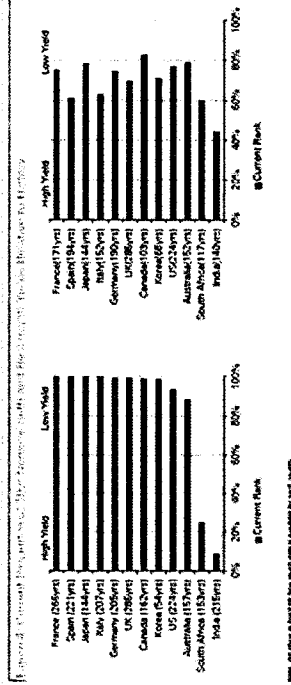


TEXAS TECH UNIVERSITY SYSTEM

Overview and Risk Profile by Asset Class

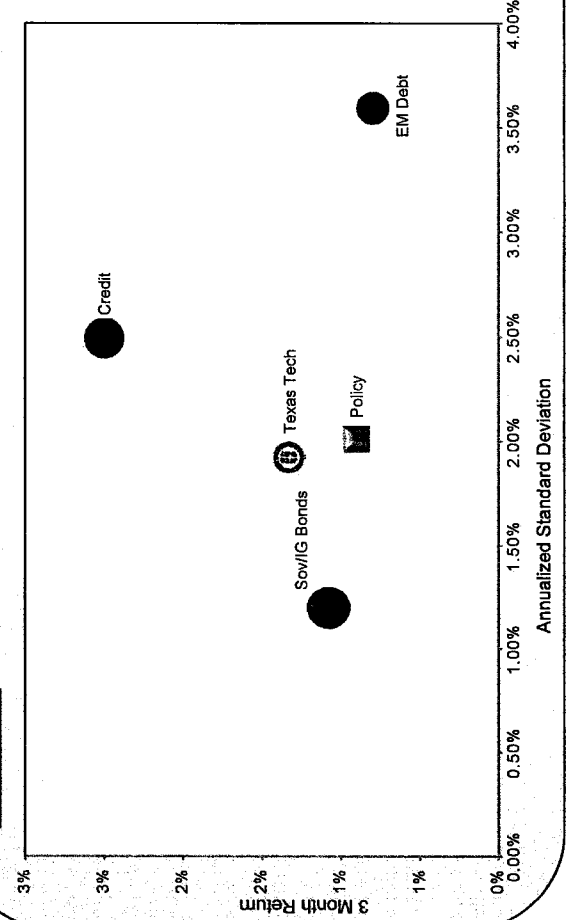
Commentary

- Nominal yields have rarely been lower than current levels for most 10 year government bonds according to Deutsche Bank research.
- However, real yields are not at such extreme levels. Most countries are sit within the 60-80% range, meaning they have had lower rates for 20-40% of the time.
- So, with nominal yields close to all-time lows, and real yields not as extreme, arithmetically it must be true that inflation is low relative to history, especially in Europe.

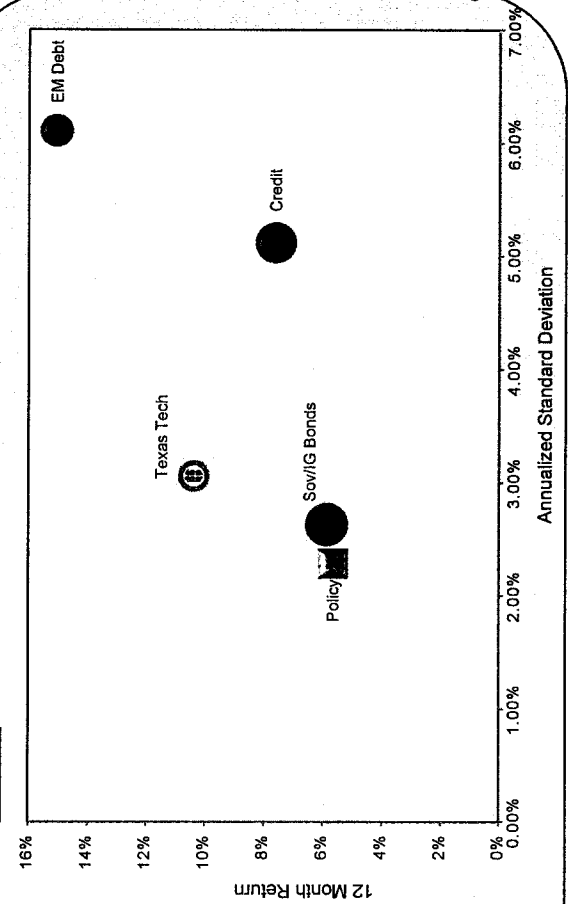


Risk vs. Return (Sub Assets)

Three Months



One Year



*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.

Liquid Real Assets

(Total NAV: \$51,637.958)



TEXAS TECH UNIVERSITY SYSTEM

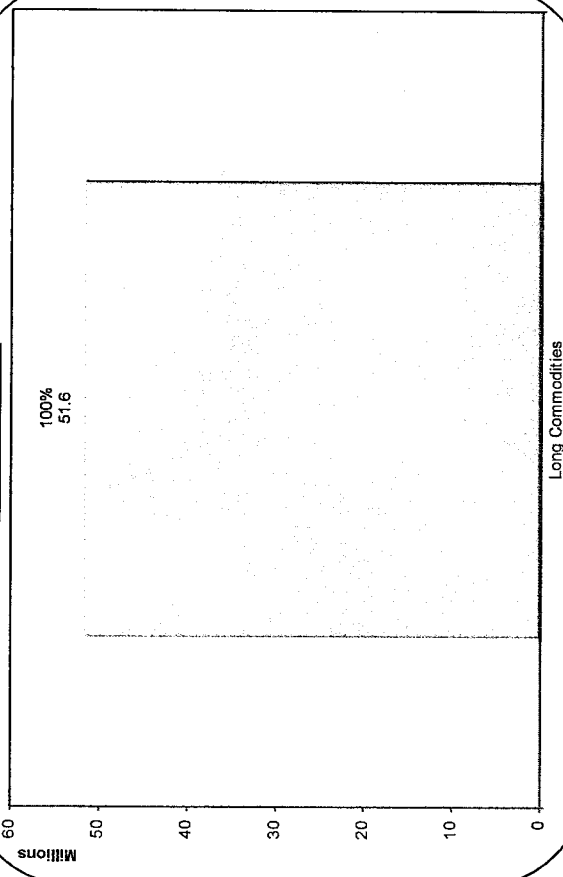
Overview and Risk Profile by Asset Class

Commentary

- North Sea Brent crude (-2.8%) fell amid increased Libyan oil exports and projections for a sizable increase in September crude oil loadings. Anticipation of falling future refinery demand, as a result of the upcoming maintenance season, continued to put downward pressure on West Texas Intermediate (WTI) crude (-2.0%), even as Cushing, Oklahoma inventories remained significantly below their five-year average.
- Natural gas prices (+4.8%) advanced. Prices initially retreated as weather since May through the end of August was 4% cooler compared with the same period last year and 11% cooler than the five-year average.
- Precious metals (-1.0%) finished lower. At the start of the period, geopolitical concerns broadly supported prices for high quality metals such as gold (+0.4%), but those early gains soon faded, particularly for silver (-4.8%). Palladium (+4.0%) outperformed, breaking the psychologically important \$900/oz level.
- Base metals (+0.5%) were mixed. Aluminum (+4.7%) advanced as fundamentals improved substantially on supply cuts and robust demand. Nickel (+1.5%) also gained as deficits were forecast to develop later this year. Zinc (-0.8%) drifted lower amid some profit taking, and copper fell 2.7% on demand concerns as the seasonal slow period for China consumption approaches.

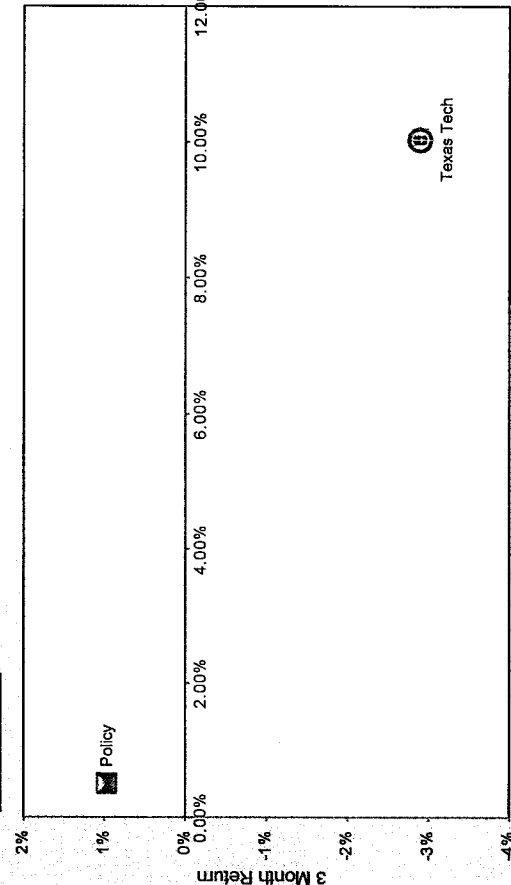
Source – Cohen & Steers

Exposure (Strategy)

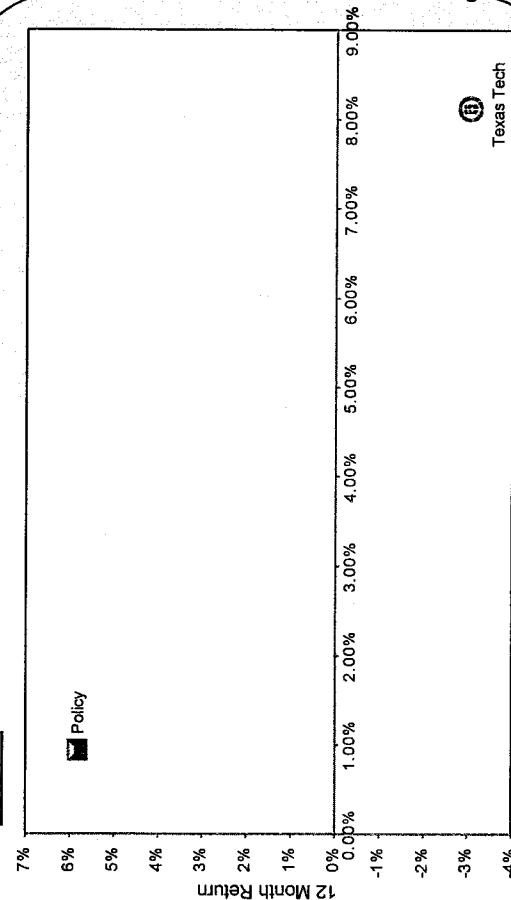


Risk vs. Return (Strategy)

Three Months



One Year



Annualized Standard Deviation

Annualized Standard Deviation

*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.

Cash & Alpha Pool

(Total NAV: \$93,568,189)

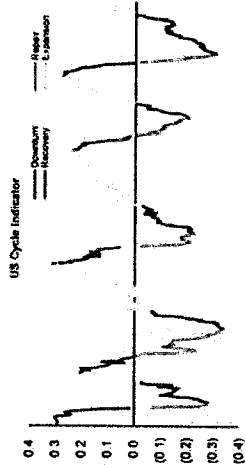
31st August 2014 (Final)

TEXAS TECH UNIVERSITY SYSTEM

Overview and Risk Profile by Asset Class

Commentary

- Morgan Stanley believes that the US economy has largely completed the repair phase and is entering the very early stages of expansion.

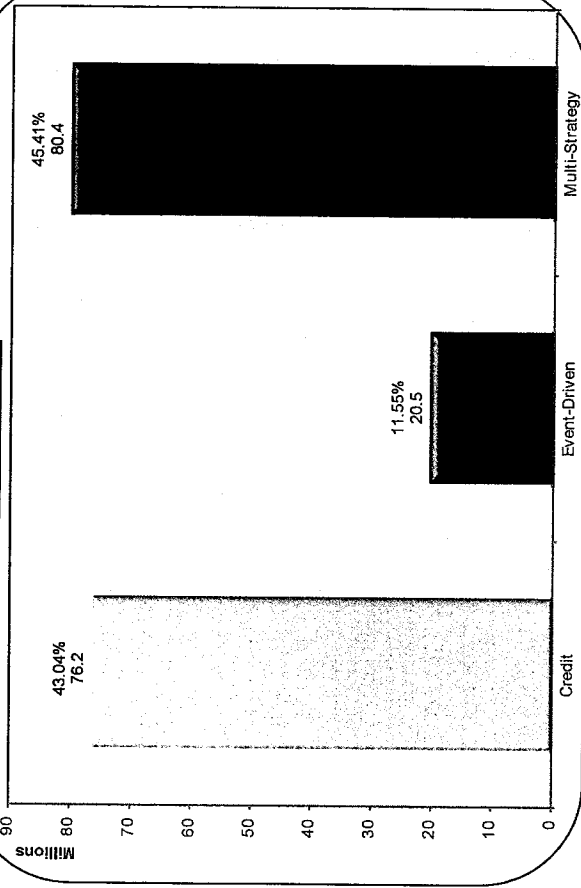


- The MS US Equity Strategy team's bullishness regarding the equity market is based on the thesis that the top of the cycle, or the end of the expansion, will be defined by some form of reckless management spending, and debt.

- In a scenario where the cycle does extend for several more years, earnings could grow modestly as well. EPS growth of 6% from 2015-2020 would drive S&P 500 earnings to near \$170. A 17x multiple would translate into a peak level for the S&P 500 near 3,000 in this scenario

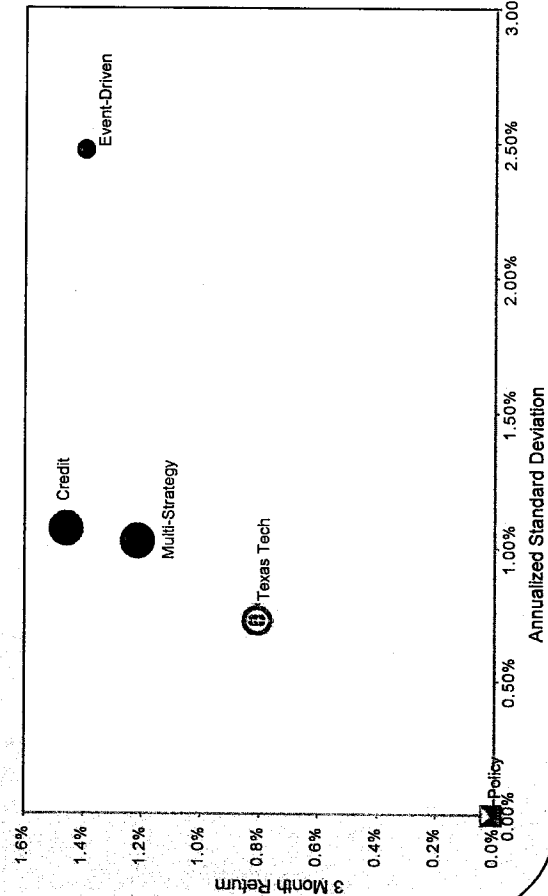
Source - Morgan Stanley

Exposure (Strategy)

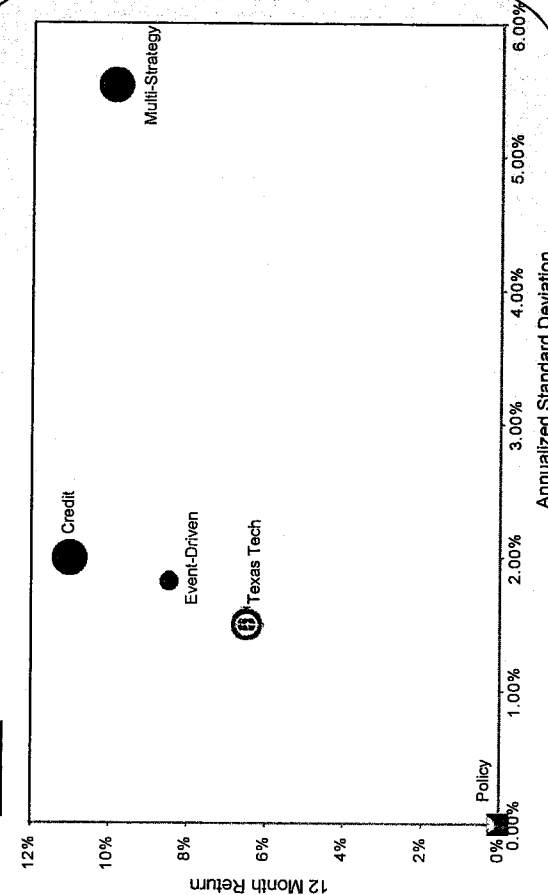


Risk vs. Return (Strategy)

Three Months



One Year



*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.



Overview and Risk Profile by Asset Class

Commentary

Source – Wall Street Journal

- Annual data from Preqin shows that annual private equity distributions reached record levels in 2013.
- In 2013, a total of \$388bn was called and \$588bn distributed, compared to \$492bn and \$381bn in 2012 respectively.
- As of December 2013, total annual distributions surpassed capital calls by 46%; only in 2004, 2005 and 2011 have distributions exceeded capital calls and in each of these years it was by only 3%, 5% and 7% respectively.

Fig. 1: All Private Equity Amount Called, Distributed and
Distributions as a Percentage of All Private Equity Assets
under Management, 2000 - 2013

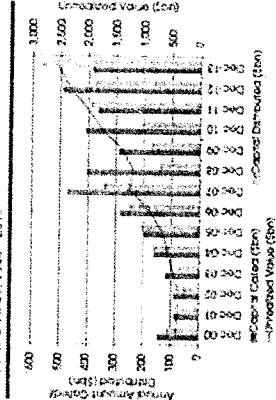
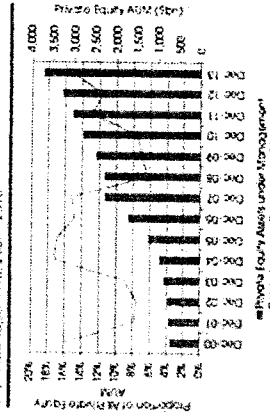
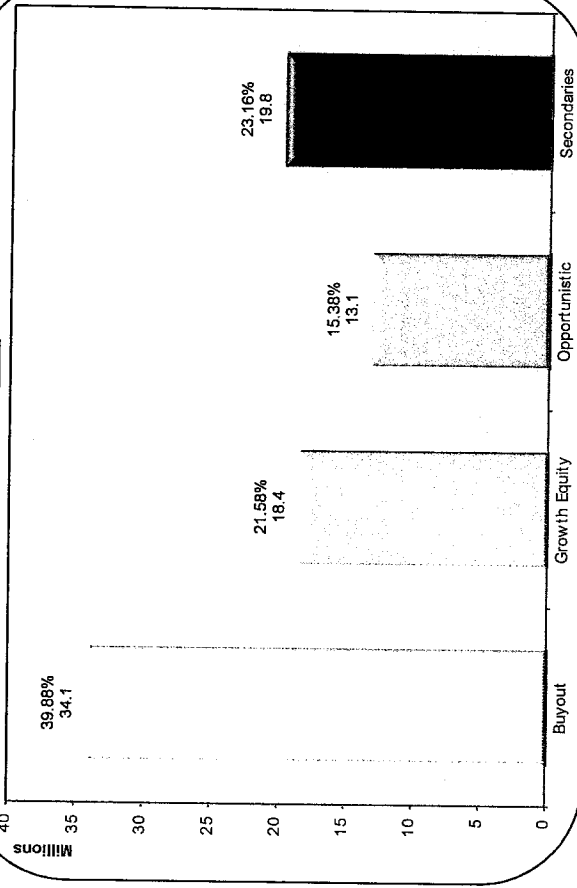


Fig. 2: Distributions as a Percentage of All Private Equity Assets
under Management, 2000 - 2013



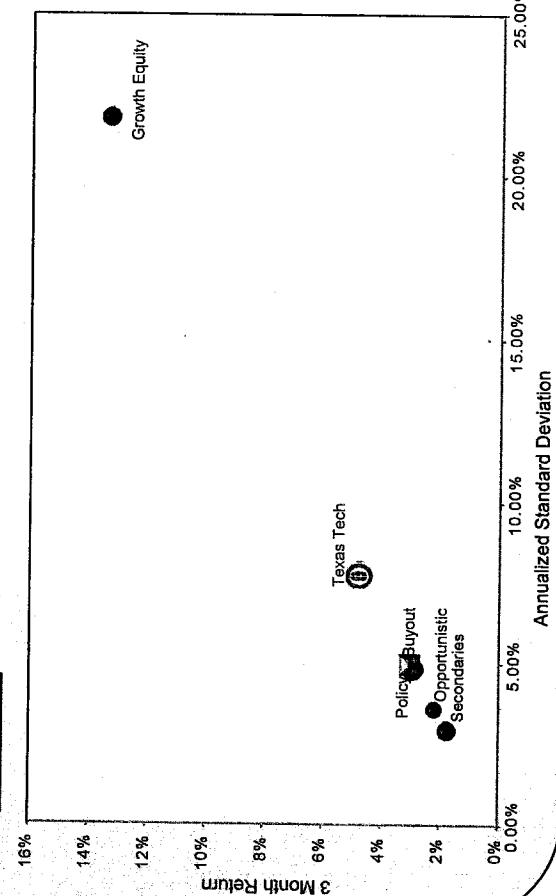
Source – Preqin

Exposure (Strategy)

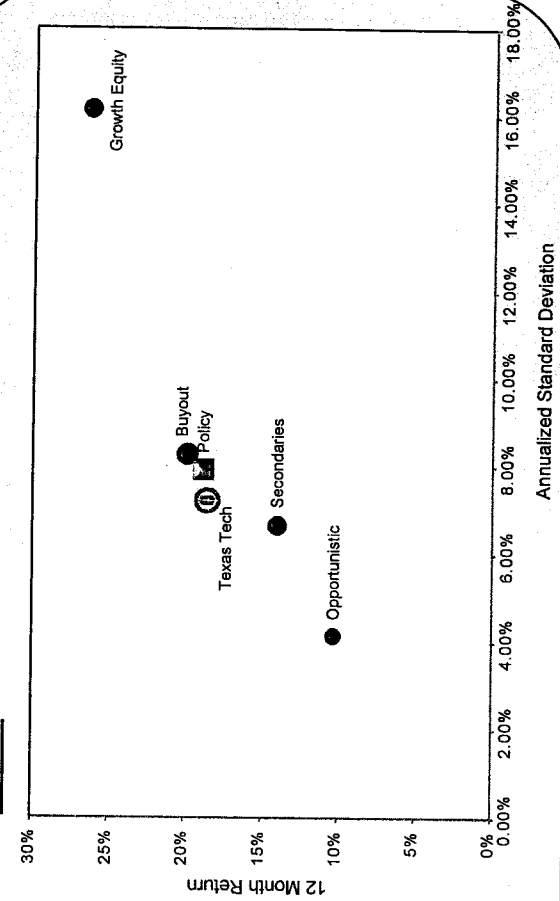


Risk vs. Return (Strategy)

Three Months



One Year



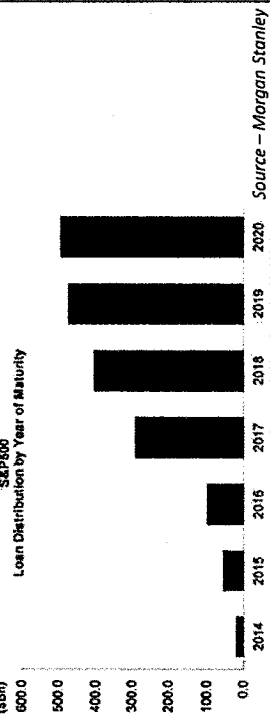
*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns. IRR returns can be seen in Appendix II.



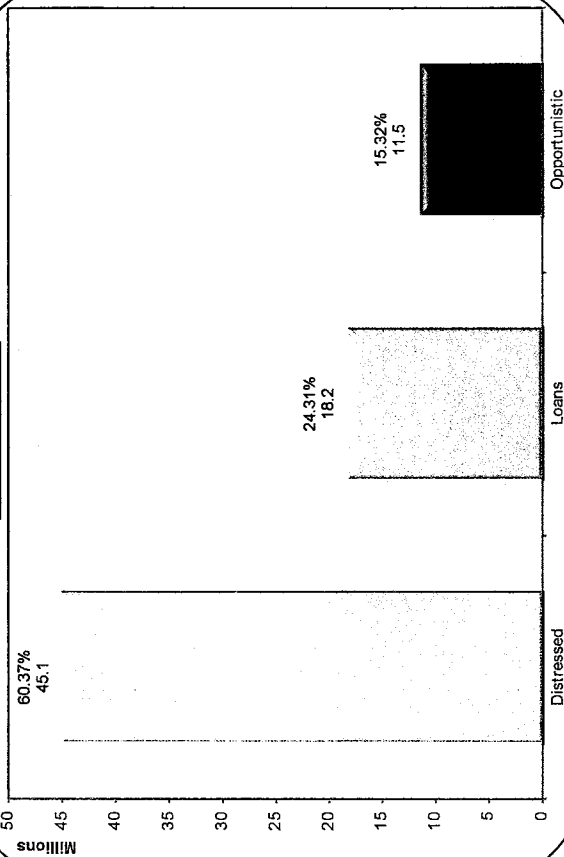
Overview and Risk Profile by Asset Class

Commentary

- Debt maturities have been pushed out until 2017 or later, as management teams have taken advantage of the low cost of capital and ample capital availability.
- While the total amount of debt due by US corporations is high, rolling over that debt is further out on the horizon and may not prove difficult. Interest coverage is elevated as cash-rich companies have been able to refinance at low interest costs. The odds of companies having difficulty making debt payments in the future is sharply lower than it has been in some time.
- MS economics team believes that when the Fed does begin to raise rates, the terminal nominal federal funds rate will be 3.5% and will take several years to get there. This suggests that even in a rising interest rate scenario companies will still face historically low costs of financing.

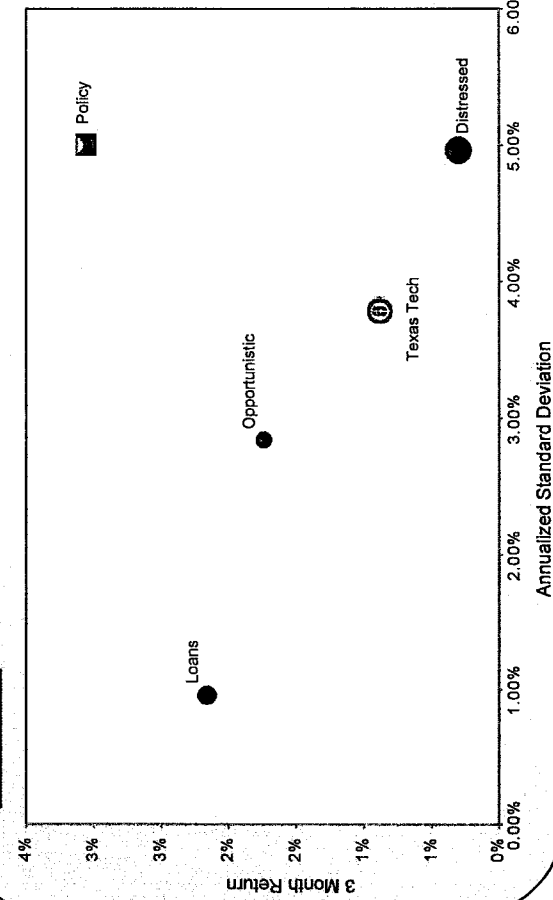


Exposure (Strategy)

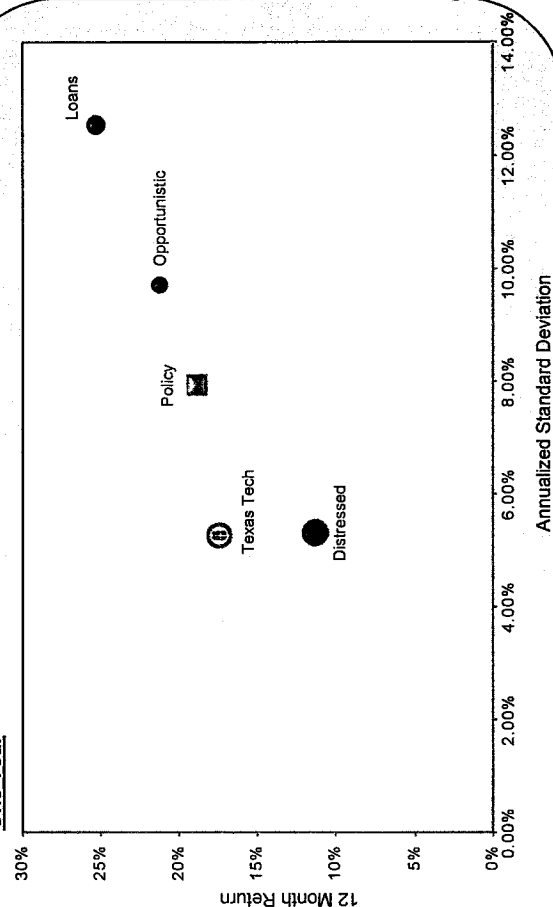


Risk vs. Return (Strategy)

Three Months



One Year



*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns. IRR returns can be seen in Appendix II.

Private Real Assets

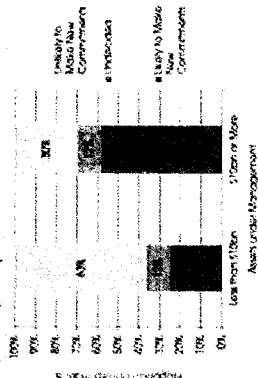
(Total NAV: \$98,121,128)

31st August 2014 (Final)

Overview and Risk Profile by Asset Class

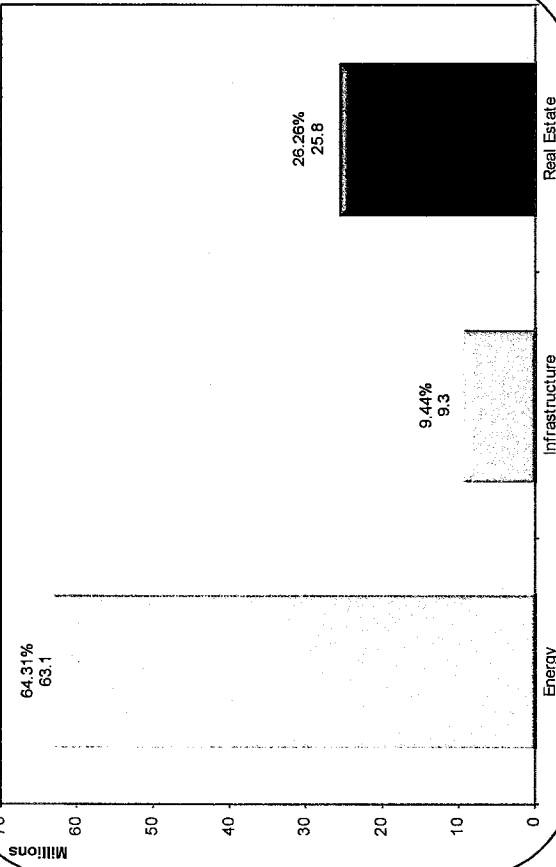
Commentary

- According to Preqin, a considerable 58% of investors with \$10bn or more in assets under management plan to invest in private real estate investments in the next 12 months. This compares to just 25% of investors with less than \$10bn in AUM.
- Regionally, European investors are marginally more likely to invest in the next 12 months than investors based in North America and Asia, with 38% planning to make new investments, compared to 32% and 37% respectively.
- Investor confidence in private real estate appears to have increased over the last six months, with 29% of investors planning to commit more capital to the asset class in the year ahead than they did over the previous 12 months, compared to 18% which stated so in December 2013.



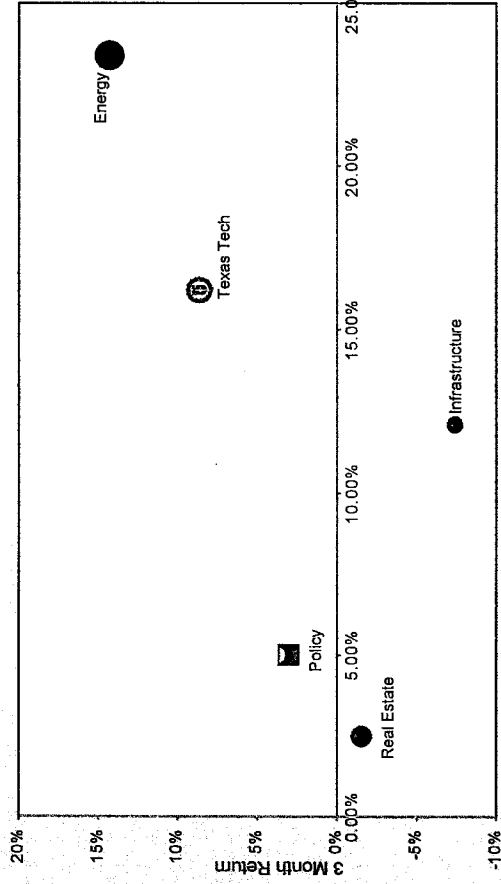
Source - Preqin

Exposure (Strategy)

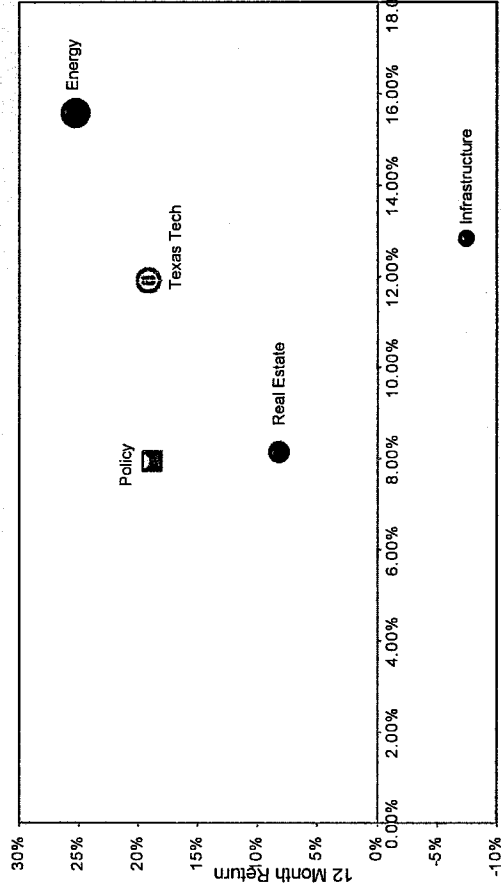


Risk vs. Return (Strategy)

Three Months



One Year



Annualized Standard Deviation

Annualized Standard Deviation

*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns. IRR returns can be seen in Appendix II.



31st August 2014 (Final)

Appendix I – Sub-Asset Detail



TEXAS TECH UNIVERSITY SYSTEM

Fund	Current Exposure	MTD Perf.	3 Mo. Perf.	Calendar YTD	Fiscal YTD	Nacubo YTD	1 Year Perf.	3 Year Perf.	5 Year Perf.
TOTAL	1,051,064,794	0.76%	2.76%	5.29%	14.71%	0.15%	14.71%	9.43%	9.36%
Policy		1.06%	2.26%	7.19%	15.64%	0.61%	15.64%	9.92%	10.41%
Equity	361,237,087	2.42%	3.42%	6.01%	19.72%	1.17%	19.72%	14.87%	11.97%
US Equity	79,254,974	4.00%	5.11%	6.94%	21.68%	1.96%	21.68%	15.72%	12.56%
Benchmark: S&P 500 Total Return		4.00%	4.68%	9.89%	25.25%	2.57%	25.25%	20.61%	16.88%
Global Equity	99,960,161	3.02%	4.41%	8.36%	26.22%	2.14%	26.22%	22.81%	n/a
Benchmark: MSCI ACWI		2.21%	2.87%	7.21%	20.99%	0.97%	20.99%	14.06%	11.80%
Non US Developed Equity	58,986,153	0.88%	-0.29%	2.99%	18.52%	-1.40%	18.52%	12.15%	10.20%
Benchmark: MSCI EAFE		-0.15%	-1.13%	2.93%	16.92%	-2.10%	16.92%	11.87%	8.69%
Non US Emerging Markets Equity	68,228,256	2.31%	6.62%	12.93%	21.63%	4.07%	21.63%	6.56%	8.07%
Benchmark: MSCI EMF		2.29%	7.18%	10.95%	20.40%	4.36%	20.40%	4.70%	8.24%
Alternative Equity	54,807,543	1.13%	0.86%	-3.98%	4.98%	-1.46%	4.98%	28.60%	n/a
Benchmark: MSCI ACWI		2.21%	2.87%	7.21%	20.99%	0.97%	20.99%	14.06%	11.80%
Debt	275,177,642	0.32%	1.33%	6.29%	10.37%	0.15%	10.37%	8.00%	8.47%
Sovereign/Investment Grade Bonds	108,533,213	0.70%	1.08%	4.00%	5.85%	0.59%	5.85%	3.39%	n/a
Benchmark: Barclays Global Aggregate		1.10%	0.90%	4.81%	5.66%	0.85%	5.66%	2.91%	4.48%
Credit	97,475,115	1.05%	2.50%	0.15%	7.62%	0.91%	7.62%	12.92%	11.39%
Benchmark: Barclays Global Aggregate		1.10%	0.90%	4.81%	5.66%	0.85%	5.66%	2.91%	4.48%
Emerging Markets Debt	68,169,314	-0.72%	0.80%	10.15%	15.08%	-0.89%	15.08%	7.98%	n/a
Benchmark: JP Morgan EM Bond Index		0.66%	1.38%	9.94%	13.91%	0.78%	13.91%	7.03%	9.52%
Liquid Real Assets	51,637,958	-0.47%	-2.84%	1.52%	-2.92%	-5.06%	-2.92%	-8.32%	-0.39%
Benchmark: CPI + 4%		0.17%	0.98%	4.80%	5.84%	0.46%	5.84%	5.78%	6.11%
Cash & Alpha Pool	93,568,189	0.14%	0.81%	3.02%	6.47%	0.24%	6.47%	5.58%	4.54%
Cash	(102,875,252)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%	0.22%
Cash Collateral	19,392,441	0.00%	0.00%	n/a	n/a	0.00%	n/a	n/a	n/a
Alpha Pool	177,051,000	0.27%	1.34%	4.98%	9.66%	0.45%	9.66%	8.53%	7.84%
Benchmark: HFRI FOF Index		0.89%	1.50%	2.64%	7.87%	0.51%	7.87%	4.27%	3.81%
Liquidating	11,002,977	-0.04%	2.71%	-2.17%	5.51%	-0.02%	5.51%	0.49%	3.72%

*Cash is adjusted for synthetic exposures.

31st August 2014 (Final)

Appendix I – Sub-Asset Detail (cont.)



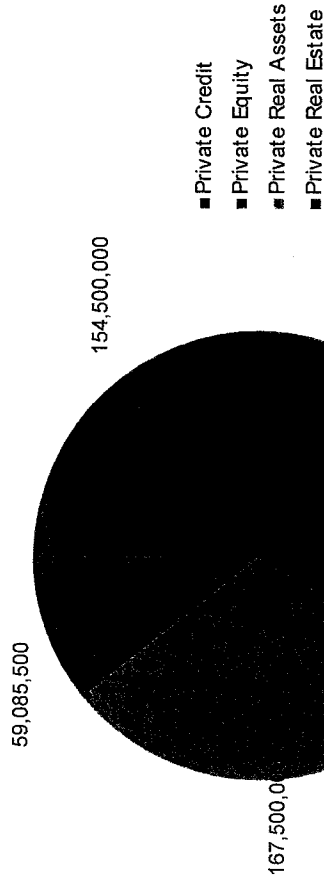
Fund	Current Exposure	1 Year Performance	3 Year Performance	5 Year Performance
Private Investments	258,440,940	18.36%	11.44%	12.97%
Benchmark: Private Market Index (90% VE, 10% NCREIF)				
Private Equity	85,462,150	18.10%	13.26%	10.89%
Private Credit	74,857,662	18.31%	10.73%	11.42%
Private Real Assets	98,121,128	17.45%	11.14%	13.59%
		19.17%	12.27%	13.88%

*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns. IRR returns can be seen in appendix 2.



Appendix II - Private Markets Report (as of August 2014) - Total Commitment

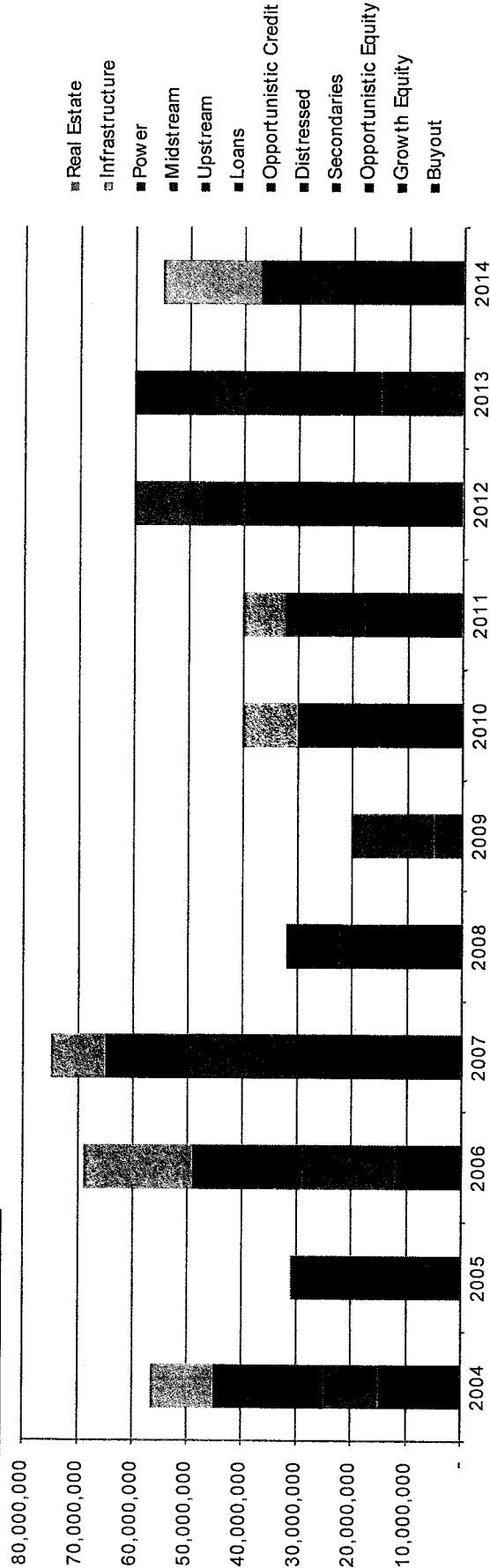
Total Commitment



Total Unfunded



Commitment by Vintage Year



Data Provided by Texas Tech University System
Reported Valuations through June 30, 2014 Statements
Adjusted Valuations included all cashflows through August 31, 2014



Appendix II - Private Markets Report (as of August 2014) - Performance Analysis by Strategy Type & Asset Class

Performance by Strategy Type

Asset Class	Strategy	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	MOC
Private Equity	Buyout	6	\$67,500,000	\$53,217,378	\$56,411,863	\$59,702,674	84%	\$34,866,200	\$30,564,110	12.30%	1.60
	Growth Equity	2	\$32,500,000	\$10,844,882	\$11,958,677	\$1,030,168	37%	\$11,788,059	\$12,165,162	7.79%	1.10
	Opportunistic	2	\$35,000,000	\$31,300,000	\$31,300,000	\$14,424,876	89%	\$20,427,792	\$20,802,138	2.93%	1.13
	Secondary	3	\$27,500,000	\$20,673,022	\$21,092,739	\$11,047,455	77%	\$19,849,346	\$19,604,275	10.30%	1.45
	Total	13	\$162,500,000	\$116,035,282	\$120,763,279	\$86,205,173	74%	\$86,931,397	\$83,135,685	9.38%	1.40
Private Credit	Distressed	9	\$92,000,000	\$87,178,082	\$87,240,080	\$81,760,668	95%	\$44,192,279	\$45,513,436	13.19%	1.46
	Loans	2	\$45,000,000	\$17,272,219	\$17,272,219	\$0	38%	\$18,051,393	\$18,051,393	5.43%	1.05
	Opportunistic	2	\$17,500,000	\$9,158,840	\$10,221,374	\$1,203,873	58%	\$11,155,313	\$11,155,313	15.37%	1.21
	Total	13	\$154,500,000	\$113,609,141	\$114,733,683	\$82,964,541	74%	\$73,398,985	\$74,720,142	13.21%	1.37
Private Real Assets	Upstream	6	\$97,000,000	\$80,253,547	\$84,048,588	\$95,721,673	87%	\$36,510,004	\$32,868,553	18.44%	1.53
	Midstream	3	\$42,500,000	\$27,330,201	\$28,475,047	\$18,627,230	67%	\$26,931,054	\$26,247,348	34.79%	1.58
	Power	1	\$10,000,000	\$8,420,529	\$8,541,077	\$3,093,891	85%	\$2,869,821	\$2,772,930	-16.41%	0.69
	Infrastructure	1	\$18,000,000	\$9,364,628	\$10,476,177	\$105,248	58%	\$0	\$9,259,378	-10.72%	0.89
	Total	11	\$167,500,000	\$125,368,903	\$131,540,889	\$117,548,042	79%	\$66,310,879	\$71,148,209	18.30%	1.43
Private Real Estate	Value-Add	3	\$51,585,500	\$28,824,135	\$28,886,064	\$22,210,443	91%	\$13,876,507	\$13,876,507	5.18%	1.25
	Opportunistic	3	\$27,500,000	\$23,645,226	\$23,893,392	\$3,202,707	87%	\$11,176,037	\$11,698,005	-10.42%	0.62
	Total	6	\$59,085,500	\$52,469,361	\$52,779,456	\$25,413,150	89%	\$25,062,544	\$25,574,512	-0.82%	0.97

Performance by Asset Class

Asset Class	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	MOC
Private Equity	13	\$162,500,000	\$116,035,282	\$120,763,279	\$86,205,173	74%	\$86,931,397	\$83,135,685	9.38%	1.40
Private Credit	13	\$154,500,000	\$113,609,141	\$114,733,683	\$82,964,541	77%	\$73,398,985	\$74,720,142	13.21%	1.37
Private Real Assets	11	\$167,500,000	\$125,368,903	\$130,996,900	\$117,548,042	78%	\$66,310,879	\$71,148,209	18.30%	1.43
Private Real Estate	6	\$59,085,500	\$52,469,361	\$52,779,456	\$25,413,150	97%	\$25,062,544	\$25,574,512	-0.82%	0.97
Total	43	\$543,585,500	\$407,482,687	\$426,394,675	\$312,130,906	78%	\$251,693,805	\$254,578,548	10.62%	1.35



Major Asset Classes

Alpha Pool: Investments that tend to be uncorrelated with “traditional” stock and bond investments. Not technically an asset class, but rather an investment construct within a “portable alpha framework”

Cash & Equivalents: Cash and short term investments held in lieu of cash and readily converted into cash within a short time span (i.e., CDs, commercial paper, Treasury bills, etc.)

Global Debt: Investments in debt instruments located in developed markets, may include various credit, mortgage-backed and emerging markets debt securities

Global Equity: Investments in companies domiciled in developed market countries and may include opportunistic investments in emerging market countries

Liquidating: The residual investment in terminated managers

Liquid Real Assets: Liquid investments in strategies whose values are sensitive to inflation

Private Equity: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange

Private Real Assets: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange and whose strategies are sensitive to inflation

Sub-Asset Classes

Alternative Equity: Investments in companies globally through both long and short positions and may include non-equity instruments such as fixed income, commodities, CDS, options, etc.

Credit: Investments in companies, often stressed or distressed, principally through the debt portion of capital structure

Emerging Market Debt: Investments in debt securities in emerging market countries, primarily in three categories - external sovereign, local sovereign, and corporate debt

Emerging Market Equity: Investments in companies located in emerging market countries

Investment Grade Bonds: Investments in investment grade rated debt securities

Non-US Developed Equity: Investments in companies domiciled in developed market countries

US Equity: Investments in companies domiciled in the US



Investment Terms/Performance Statistics

Active Premium: A measure of the investment's annualized return minus the benchmark's annualized return

Alpha: Return generated by the manager that is not explained by the returns of the benchmark. A measure of a fund's performance beyond what its benchmark would predict

Annual Return: The annual rate at which an investment would have grown, if it had grown at a steady rate. Also called "Compound Annual Growth Rate" (CAGR), or the "Compound Rate of Return Annualized" (Compound RoR)

Annual Volatility: A statistical measure of the dispersion of returns around the average (mean) return. Often used as a measure of investment risk with a higher value indicating higher risk

Arbitrage: The simultaneous purchase and sale of an asset in order to profit from a difference in the price

Beta: A measure of the risk of the fund relative to the benchmark. Beta describes the sensitivity of the investment to benchmark movements where the benchmark is always assigned a beta of 1.0

Calmar Ratio: A return/risk ratio calculated over the last three year period as [annual compounded return / (Maximum Drawdown)]

Capital Commitment: Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time.

Capital Distribution: The returns that an investor in a private equity fund receives; the income and capital realized from investments less expenses and liabilities

Carried Interest: The share of profits that the fund manager is due once it has returned the cost of investment to investors

Catch up: A clause that allows the general partner to take, for a limited period of time, a greater share of the carried interest than would normally be allowed. This continues until the time when the carried interest allocation, as agreed in the limited partnership, has been reached.

Clawback: Ensures that a general partner does not receive more than its agreed percentage of carried interest over the life of the fund

Correlation: A measure between +1 and -1 that explains the degree to which the returns of the fund and a benchmark are related

Down Capture: Measures how much of the benchmark's return the fund captures when the benchmark is negative

Down Number: The percentage of the time the fund was down when the benchmark was down

Drawdown: When a private equity firm has decided where it would like to invest, it will approach its own investors in order to draw down the money. The money will already have been pledged to the fund but this is the actual act of transferring the money so that it reaches the investment target

Excess Kurtosis: Measures the distribution of observed data around the mean with an emphasis on "outlier" data, both positive and negative

Exit: The means by which a fund is able to realize its investment in a company – by an initial public offering, a trade sale, selling to another private equity firm or a company buy-back

Fundraising: The process by which a private equity firm solicits financial commitments from limited partners for a fund

General Partner: This can refer to the top-ranking partner(s) at a private equity firm as well as the firm managing the private equity fund

31st August 2014 (Final)

Appendix III – Glossary (cont.)

Investment Terms/Performance Statistics (cont.)

Gross Exposure: Aggregate of long and short investment positions in relation to the Net Asset Value (NAV)

Holding Period: The length of time that an investment is held

Information Ratio: The Active Premium divided by the Tracking Error. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark

Internal Rate of Return: A time-weighted return expressed as a percentage that uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount

Leverage: Increasing exposure to markets (both long and short) by borrowing or the use of derivatives

Limited Partnership: The standard vehicle for investment in private equity funds

Long Position: Owning a security

Management Fee: The annual fee paid to the general partner

Max Drawdown: The largest percentage loss of Net Asset Value (NAV) as measured from peak-to-trough

Net Exposure: Difference between the long and short positions, representing the exposure to market fluctuations

Preferred Return: This is the minimum amount of return that is distributed to the limited partners until the time when the general partner is eligible to deduct carried interest

Omega Ratio: The weighted gain/loss ratio relative to the average monthly historical return; captures the effects of extreme returns and conveys the preference for positive volatility versus negative volatility

Sharpe Ratio: A return/risk ratio calculated as: [(annual compounded return - risk-free rate) / (annual volatility of returns)]

Skewness: A measure of the symmetry of return distribution, as compared with a normal (bell-shaped) distribution

Sortino Ratio: A return/risk ratio calculated as such: [(annual compounded return - minimum acceptable return (MAR) / (downside deviation of returns below MAR)]. This ratio was developed to differentiate between good (upside) and bad (downside) volatility

Standard Deviation: Measures the dispersal or uncertainty in a random variable (in this case, investment returns). It measures the degree of variation of returns around the mean (average) return

Short Position: Selling a security

Tracking Error: A measure of the unexplained portion of an investments performance relative to a benchmark

Up Capture: Measures the percentage of the benchmark's return the fund captures when the benchmark is positive

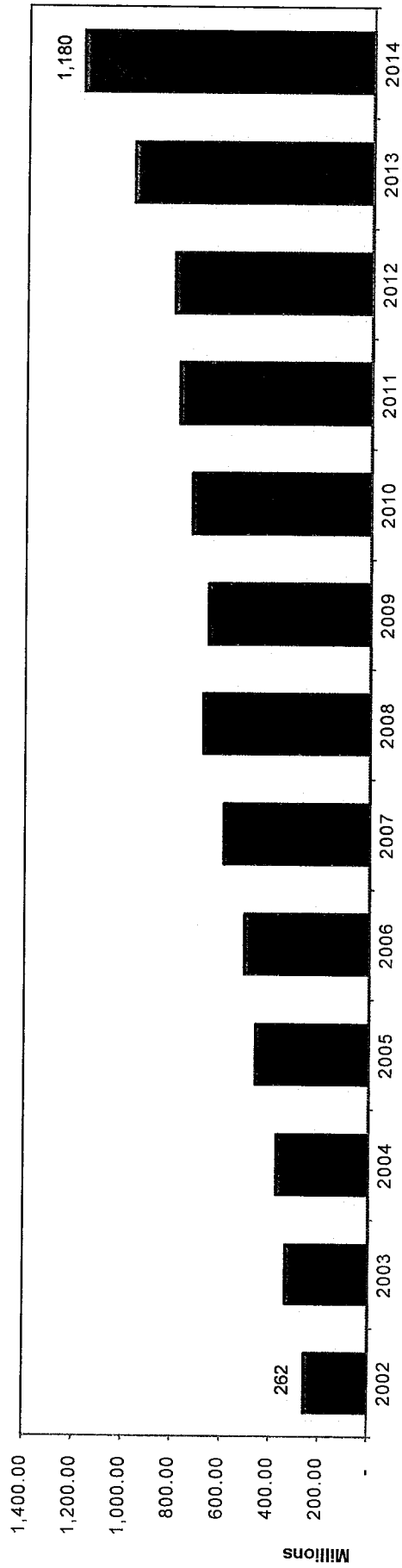
Up Number: The percentage of the time the fund was up when the benchmark was up

Value at Risk (VAR): The maximum loss that can be expected within a specified holding period with a specified confidence level

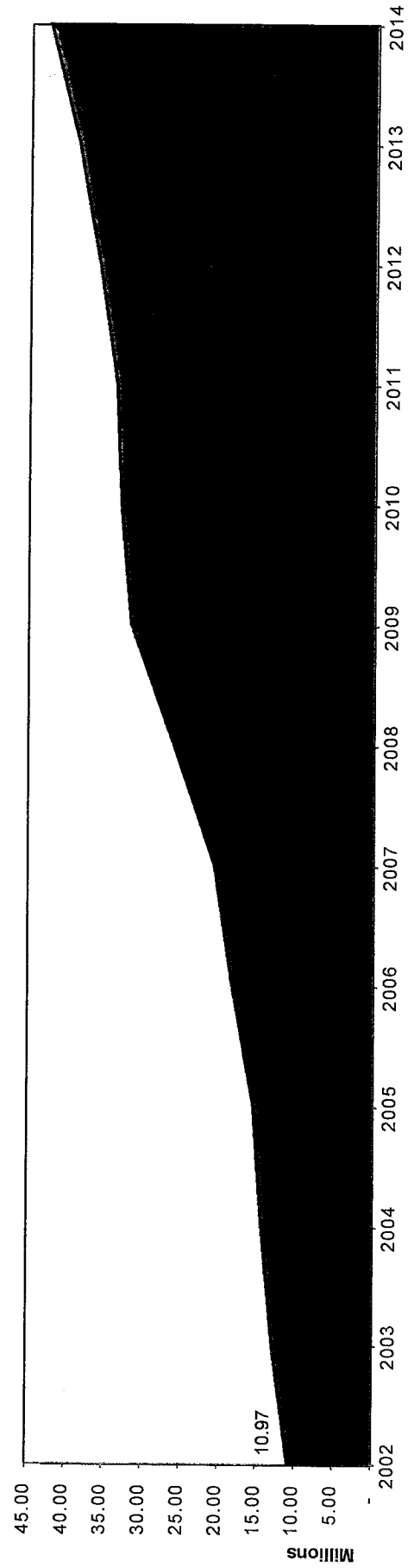


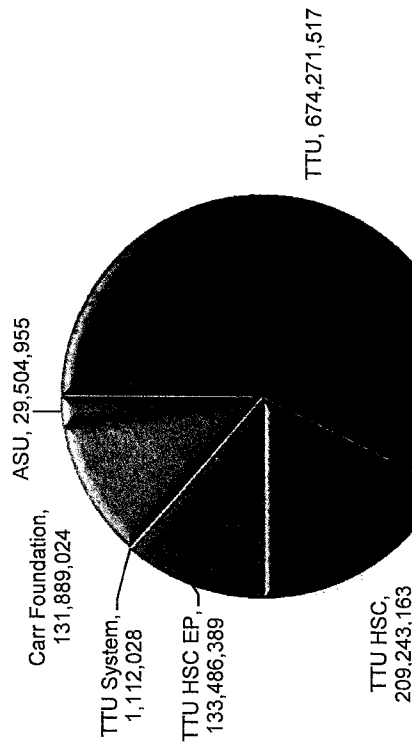
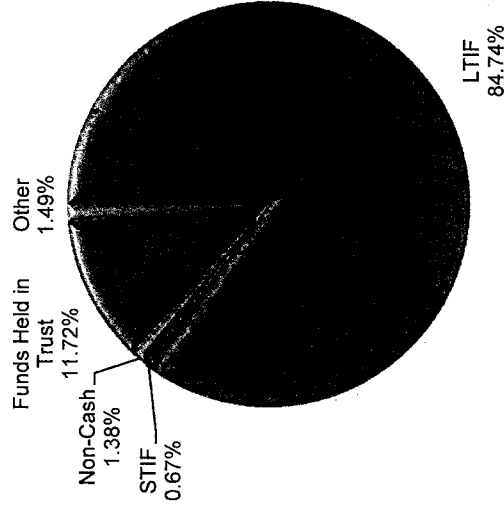
Appendix IV – Endowment Report

Historical Market Value (Fiscal Year)



Historical Spending (Fiscal Year)

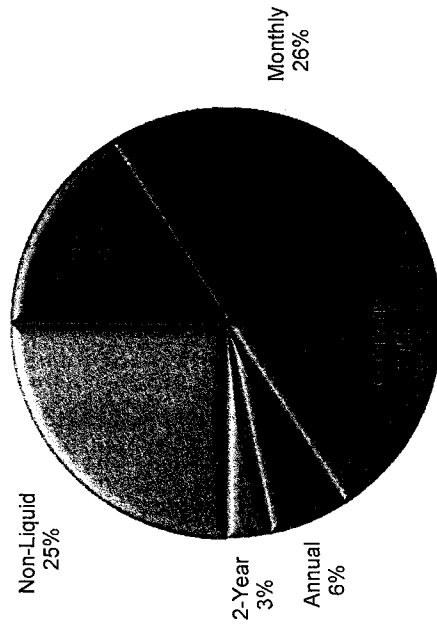


**Total Endowment (Fiscal Year 2014)****Texas Tech University System Endowment Breakout
by Institution****Texas Tech University System Endowment Breakout
by Pool****Summary of Endowment**

	TTU	TTU HSC	TTU HSC EP	TTU System	Carr Foundation	ASU	Total
LTIF	\$605,640,386	\$140,553,675	\$99,040,709	\$1,096,799	\$124,707,323	\$28,447,714	\$999,486,605
STIF	\$4,894,311	\$2,699,405	\$69	(\$3,956)	\$0	\$290,627	\$7,880,455
Non-Cash	\$6,907,137	\$2,273,830	\$0	\$0	\$6,837,834	\$226,935	\$16,245,736
Funds Held in Trust	\$40,245,612	\$63,037,680	\$34,445,612	\$0	\$0	\$539,085	\$138,267,989
Other	\$16,584,071	\$678,573	\$0	\$19,186	\$343,867	\$595	\$17,626,291
Total	\$674,271,517	\$209,243,163	\$133,486,389	\$1,112,028	\$131,889,024	\$29,504,955	\$1,179,507,076

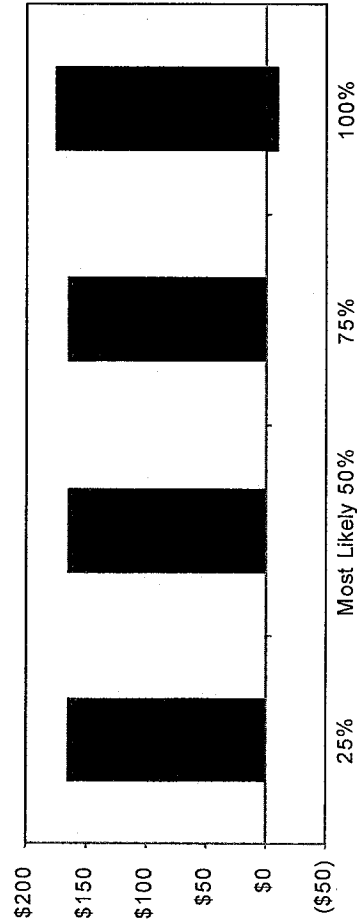
Appendix IV – Endowment Report (cont.)

Endowment Liquidity



Endowment		Liquidity
Daily	\$166,087,723	15.8%
Monthly	\$274,288,211	26.1%
Quarterly	\$250,287,379	23.8%
Annual	\$62,689,046	6.0%
2-Year	\$33,515,125	3.2%
Non-Liquid	\$264,197,312	25.1%
Total Endowment	\$1,051,064,794	100%

Liquidity Sensitivity



■ Maximum Remaining Annual Cash Needed ■ Total Daily Liquidity

Unfunded Commitments - Sensitivity Analysis

Maximum Remaining Annual Cash Needed
Percentage of Daily Liquidity

25% Called
\$77,811,927
47%

Most Likely 50% Called
\$110,423,854
66%

75% Called
\$143,035,780
86%

100% Called
\$175,647,707
106%

	Commitment	Capital Called	Distributions	Account Balance	Remaining Commitment
Private Equity	\$162,500,000	\$120,763,279	\$86,205,173	\$83,135,685	\$44,061,299
Private Credit	\$154,500,000	\$114,733,683	\$82,964,541	\$74,720,142	\$39,981,989
Real Assets	\$226,585,500	\$184,320,345	\$142,961,192	\$96,722,721	\$46,404,419
Total	\$543,585,500	\$419,817,307	\$312,130,906	\$254,578,548	\$130,447,707

Annual Spending \$45,200,000

Total Committed Funds \$175,647,707



Item 2

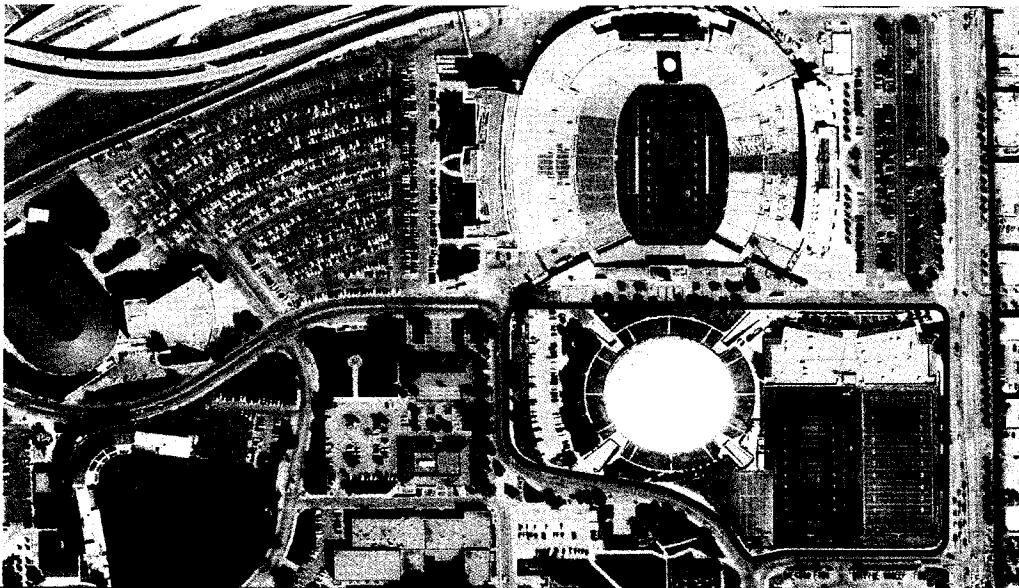
Texas Tech University

Approve conferral of honorific naming

Dr. M. Duane Nellis

Item 2

Edward E. Whitacre Jr. Athletic Complex



Texas Tech University

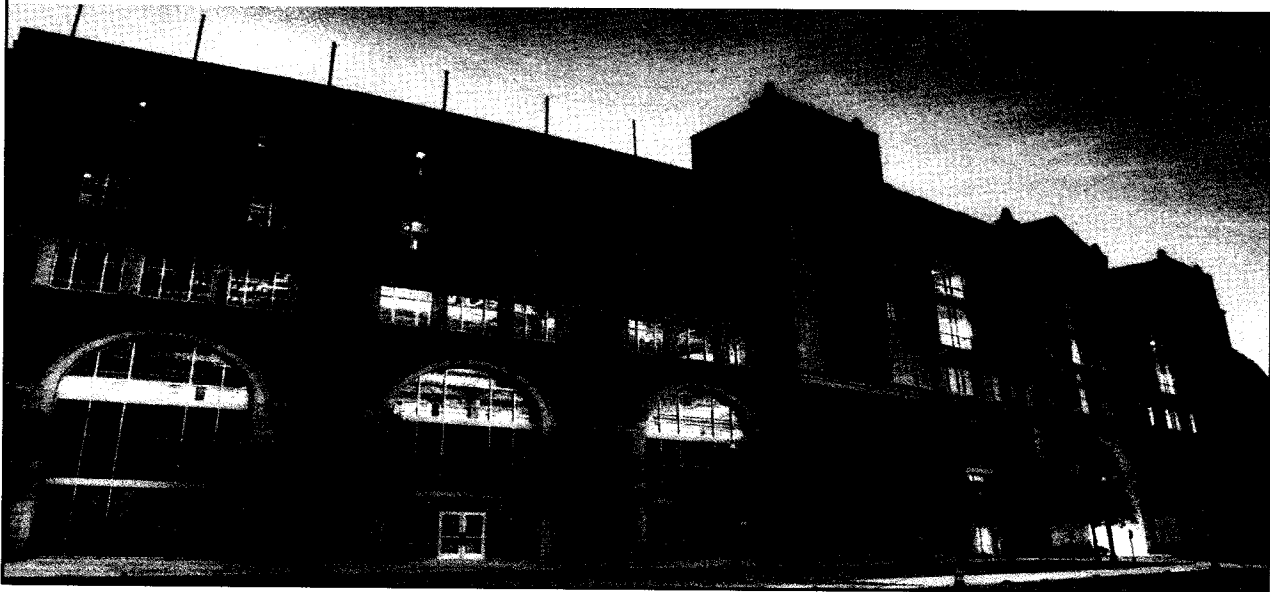
Item 3

Approve a project to finish-out Jones AT&T
Stadium East Building – Southeast First Floor

Michael S. Molina

Jones AT&T Stadium East Building

Item 3



Item 3

Scope of Work

- Finish-out 7,035 SF of shelled space on first floor to house:
 - Athletic Ticket Office
 - Fan Engagement Center to include
 - Ticket lobby
 - Tickets sales transaction counters
 - Staff offices
 - Meeting rooms
 - Copy/workroom/storage/vault
 - Restrooms and support space

Item 3

Project Budget

Project Budgets	\$ 1,650,000
Construction	\$ 1,031,900
Professional Services	\$ 179,233
FF&E	\$ 259,092
Administrative Cost	\$ 47,775
BOR Directed Fees*	\$ 82,830
Contingency	\$ 49,170

*Waived Board directed fees for landscape enhancement and public art

Item 3

Proposed Schedule

- Start Construction January 2015
- Substantial Completion July 2015
- Final Completion August 2015

Item 3

Recommendation

- Authorize to proceed with a project to finish-out the Jones AT&T Stadium East Building – Southeast First Floor with a budget of \$1,650,000; waive the board directed fees for landscape enhancements and public art; report project to the Texas Higher Education Coordinating Board; complete the contract documents; and award a construction contract.
- The project will be funded through the Revenue Finance System (RFS) to be repaid with a gift (\$1,200,000) and athletic revenues (\$450,000).

Texas Tech University

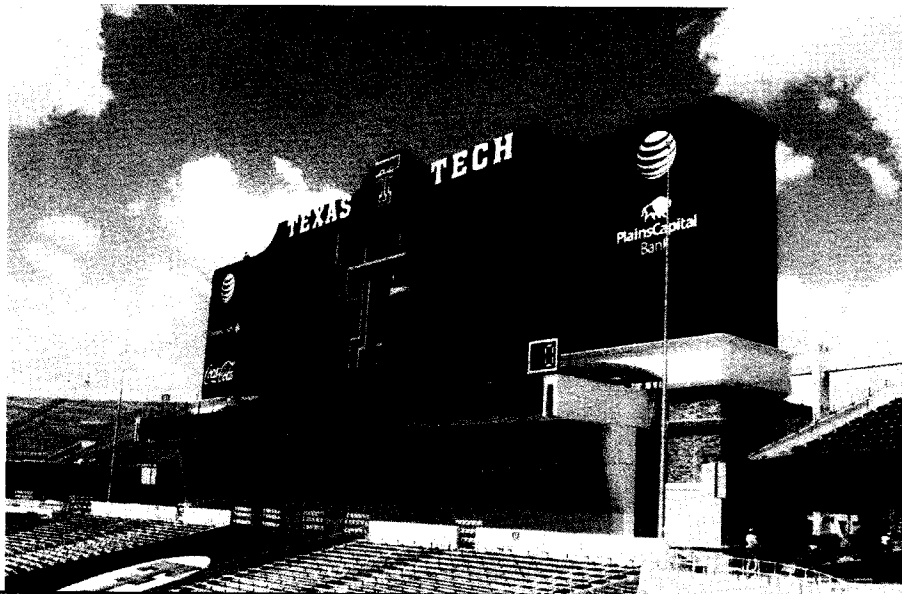
Item 4

Approve a project to renovate the Jones AT&T
Stadium North End Zone Building

Michael S. Molina

Jones AT&T Stadium North End Zone Building

Item 4



Item 4

Scope of Work

- Renovate existing 9,500 GSF and add 1,005 GSF to create:
 - Game Day Club space
 - Utilize existing 364 premium seats (Section 112, A & B)
 - Approximately 200 additional premium seats
 - Food/beverage service areas
 - Catering kitchen with food service line
 - Support spaces, restrooms, and housekeeping space
 - Food and beverage to be managed by an outside service group managed by Athletics department

Item 4

Project Budget

Project Budget	\$ 3,750,000
Construction	\$ 2,404,500
Professional Services	\$ 309,662
FF&E	\$ 668,638
Administrative Cost	\$ 67,200
BOR Directed Fees	\$ 263,250
Contingency	\$ 36,750

Item 4

Proposed Schedule

- | | |
|--------------------------|-------------|
| ➤ Start Construction | August 2015 |
| ➤ Substantial Completion | June 2016 |
| ➤ Final Completion | July 2016 |

Item 4

Recommendation

- Authorize to proceed with a project to renovate the Jones AT&T Stadium North End Zone building with a budget of \$3,750,000; report project to the Texas Higher Education Coordinating Board; complete the contract documents; and award a construction contract.
- Project will be funded through the Revenue Finance System (RFS) to be repaid with a donation (\$2,500,000) and Athletic Seat License Revenue (\$1,250,000).
- The naming of this facility is reserved to a confidential donor at this time.

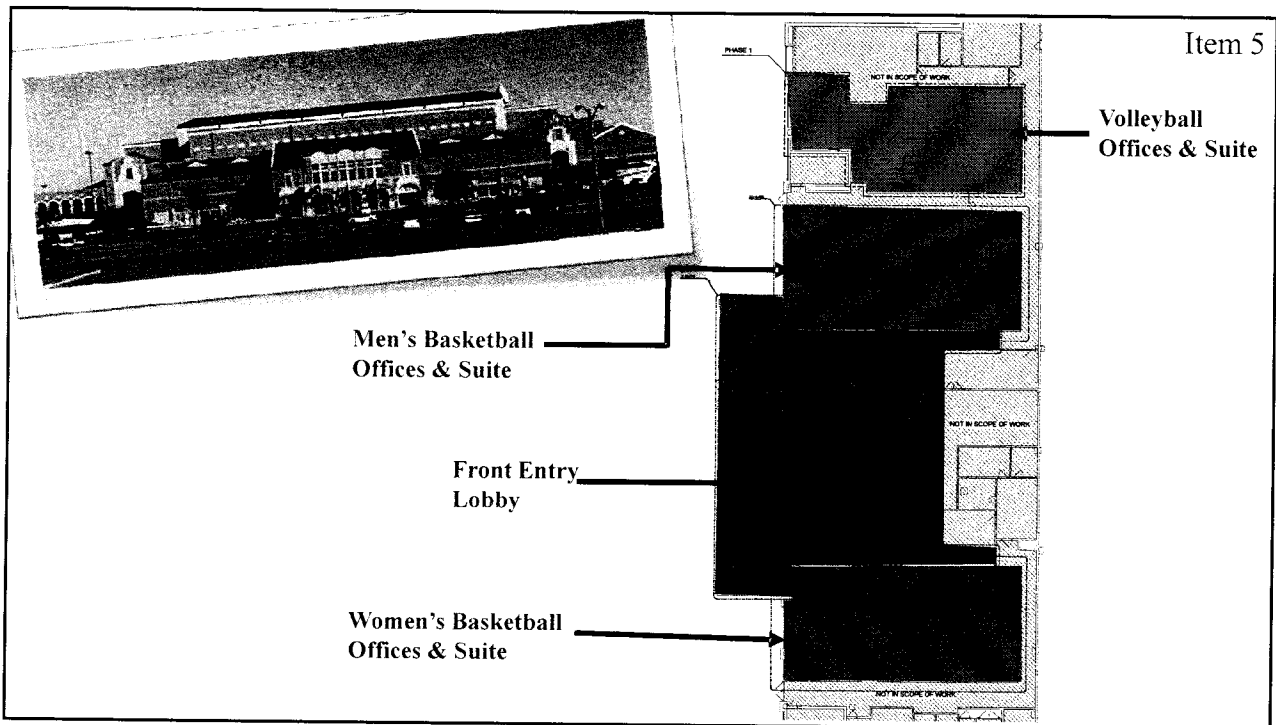
Texas Tech University

Item 5

Approve budget increase to the United Supermarkets Arena renovations project

Michael S. Molina

Kirby Hocutt



Item 5

Scope of Work

➤ Additional Scope includes:

- Renovation of the Men, Women, and Volleyball Coaches' offices and suites
- Full redesign and renovation of the main west front entry lobby
 - Gathering space
 - Former retail space

Item 5

Project Budgets	Previously Approved Budget \$ 4,300,000	Revised Budget \$ 5,050,000
Construction	\$ 3,100,000	\$ 3,730,000
Professional Services	\$ 293,000	\$ 363,000
FF&E	\$ 338,815	\$ 338,815
Administrative Cost	\$ 14,000	\$ 14,000
BOR Directed Fees*	\$ 206,844	\$ 241,844
Contingency	\$ 347,341	\$ 362,341

*Waived Board directed fees for landscape enhancement and public art

Item 5

Proposed Schedule

- | | |
|--------------------------|----------------|
| ➤ Start Construction | January 2015 |
| ➤ Substantial Completion | September 2015 |
| ➤ Final Completion | October 2015 |

Item 5

Recommendation

- Authorize increase to the project budget for the United Supermarkets Arena Renovations by \$750,000 for a total project budget of \$5,050,000; waive the board directed fees for landscape enhancements and public art associated with this additional scope of work; complete the contract documents; and amend the design-build contract.
- Budget increase will be funded with taxable debt through the Revenue Finance System (RFS) to be repaid with funds from the naming agreement.

Item 6

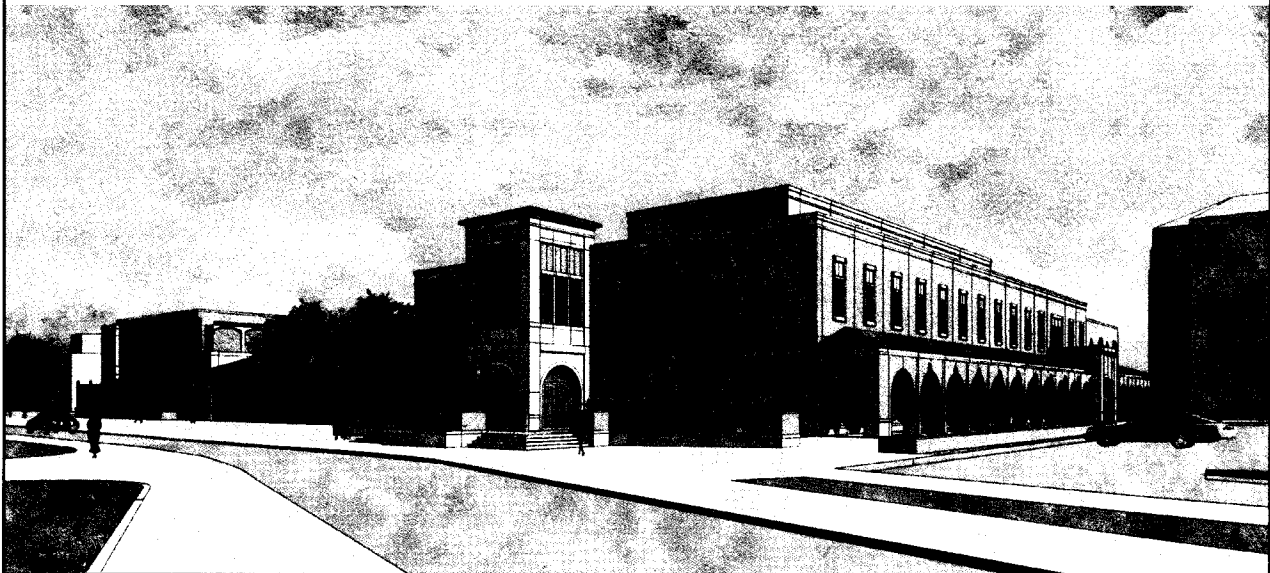
Texas Tech University

Approve budget increase to the Bayer Plant
Science Building project

Michael S. Molina

Item 6

Bayer Plant Science Building



Item 6

Scope of Work

- Increase will allow for West and North colonnade walkways to be re-instated within the construction contract
- Factors contributing to increase of the construction budget:
 - Delay in the construction start date due to the timing receipt of gift funds
 - Construction cost escalation due to the 5 month delay associated with change in general contractor
 - Drawn-out Project schedule of 3 years from inception (June 2011) to today.

Item 6

	Previously Approved Budget	Revised Budget
Project Budgets	\$ 13,600,000	\$ 14,340,000
Construction	\$ 9,600,000	\$ 11,342,452
Professional Services	\$ 1,288,282	\$ 1,270,393
FF&E	\$ 899,500	\$ 551,330
Administrative Cost	\$ 238,540	\$ 112,035
BOR Directed Fees	\$ 753,678	\$ 788,787 *
Contingency	\$ 820,000	\$ 275,003

*Waived Board directed fees for landscape enhancement and public art

Item 6

Proposed Schedule

- Start Construction August 2014
- Substantial Completion July 2015
- Final Completion August 2015

Item 6

Recommendation

- Authorize increase to the project budget for the Bayer Plant Science Building project by \$740,000 for a total project budget of \$14,340,000; waive the board directed fees for landscape enhancements and public art associated with this scope of work; report the project to the Texas Higher Education Coordinating Board; complete the contract documents; and amend the Construction Manager at Risk contract.
- Budget increase will be funded with the Revenue Finance System (RFS) to be repaid with interest earnings.

Texas Tech University

Item 7

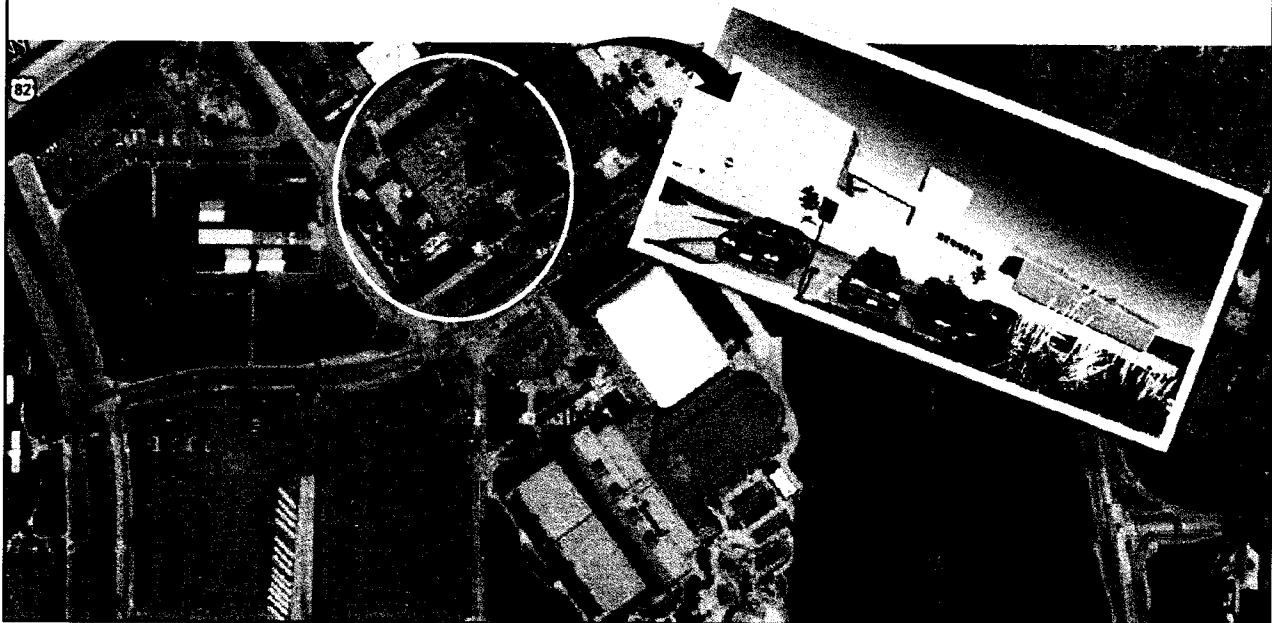
Approve a project to construct CHACP 1 Utility Infrastructure Upgrades – Phase II

Michael S. Molina

Sean Childers

CHACP I

Item 7



Item 7

Scope of Work

- Utility infrastructure upgrades to the Central Heating and Cooling Plant No. 1 (CHACP1)
- Phase II will replace:
 - The existing steam driven #3 chiller with an electric unit
 - Removes last ozone depleting refrigerant (R22) chiller
 - R22 refrigerant is no longer in production

Item 7

Project Budget

Project Budget	\$ 6,750,000
Construction	\$ 5,650,000
Professional Services	\$ 425,000
FF&E	\$ 0
Administrative Cost	\$ 0
BOR Directed Fees*	\$ 0
Contingency	\$ 675,000

*Waived Board directed fees

Item 7

Proposed Schedule

- | | |
|--------------------------|----------------|
| ➤ Design RFQ | January 2015 |
| ➤ Start Construction | January 2016 |
| ➤ Substantial Completion | September 2017 |
| ➤ Final Completion | December 2017 |

Item 7

Recommendation

- Authorize Operations Division, Department of Engineering Services to proceed with a project to construct CHACP1 Utility Infrastructure Upgrades-Phase II with a budget of \$6,750,000; waive the board directed fees for landscape enhancement and public art; authorize Facilities Planning & Construction to report the project to the Texas Higher Education Coordinating Board; complete the contract documents; and award a construction contract.
- The project will be funded through the Revenue Finance System (RFS) repaid with utility revenue.

Item 8

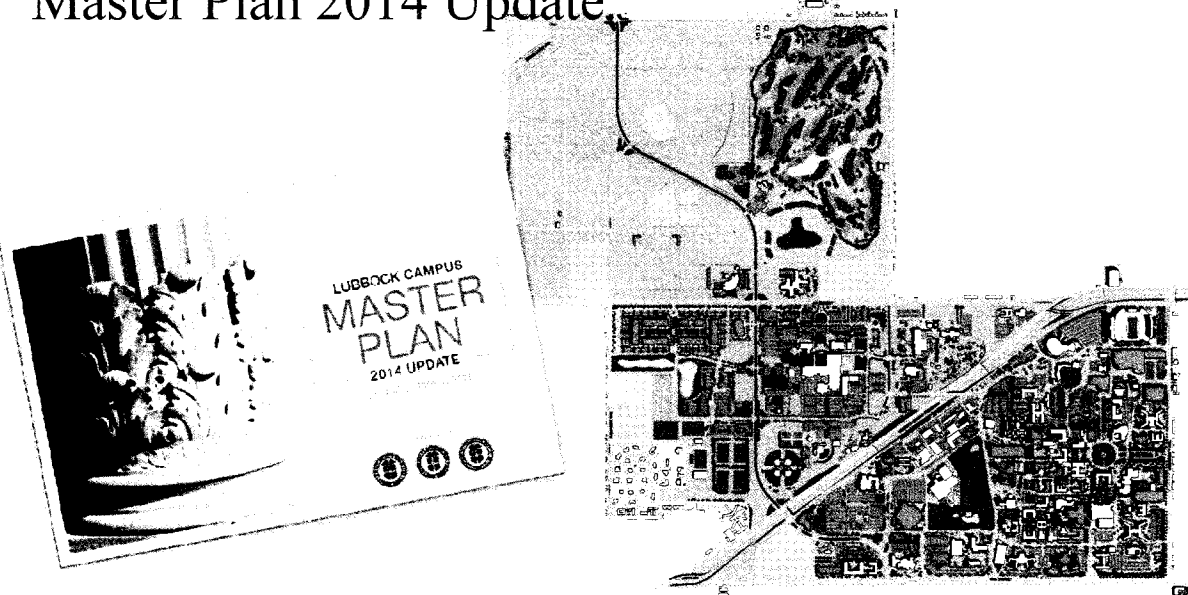
Texas Tech University System

Approve final draft of TTU/TTUHSC Lubbock Campus Master Plan Update

Michael S. Molina

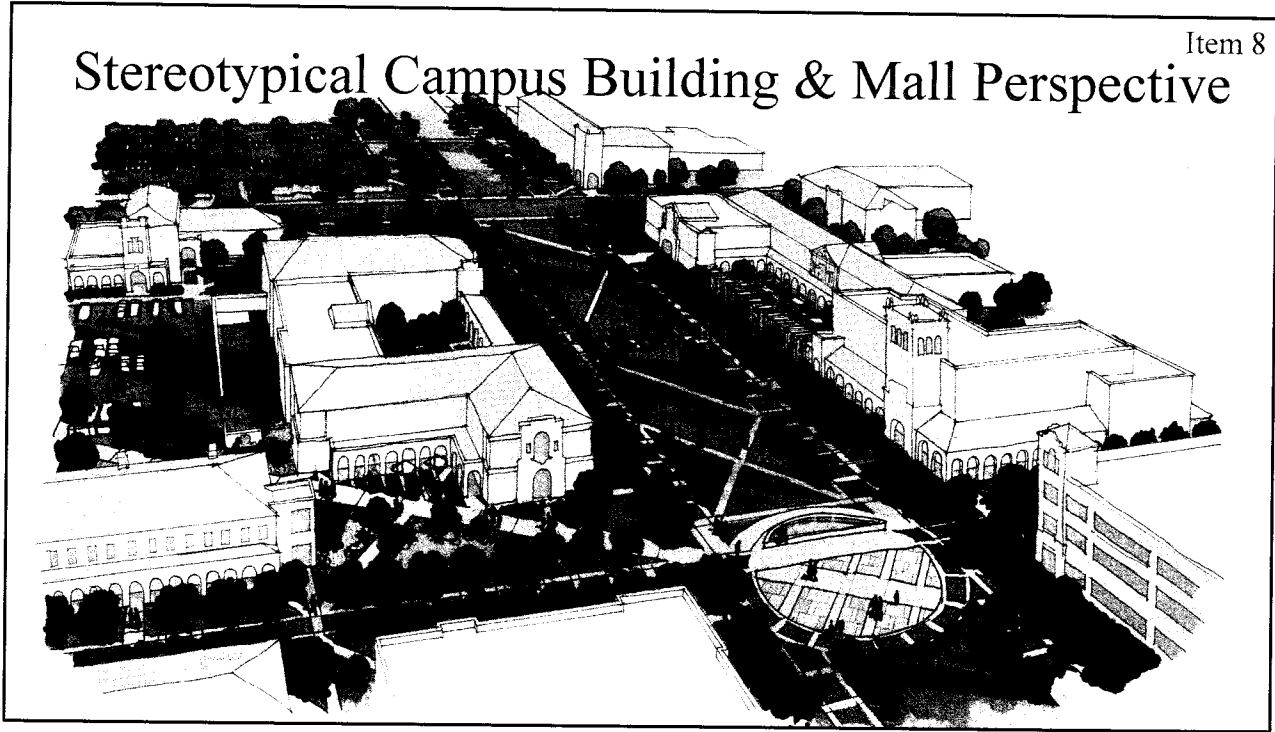
TTU / TTUHSC Lubbock Campus Master Plan 2014 Update

Item 8



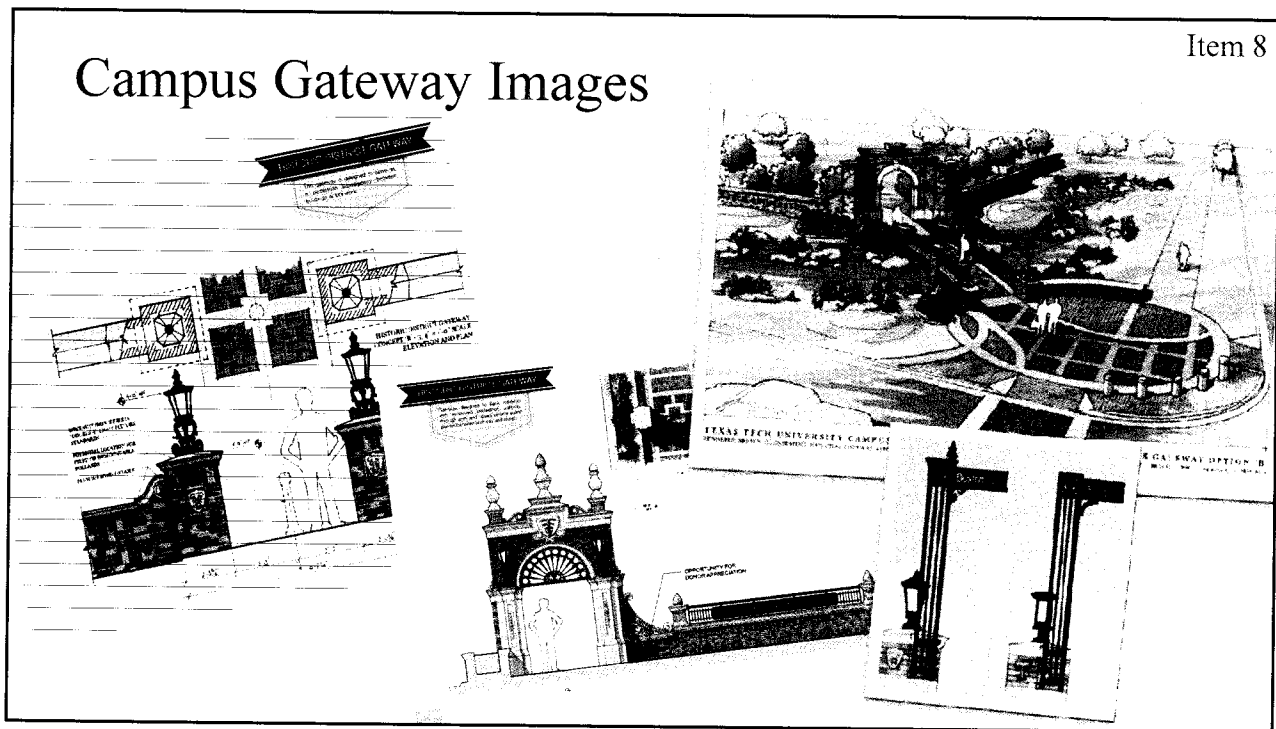
Stereotypical Campus Building & Mall Perspective

Item 8



Campus Gateway Images

Item 8



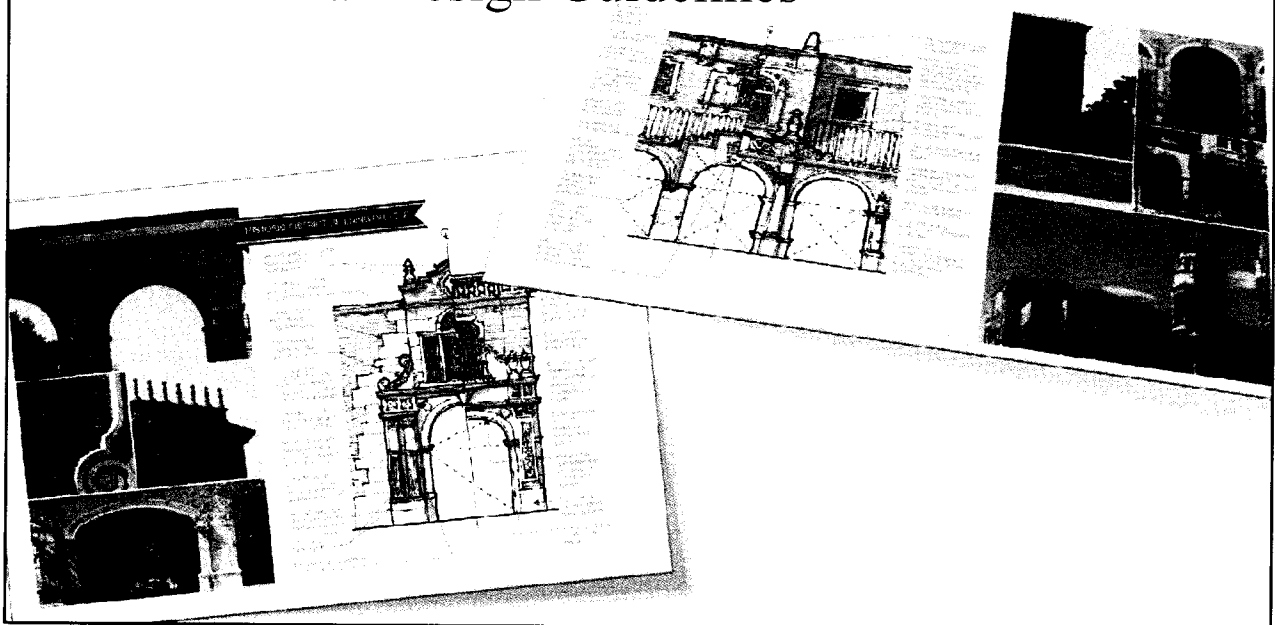
Architectural Design Guidelines

Item 8



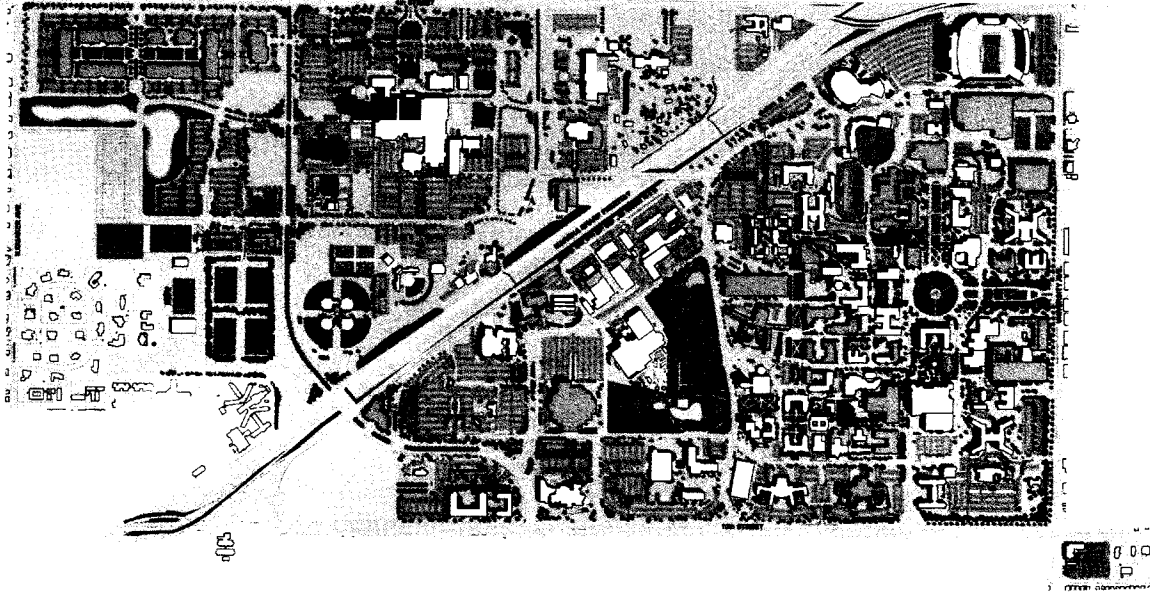
Architectural Design Guidelines

Item 8



2024 Vision

Item 8



Summary of proposed Board policy on the sale or service of alcoholic beverages

[proposed ... 11-17-2014]

CURRENT POLICIES AND PROCEDURES:

The current policies and procedures in the *Regents' Rules* of the Texas Tech University System (TTU System) and institutional operating policies (OP's) regarding the sale or service of alcoholic beverages are limited in certain respects, and there is not a broad or general policy that applies uniformly to all entities within the TTU System. The current TTU System policies include the following:

- **Regents' Rules** — There is scant reference to the sale or service of alcohol in the current *Regents' Rules*, with the only exception being a provision in Section 08.07.2 that requires component institutions with "Community Cultural Facilities" to adopt policies regarding the service of alcohol in those facilities.
- **Texas Tech University OP's** — TTU has only one OP that speaks to the serving of alcoholic beverages. OP 61.39 regarding use of the International Cultural Center provides a general prohibition on the serving of alcoholic beverages on the premises of that facility without "special written permission" from the President or the Chancellor.
- **Texas Tech University Health Sciences Center OP's** — OP 72.16 provides that alcoholic beverages may be served at TTUHSC campus locations only with the "prior written approval of the President or designee."
- **Angelo State University OP's** — ASU has a venue-specific policy (OP 74.06) that is coupled with fairly specific procedures and rules that govern the serving of alcoholic beverages at ASU facilities, which include:
 - The President approves the venues in which alcoholic beverages may be served (currently only 3 facilities – the Houston Harte University Center, the Junell/Stephens Arena, and the University Lake Facility).
 - Various university administrators, including the President, must give their prior approval for each occasion at which alcoholic beverages will be served.
 - At the event, food and non-alcoholic beverages must be served in addition to alcoholic beverages.

PROPOSED POLICY FOR THE *REGENTS' RULES*:

After analyzing the existing policies of the TTU System and reviewing the policies of other university systems, it is recommended that a system-wide policy should provide for different treatment of:

- situations in which an institution licenses the sale of alcoholic beverages; versus ...
- more common situations in which complimentary alcoholic beverages or a cash bar are provided at a "single occasion" event.

[Summary of proposed alcohol policy, continued]

Further, while venue-specific policies may be appropriate for some institutions within the TTU System, this could be unwieldy and difficult to manage for other institutions that may have a greater diversity of locations.

With these factors in mind, the attached proposed addition to Chapter 08 (Facilities), *Regents' Rules*, was developed to establish a system-wide policy governing the sale or service of alcoholic beverages. The proposed policy would be incorporated as a new Section 08.07.5, which is based on the following propositions:

- Institutions would be required to establish an operating policy that governs the sale or complimentary service of alcoholic beverages at any facility owned, used or occupied by the institution.
- The new *Regents' Rules* policy on alcoholic beverages is not intended, however, to regulate every instance of consumption of alcoholic beverages on such properties. Rather, the policy is intended to set standards for situations in which the sale or service of alcoholic beverages is done at an event or activity sponsored or licensed by a TTU System department or division.
- Approval and Accountability:
 - It is presumed that the approval of the President for every single occasion service or sale of alcoholic beverages could be unwieldy for some institutions. Consequently, the default approval is at the departmental level regardless of whether the occasion is one of complimentary service or cash-bar sales. However, an institution would be free to adopt an operating policy that requires the approval of the President for every such event.
 - For the sale of alcoholic beverages by a third-party vendor at or in conjunction with an intercollegiate athletic event at a TTU System facility, Board approval would be required.
 - For other sales of alcoholic beverages pursuant to an ongoing licensing contract, the approval level resides in the President's office, with prior notice to the Chancellor and the Board.

[NOTE: There currently are 4 such arrangements, all at TTU, which include agreements with: ClubCorp for the Texas Tech Club plus club-level concessions and suite service in Jones AT&T Stadium; Ovations for Club Red in the United Supermarkets Arena plus suite service in the Arena and at Rip Griffin Park; Troon for the clubhouse and on-course concessions at the Rawls Course; and arrangements for operation of the Restaurant, Hotel & Institutional Management Department's Skyviews Restaurant.]

- Institutional operating policies that govern the sale or service of alcoholic beverages would have to include the minimum requirements set forth in the system-wide policy, but the Presidents, based on unique factors at their respective institutions, would be free to add more specific and/or more restrictive requirements. These institutional operating policies would be subject to Board approval, with any substantive changes thereafter also being subject to Board approval.

Amend Chapter 08 (Facilities) regarding alcohol policy

Amend Chapter 08 (Facilities), REGENTS' RULES, by adding a new Section 08.07.5, as follows:

08.07 TTU system space and facilities use

• • •

08.07.5 Alcoholic beverages.

- a. Each component institution shall develop operating policies regarding the sale or complimentary service of alcoholic beverages at any TTUS facility.

[The REGENTS' RULES define "facility" as: "*Any building(s) or structure(s), any improved or unimproved land, or any part of any such building(s), structure(s), or land that is owned, used, or occupied by the TTU system.*" (Sec. 08.00.1)]

[The REGENTS' RULES also define "TTUS" and "TTU system" to mean: "*All component units of the Texas Tech University System, including the TTU system administration and the component institutions.*" (Sec. 00.01.2.b)]

- b. Each component's institutional policy shall include, and shall be deemed to include (whether explicitly stated or not), the following minimum requirements:

- (1) Any sales or complimentary service of alcoholic beverages shall comply with federal, state, and local laws regarding the possession, consumption, and distribution of alcoholic beverages.

- (2) Any event in which alcoholic beverages are to be served on a complimentary basis shall be pre-approved in writing by the head of the respective office or department sponsoring the event.

- (3) All service of alcoholic beverages at any TTUS event shall be provided by a caterer or server(s) licensed by the Texas Alcoholic Beverage Commission to serve alcoholic beverages who provide proof of appropriate insurance coverage.
- (4) Any agreement for sales of alcoholic beverages at a single TTUS event shall be with a third-party vendor holding all permits required by the Texas Alcoholic Beverage Commission and shall be approved in writing by the head of the sponsoring office or department.

[NOTE: The "single event sales" provision above is intended to address sales via a cash bar at a reception, dinner or other one-time event.]

- (5) Any agreement to license the sale of alcoholic beverages by a third-party vendor at or in conjunction with any intercollegiate athletic event at a TTUS facility shall be approved by the board. Any other agreement to license sales of alcoholic beverages by a third-party vendor on a term or multi-event basis shall be approved by the president of the component institution that is responsible for the facility or facilities involved. Before any such approval is granted, the president shall notify the chancellor and the board of the proposed agreement.

- (6) No department or office of the TTU system shall be licensed to sell alcoholic beverages unless such sales activity is a necessary component of the department's or office's approved academic curriculum (for example, the Department of Restaurant, Hotel and Institutional Management in TTU's College of Human Sciences). Before any such application is submitted, the approval of the department chair or head of the academic unit involved, the dean of the college or school, and the president of the respective component institution shall be obtained.
- c. Renewed or revised policies required by this section adopted by a component institution subsequent to board approval of this provision shall be subject to the prior approval of the board. Thereafter, any substantive change in the component institution's policies shall be subject to approval by the board.

Summary of proposed Board policy on honorary statues, sculptures, and other artistic representations

[proposed ... 11-17-2014]

The Board must approve most designations that bestow an honor upon a person, group or other entity. The *Regents' Rules* currently require Board approval for:

- all honorary namings, including: facility namings; gift-related namings; the naming of academic programs and units (such as schools, colleges and departments); and any other honorific naming
- honorary plaques for former chancellors and presidents
- honorary degrees
- honorary titles, such as emeritus appointments

It is proposed that the Board also should approve the acquisition ... whether by gift, purchase or commission ... of a statue, sculpture or other artistic representation that honors a specific person, group or entity ("*honorary statue or similar artwork*").

The chapter on **Honorifics and Seals** (Chapter 12) would be amended to require advance approval by the Board for the commissioning, purchase or acceptance of a gift by the TTU system of any honorary statue or similar artwork. Such an acquisition would be required to follow the review and approval process for the acquisition of public art ... as provided in Chapter 08 (Facilities) ... which includes:

- The University Public Art Committee (UPAC) reviews the proposed acquisition and considers the following factors: • fit with the Campus Master Plan ... • cost of installation ... • maintenance requirements ... • other factors deemed appropriate by the UPAC.
- The UPAC makes a recommendation to the respective President, and the President makes a recommendation to the Chancellor.

The acquisition of artwork for the Public Art Program currently ends with a final decision by the Chancellor. So, a special provision would be added to the **Facilities** chapter (Chapter 08) to ensure that honorary statues and similar artwork go through the Public Art Program review and approval process (UPAC → President → Chancellor) but also must be approved by the Board.

The result is that, if an honorary statue or similar artwork will not be included in the Public Art Collection, the review and approval process is governed by Chapter 12. But, if an honorary statue or similar artwork will become part of the Public Art Collection, the review and approval process is governed by Chapter 08. And either way, the acquisition is reviewed by the UPAC, recommendations are made by the UPAC, President and Chancellor, and Board approval is required.

As with other honorary designations, the Board will reserve the authority to rescind a previous approval and require the removal of an honorary statue or similar artwork.

Amendments to Chapter 12 (Honorifics and Seals)

Amend Chapter 12, *Regents' Rules*, by adding a new Section 12.06 and re-numbering the remaining sections accordingly, as follows:

12.06 Honorary statue, sculpture, or other artistic representation.

- 12.06.1 The review and approval process for the commissioning, purchase, or gift acceptance of an honorary statue, sculpture, or other artistic representation that depicts one or more specific individuals or that otherwise honors any specific individual, group, foundation, corporation, or other business entity shall follow the review and approval procedures established for the Public Art Collection, as provided in Section 08.02.4.e, *Regents' Rules*.
- 12.06.2 The board shall approve in advance the commissioning, purchase, or acceptance of a gift by the TTU system of any honorary statue, sculpture, or other artistic representation.
- 12.06.3 For the purposes of this section, an honorary statue, sculpture, or other artistic representation includes any such work of art that:
 - a. is planned and executed with the specific intention of being sited, staged, or exhibited permanently in or on any building or structure, any improved or unimproved land, or any part of any such buildings, structures, or land that is owned, used, or occupied by the TTU system;
 - b. is accessible to the public; and
 - c. is not a work of art that is or will be owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, or any other institutional gallery or museum entity owned or maintained by the TTU system.
- 12.06.4 In unusual and unforeseen circumstances, the board reserves the right to rescind a previous approval and require the removal of an honorary statue, sculpture, or other artistic representation.

Amendments to Chapter 08 (Facilities)

Amend Section 08.02.4, *Regents' Rules*, by adding a new Subdivision e., as follows:

08.02.4 University Public Art Committee.

- a. The chancellor, in consultation with the presidents, shall approve nominations of members to serve on the University Public Art Committee ("UPAC") to recommend major public art acquisitions. The nominations provided to the chancellor and presidents shall be submitted by the UPAC. The UPAC shall be composed of the FP&C vice chancellor, the Public Art Manager, students, faculty, and staff of the TTU system, individuals from the communities surrounding the various campuses of the component institutions, and professional artists who are alumni of a component institution of the TTU system. The president of the appropriate component institution shall appoint a representative to the UPAC for the selection of works of public art for inclusion in a major construction project on a case by case basis.
- b. The UPAC will review all proposed new commissions of campus public art and take into consideration the Campus Master Plan, the cost of installation, maintenance requirements, and other factors deemed appropriate by the UPAC. The UPAC shall provide a final recommendation to the respective president for the inclusion of the artwork in the Public Art Collection.

[see the definition of "Public Art Collection" provided at the end of this document]

- c. Proposed gifts to the public art program must be made in accordance with the respective institution's operating policies and procedures. To qualify for acceptance, such proposed gifts must meet the UPAC's acquisition criteria and standards. The UPAC shall review each proposed gift of public art, and this review shall take into consideration the following factors: the Campus Master Plan; the cost of installation; maintenance requirements; and any other factors deemed appropriate by the UPAC. If the UPAC votes to recommend acceptance of a proposed gift for inclusion in the Public Art Collection, the

Public Art Manager shall provide a final recommendation to the respective president regarding the gift's inclusion in the Public Art Collection.

- d. [The] Except as provided in Section 08.02.4.e, herein, the respective president shall make a recommendation to the chancellor regarding proposed new artwork, and the chancellor shall make the final determination of whether the proposed new artwork is to be included in the Public Art Collection.
- e. Inclusion of an honorary statue, sculpture, or other artistic representation in the Public Art Collection.

[see the definition of "Public Art Collection" provided at the end of this document]

- (1) If a proposed new commission of campus public art (per Section 08.02.4.b, herein) or a proposed gift to the public art program (per Section 08.02.4.c, herein) involves an honorary statue, sculpture, or other artistic representation that depicts one or more specific individuals, or that otherwise honors any specific individual, group, foundation, corporation, or other business entity:
 - (a) the UPAC shall conduct its review and make its recommendation in accordance with Section 08.02.4.b or Section 08.02.4.c, as appropriate;
 - (b) the respective president shall make a recommendation to the chancellor;
 - (c) the chancellor shall make a recommendation to the board; and
 - (d) the board shall grant the final approval of the proposed new statue, sculpture, or other artistic representation.

- (2) For the purposes of this subdivision, a statue, sculpture, or other artistic representation includes any such work of art that:
 - (a) is planned and executed with the specific intention of being sited, staged, or exhibited permanently in or on any building or structure, any improved or unimproved land, or any part of any such buildings, structures, or land that is owned, used, or occupied by the TTU system;
 - (b) is accessible to the public.
 - (c) is not a work of art that is or will be owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, or any other institutional gallery or museum entity owned or maintained by the TTU system.
- (3) In unusual and unforeseen circumstances, the board reserves the right to rescind a previous approval and require the removal of an honorary statue, sculpture, or other artistic representation.

NOTE: Texas Tech's "Public Art Collection" is defined by Sec. 08.00.5 to mean:

"All works of art purchased using the funds designated for that purpose by Section 08.02.3, *Regents' Rules*, and select public works of art that have been donated specifically to the Public Art Collection or which predate the Public Art program's care at the time of its inception. Excluded from the Public Art Collection are works of art owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, and any other institutional galleries or museum entities owned or maintained by the TTU system or funded by means other than the funds designated for that purpose by Section 08.02.3, *Regents' Rules*."

Texas Tech University System

Item 11

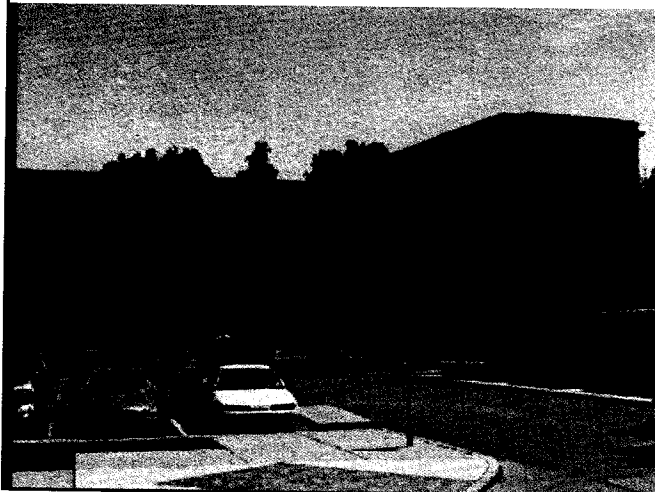
Report on Facilities Planning and Construction projects

Michael S. Molina

Wall/Gates Residence Halls

Item 11

➤ Project Budget - \$2,978,000 / 78,803 GSF



Wall Hall

- Replace 243 windows
- Partial demolition/abatement and renovation of the shower/toilet and custodial spaces

Wall/Gates Residence Halls

Item 11

➤ Project Budget - \$2,978,000 / 96,791 GSF



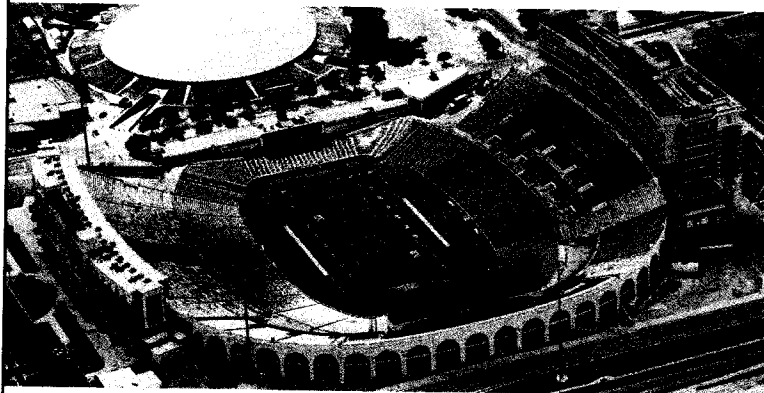
Gates Hall

- Replace 243 windows
- Partial demolition/abatement and renovation of the shower/toilet and custodial spaces

Jones AT&T Stadium Renovation Projects

Item 11

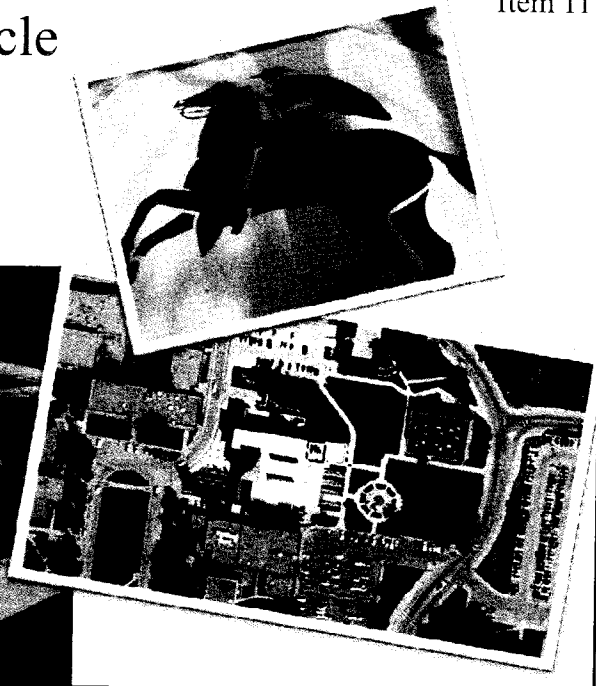
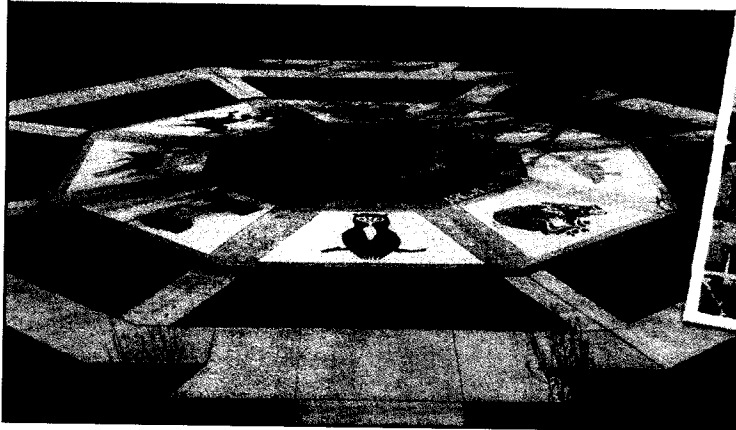
➤ Project Budget - \$3,800,000 / 96,791 GSF



- Replacement of 14,000 chair back seats
- 27 sections of bleachers
- Concrete repair in Section 1
- Installation of a deck coating system on the lower stadium bowl, which covers 29 sections of seating

Southwest Conference Circle

Item 11



System Office Building

Item 11

➤ Project Budget - \$27,500,000

Completion Date:
Fall 2016



Proposed Project Schedule

- CMR Contract Award Goal Jan 2015
- BOR Final Approval May 2015
- Start Construction June 2015
- Final Completion Fall 2016
- Move-In Fall 2016

Item 11

Rawls Golf Course Entry

- Project Budget - \$130,000

Completion Date:
February 2015

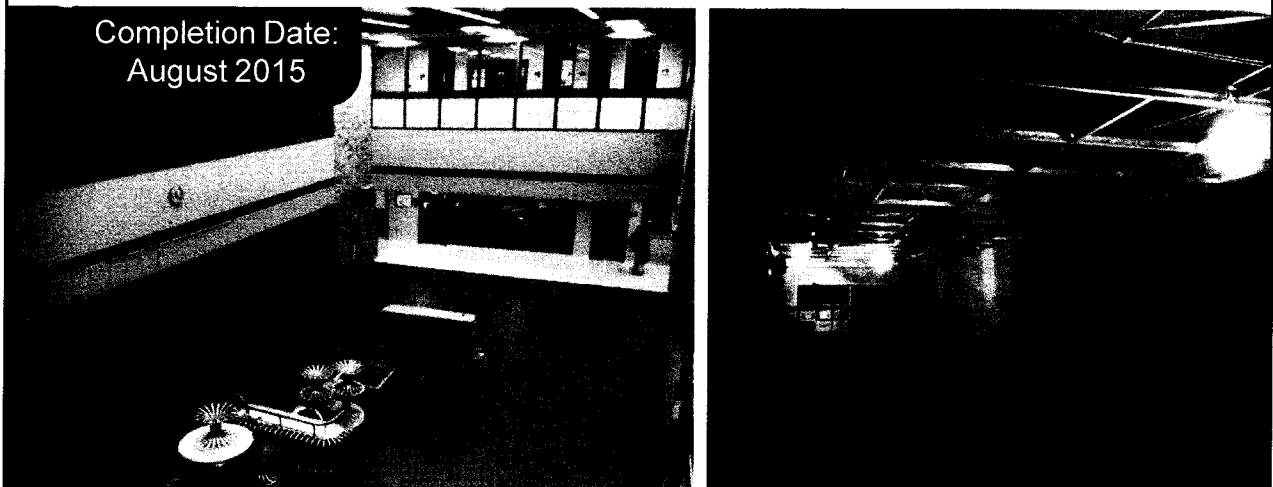


Item 11

College of Human Sciences Life Safety Upgrade

- Project Budget - \$9,650,000 / 166,674 GSF

Completion Date:
August 2015



Campus Beautification – Phase I

Item 11

➤ Project Budget - \$2,500,000



Campus Beautification – Phase II

Item 11

➤ Project Budget - \$2,450,000



Bayer Plant Science Building

Item 11

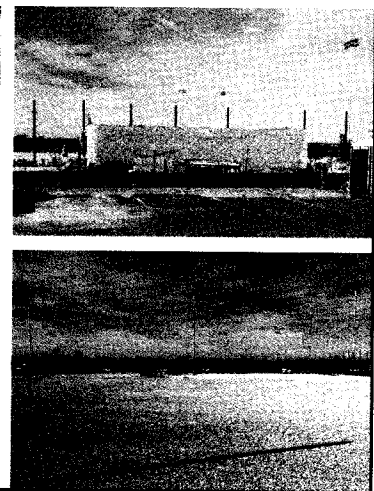
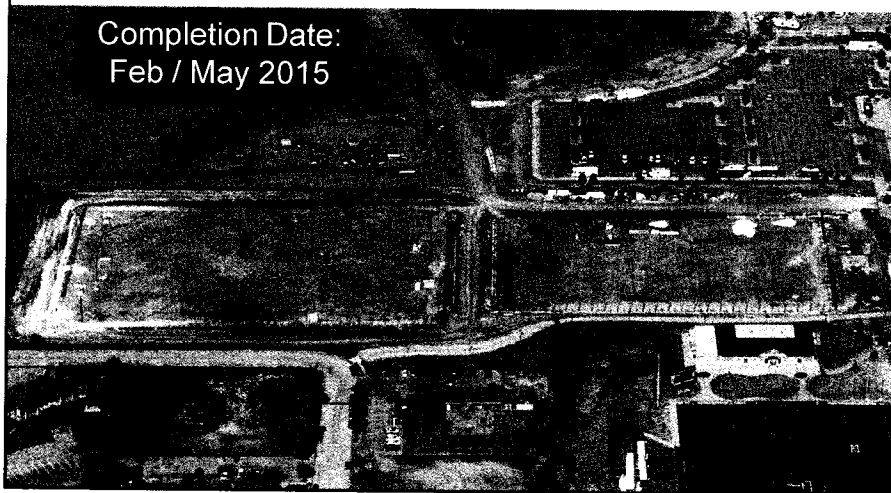
- Project Budget - \$13,600,000 / 21,122 GSF



Synthetic Turf Intramural Recreation Fields

Item 11

- Project Budget - \$5,785,000 / 1,247 GSF

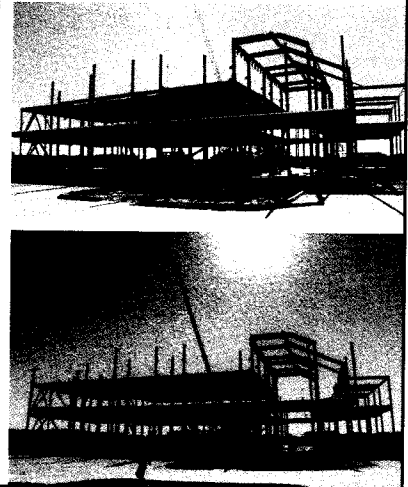
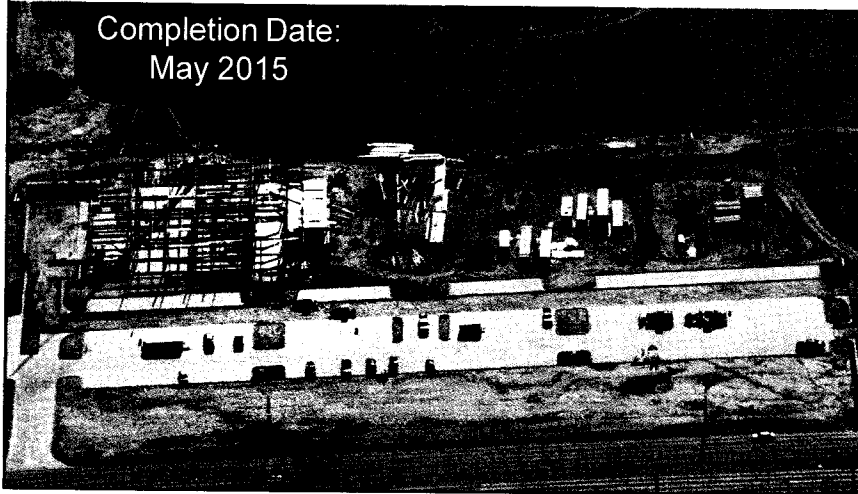


Research & Technology Park – Phase I

Item 11

- Project Budget - \$29,045,000 / 41,000 GSF

Completion Date:
May 2015

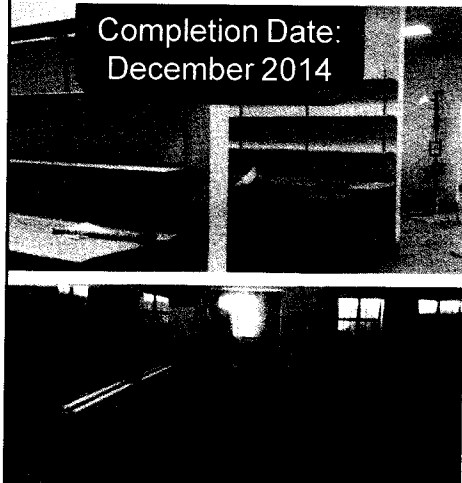


Bayer CropScience – Seeds Innovation Center Research & Development / Trait Development

Item 11

- Project Budget - \$19,316,135 / 74,990 GSF

Completion Date:
December 2014



Completion Date:
March 2015

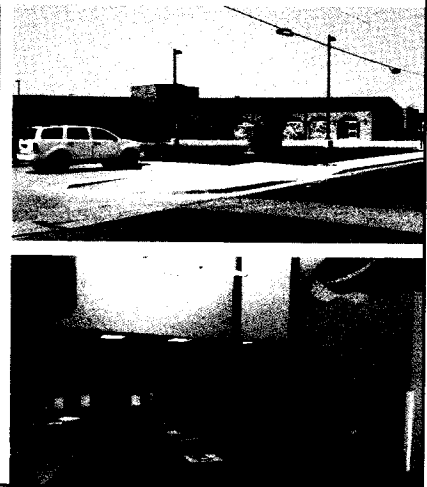


The Larry Combest Community Health and Wellness Center Expansion

Item 11

➤ Project Budget - \$5,108,500 / 10,248 GSF

Completion Date:
June 2015

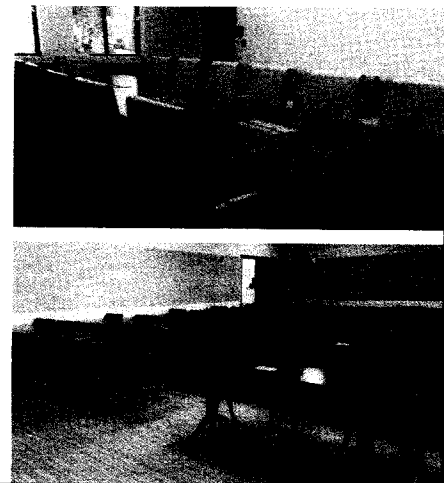


TTUHSC at El Paso - School of Nursing

Item 11

➤ Project Budget - \$14,500,000 / 35,000 GSF

Completion Date:
November 2014



Texas Tech University System

Item 11

Public Art – In Progress

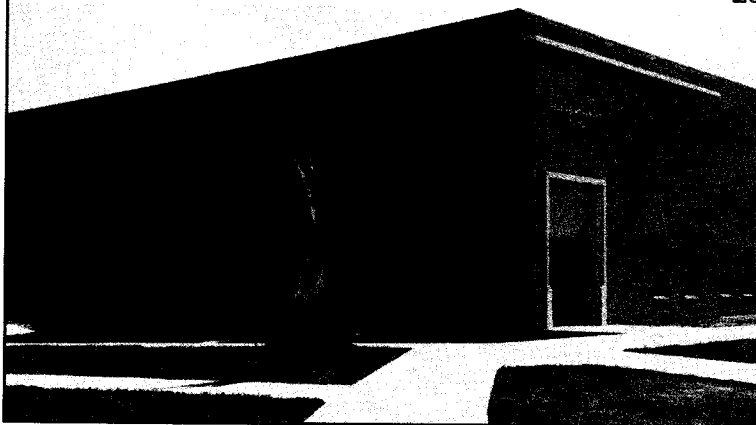
Creative Movement Studio

Item 11

Mark Chew (Sarasota, FL)
Untitled

\$19,000

Estimated Installation: February 2015



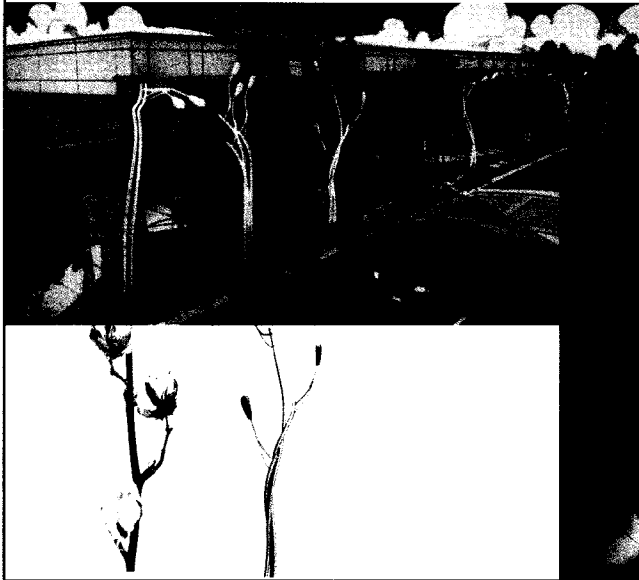
Bayer CropScience – Seeds Innovation Center Research & Development / Trait Development

Item 11

Aaron Stephan (Portland, ME)
Lubbock Lights

\$170,000

Estimated Installation: March 2015



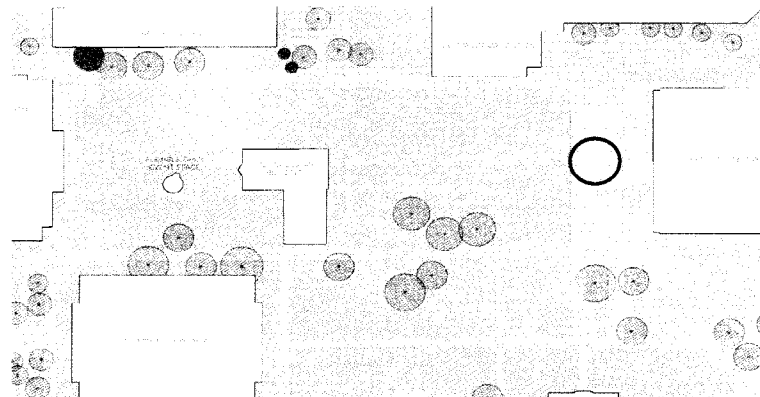
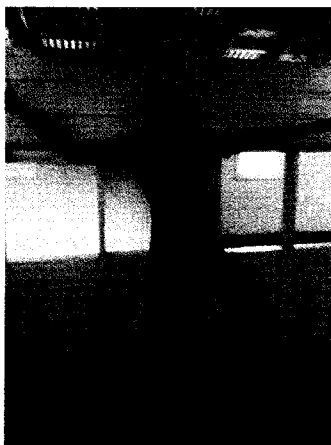
Campus Beautification

Item 11

Donated Zeus Sculpture

\$25,000

Estimated Installation: January/February 2015



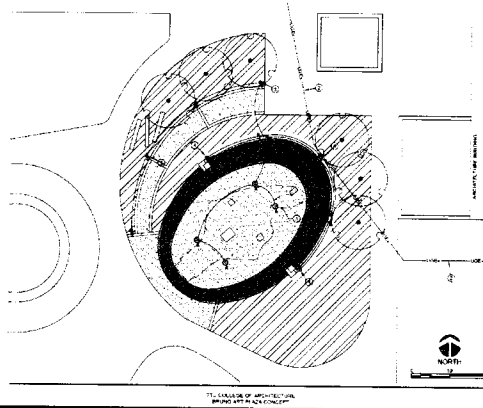
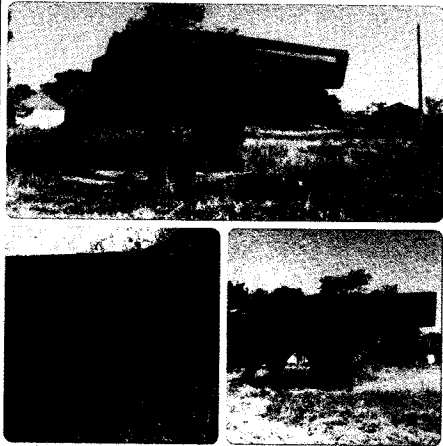
Architecture Life Safety Upgrade

Item 11

Robert Bruno
Untitled

\$218,000

Estimated Installation: April 2015



TTUHSC El Paso School of Nursing

Item 11

Andrea Wasserman &
Elizabeth Billings (Vershire, VT)
Untitled

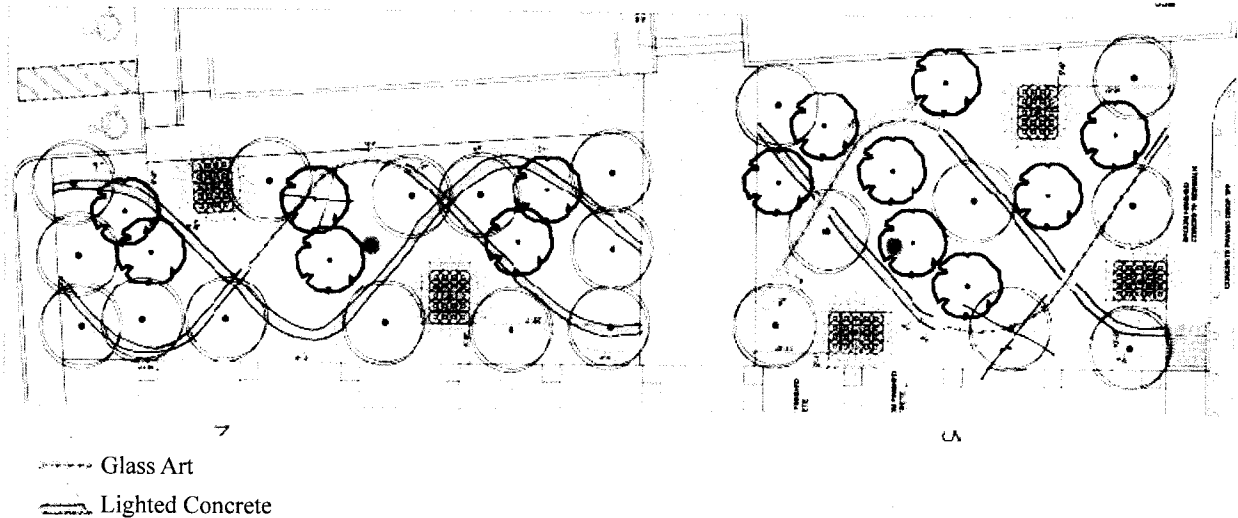
\$145,000

Estimated Installation: May 2015



TTUHSC El Paso School of Nursing

Item 11



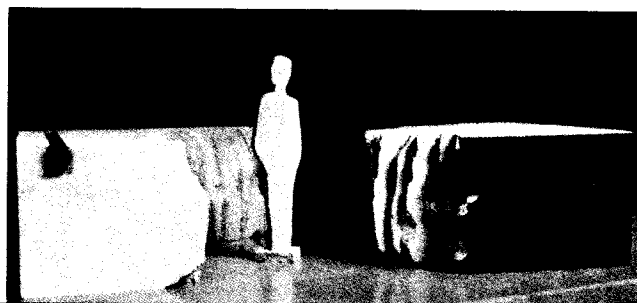
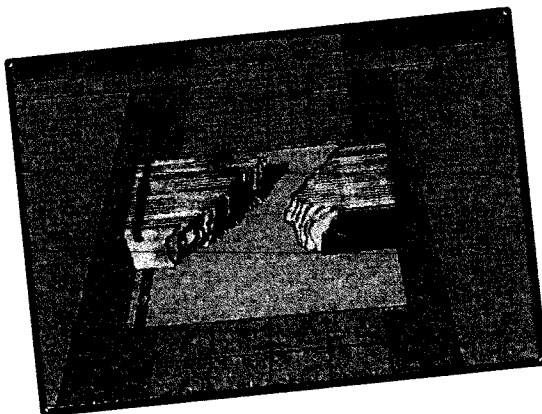
Bayer Plant Science Building

Item 11

Rebecca Thompson (Los Angeles, CA)
Untitled

\$130,000

Estimated Installation: July 2015



Biological Sciences Building Life Safety Upgrades

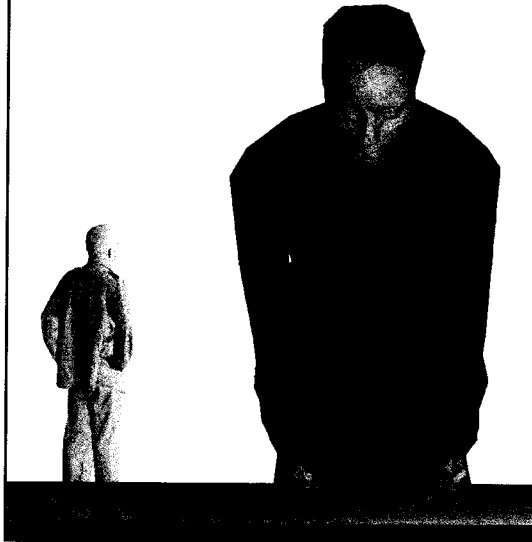
Item 11

Julian Voss-Andreae (Portland, OR)

Untitled

\$77,000

Estimated Installation: July 2015



TEXAS TECH UNIVERSITY SYSTEM



TTUS Design & Construction Review

Under Construction

December 2014

www.fpc.ttu.edu

	<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>	
TTU	The Burkhardt Center for Autism Education and Research	\$ 10,600,000	Complete	September / October 2013	
	Architecture Building Life Safety Upgrades	\$ 7,400,000	Complete, Warranty	October 2013	
	Petroleum Engineering and Research Building	\$ 22,800,000	Complete, Warranty	January 2014	
	West Village - Phase I	\$ 54,800,000	Complete, Warranty	July / August 2014	
	Biological Sciences Buildings Life Safety Upgrades	\$ 8,300,000	Complete, Warranty	March 2014	
	College of Human Sciences Life Safety Upgrade	\$ 9,650,000	Under Construction	August 2015	
	Campus Beautification Phase I & Phase II	\$ 4,950,000	Under Construction	February / Spring 2015	
	Bayer Plant Science Building	\$ 13,600,000	Under Construction	July 2015	
	Synthetic Turf Intramural Recreation Fields	\$ 5,785,000	Under Construction	Feb/May 2015	
	Research & Technology Park - Phase I	\$ 29,045,000	Under Construction	May 2015	
ASU	Bayer CropScience-Seeds Innovation Center	\$ 19,316,135	Under Construction	Dec 2014 / March 2015	
	Research & Development / Trait Development				
	TTU Total	\$ 186,246,135			
HSC		\$ -			
	ASU Total	\$ -			
HSC	The Larry Combest Community Health and Wellness Center Expansion	\$ 5,108,500	Under Construction	June 2015	
	El Paso School of Nursing	\$ 14,500,000	Under Construction	November 2014	
	HSC Total	\$ 19,608,500			
	Under Construction Grand Total	\$ 205,854,635			



TTUS Design & Construction Review

In Design
December 2014

	<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>
TTU	Engineering & Materials Research Center Renovation	\$ 2,905,000	In Design	TBD
	College of Visual and Performing Arts	TBD	Program Complete	TBD
	United Supermarkets Arena Renovation	\$ 4,300,000	In Design	May 2015
	Rawls College of Business Administration Addition	\$ 15,000,000	In Design	TBD
	System Office Building	\$ 27,500,000	In Design	Spring 2016
	Jones AT&T Stadium East Building - Southeast First Floor	\$ 1,650,000	In Design	July 2015
	Jones AT&T Stadium North End Zone Building	\$ 3,750,000	In Design	June 2016
	TTU Total	\$ 55,105,000		
ASU	College of Health & Human Services	\$ 26,700,000	On Hold	TBD
	ASU Total	\$ 26,700,000		
HSC	Amarillo Simulation Center	\$ 6,750,000	On Hold	TBD
	Amarillo Student Synergistic Center	\$ 4,000,000	On Hold	TBD
	HSC Total	\$ 10,750,000		
	In Design Grand Total	\$ 92,555,000		



TTUS Design & Construction Review Prospective December 2014

www.fpc.ttu.edu

	<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>
TTU	Research Building (ESB II)	\$ 97,700,000	Proposed	TBD
	College of Engineering Expansion/Renovation Phase II	\$ 67,600,000	Proposed	TBD
	Weeks Hall Abatement and Renovation	\$ 24,200,000	Proposed	TBD
	Renovate the Former Petroleum Engineering Building	\$ 5,000,000	Proposed	TBD
	University Data Center	\$ 21,000,000	Proposed	TBD
	South End Zone Renovation	\$ 65,000,000	Proposed	TBD
	Indoor Football Practice Facility	\$ 28,000,000	Proposed	TBD
	New Residence Hall Facility (West Village - Phase II)	\$ 50,000,000	Proposed	TBD
	Indoor Track Facility	\$ 45,600,000	Proposed	TBD
	Football Training Facility Renovation	\$ 4,845,000	Proposed	TBD
	Jones AT&T Stadium East Building Finish Out	\$ 22,000,000	Proposed	TBD
	TTU Total	\$ 430,945,000		
ASU	Cavness Science Building Renovation	\$ 33,700,000	Proposed	TBD
	Academic Building Renovation & Addition	\$ 23,900,000	Proposed	TBD
	Engineering Classroom Building	\$ 10,200,000	Proposed	TBD
	Carr Hall Office Space Renovation	\$ 4,200,000	Proposed	TBD
	ASU Total	\$ 72,000,000		
HSC	El Paso Medical Science Building II	\$ 84,400,000	Proposed	TBD
	El Paso Clinical Sciences Building	\$ 34,400,000	Proposed	TBD
	Lubbock Education, Research & Technology Renovation	\$ 45,000,000	Proposed	TBD
	Lubbock West Expansion	\$ 38,700,000	Proposed	TBD
	Permian Basin Academic Facility	\$ 19,800,000	Proposed	TBD
	Amarillo Panhandle Clinical Simulation Center	\$ 9,750,000	Proposed	TBD
	Amarillo Women's Health & Research Institute Renovation	\$ 22,400,000	Proposed	TBD
	HSC Total	\$ 254,450,000		
	Future Grand Total	\$ 757,395,000		



TTUS Design & Construction Review

Completed
December 2014

www.fpc.ttu.edu

<u>Project</u>	<u>Cost</u>	<u>Status</u>	<u>Completion Date</u>
Admin Bldg Parking Feasibility Study	\$ 144,715	Study Complete	August 2013
Printech Building Renovation (Exercise & Sports Sciences)	\$ 7,200,000	Complete	September 2012
BSL-3 Lab at the Institute of Environmental & Human Health	\$ 2,400,000	Complete, Warranty	April 2013
Jones AT&T Video Scoreboard Package	\$ 11,000,000	Complete, Warranty	August 2013
Track Team Building Renovation	\$ 1,295,627	Complete, Warranty	May 2014
Jones AT&T Stadium Colonnade and Infill Seating	\$ 5,350,000	Substantially Complete	October 2013
Texas Tech Baseball Park Improvements & Picnic Area - Phase I	\$ 5,124,000	Complete	July 2013
Boston Avenue Residence Hall and Dining Facility	\$ 47,000,000	Complete	July 2012
Business Administration Building Renovation	\$ 25,000,000	Complete	August 2012
Gerald and Carol Myers Indoor Soccer Facility	\$ 1,080,000	Complete	November 2012
Kent R. Hance Chapel	\$ 3,484,447	Complete, Warranty	March 2012
Admin Building 3rd Floor Interior Finish Out	\$ 2,745,409	Complete	October 2012
Rawls Course Clubhouse and Team Facility	\$ 3,700,000	Complete	August 2012
Multi-Purpose Performance Studio	\$ 2,200,000	Complete	September 2012
Rawls College of Business Administration	\$ 70,000,000	Complete	January 2012
Admin Bldg Abatement and Renovation	\$ 3,850,000	Complete	April 2012
Softball Seating Expansion	\$ 258,029	Complete	March 2012
NRHC North Addition	\$ 1,700,209	Complete	September 2011
NRHC Historic Preservation Building	\$ 613,397	Complete	September 2011
Art 3D Annex Finish Out (Sculpture)	\$ 3,800,000	Complete	August 2011
Experimental Science Bldg Build Out	\$ 12,100,000	Complete	August 2011
Jones AT&T Stadium East Side Expansion	\$ 33,481,504	Complete	July 2011
Jones AT&T Stadium North End Zone Expansion	\$ 5,998,165	Complete	January 2011
System Office Relocation (2nd Floor)	\$ 883,603	Complete	January 2011
Jones AT&T Stadium NEZ Facilities (Toilets & Concessions)	\$ 1,044,850	Complete	December 2010
Scholarship Donor Walk-Phase 2	\$ 50,000	Complete	January 2011
Softball Team Facility	\$ 3,183,279	Complete	March 2010
Pulse Power Lab	\$ 1,178,373	Complete	February 2010
Soccer Team Facility	\$ 4,077,587	Complete	October 2009/February 2010
Rawls CoBA Tunnel Project	\$ 1,700,000	Complete	September 2009
Horn/Krapp Window Replacement	\$ 2,361,339	Complete	October 2009
Memorial Circle Utility Tunnel Replacement	\$ 3,887,819	Complete	November 2009

Student Leisure Pool	\$	8,247,813	Complete	May 2009
SPICE Chess Garden	\$	71,000	Complete	July 2009
Thompson Gaston Demolition	\$	2,071,218	Complete	March 2009
Engineering Expansion/Renovation Phase I	\$	9,595,587	Complete	March 2009
Track Renovation/Relocation	\$	3,322,211	Complete	May 2009
Softball Field Improvements	\$	859,472	Complete	March 2009
Art 3D Annex Ceramics/Kiln Yard	\$	1,522,012	Complete	October 2008
High Performance Research Computer Facility	\$	1,540,017	Complete	September 2008
Sneed/Bledsoe HVAC Upgrade	\$	5,689,794	Complete	August 2008
Bledsoe Window Replacement	\$	1,000,000	Complete	August 2008
4th Street Sewer Upgrade	\$	458,617	Complete	October 2008
Mark & Becky Lanier Prof. Development Center	\$	13,450,433	Complete	April 2008
NCAA Soccer Complex	\$	1,899,323	Complete	August 2007
Art 3-D Annex	\$	8,603,159	Complete	September 2007
Outreach & Extended Studies Building	\$	7,811,920	Complete	October 2007
Softball Field Repairs	\$	509,054	Complete	September 2007
Discovery Mail	\$	1,167,698	Complete	July 2007
Student Wellness Center	\$	918,979	Complete	March 2007
CDRC / CSAR	\$	8,146,094	Complete	October 2006
Scholarship Donor Recognition Walk	\$	225,000	Complete	November 2006
Sneed/Gordon/Bledsoe LifeSafety Upgrades	\$	5,767,814	Complete	September 2006
Jones AT&T Stadium Field Improvements	\$	2,700,000	Complete	August 2006
Student Union Building Phase II B	\$	6,030,961	Complete	November 2006
Student Union Building Phase III	\$	1,287,444	Complete	July 2006
NRHC - Christine DeVitt Wing	\$	3,278,509	Complete	June 2006
Experimental Sciences Building	\$	36,682,782	Complete	March 2006
Texas Tech Parkway	\$	9,222,073	Complete	February 2006
Grover E. Murray Residence Hall	\$	24,604,339	Complete	January 2006
Animal and Food Sciences Building	\$	16,809,504	Complete	February 2006
Wall/Gates LifeSafety Upgrade	\$	3,087,287	Complete	January 2006
Student Parking Expansion	\$	657,887	Complete	October 2005
Student Union Bldg. Expansion/Renovation	\$	37,372,009	Complete	October 2003/February 2005
Museum NSRL Addition	\$	3,552,255	Complete	August 2005
Admin Building Stone Repair	\$	2,262,839	Complete	January 2005
Jones SBC Stadium Stage IIA /IIB	\$	53,713,138	Complete	May 2004/Sept 2004
Hulen Clement Fire Protection	\$	3,262,805	Complete	August 2004
Football Training Facility	\$	10,974,030	Complete	May 2004

Marsha Sharp Center for Student Athletes	\$	3,789,331	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	\$	46,199,000	Complete	August 2002
Flint Avenue Parking Facility	\$	10,550,979	Complete	August 2002
Dan Law Field	\$	1,612,000	Complete	June 2002
Fuller Track Field House	\$	480,000	Complete	June 2002
Pflugler Fountain	\$	826,000	Complete	April 2002
Museum-Heine DeVitt Jones Sculpture Court & Auditorium	\$	6,900,000	Complete	March 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	\$	675,752,814		
Dr. Robert and Jean Ann LeGrand Multi Sports Complex Improvements	\$	1,400,000	Complete	August 2014
Synthetic Turf on Intramural Fields	\$	1,900,000	Complete	September 2014
Mayer-Rousset Agriculture Education Training Center	\$	1,077,000	Complete	May 2014
Plaza Verde Residence Hall Phase I (Design Phase I & II / Construct Phase I)	\$	35,000,000	Complete	February 2012
Porter Henderson Library IT Commons Renovation	\$	4,371,390	Complete	December 2010
Recreation/Wellness Ctr & Center for Human Performance Expansion	\$	6,941,505	Complete	May 2011
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	\$	83,904,895		
Abilene School of Nursing	\$	12,000,000	Complete, Warranty	December 2012
Abilene School of Pharmacy Addition	\$	3,000,000	Complete, Warranty	December 2012
The F. Marie Hall SimLife Center	\$	6,350,658	Complete	September 2010

4C Cancer Research Lab	\$	3,504,108	Complete	October 2010
Lubbock Memorial Garden	\$	179,738	Complete	January 2010
Amarillo School of Pharmacy Expansion	\$	7,905,531	Complete	November 2009
Amarillo Family Medicine Relocation	\$	7,227,532	Complete	July 2009
Amarillo Research Building	\$	18,152,430	Complete	March 2009
El Paso Vivarium Upgrade	\$	737,479	Complete	December 2008
International Pain Center	\$	6,704,956	Complete	November 2008
El Paso Strategic Space Study	\$	TBD	Complete	TBD
El Paso - Archer Building Renovations	\$	1,541,604	Complete	March 2008
Texas Tech Physicians Medical Pavilion	\$	35,697,952	Complete	June 2006/Dec 2007
El Paso Medical Education Bldg.	\$	44,810,194	Complete	November 2007
Abilene School of Pharmacy	\$	9,087,743	Complete	July 2007
El Paso Medical Science Bldg. I Build Out	\$	3,547,351	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	\$	36,906,174	Complete	February 2006
HSC Campus Infrastructure Improvement	\$	4,996,136	Complete	January 2006
HSC El Paso Clinic Expansion/Renovation	\$	9,655,524	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 \$ 270,100,404

Completed Total \$ 1,029,758,113

TTUS Capital Project Total \$ 2,085,562,748

Adopted: 12/12/2014

**SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS
OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BONDS IN THE MAXIMUM AGGREGATE
PRINCIPAL AMOUNT OF \$400 MILLION AND APPROVING AND AUTHORIZING
INSTRUMENTS AND PROCEDURES RELATING THERETO**

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SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$400 MILLION AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, on October 21, 1993, the Board of Regents of Texas Tech University (now known as the Board of Regents of Texas Tech University System, and herein referred to either as the “Board” or the “Issuer”), acting separately and independently for and on behalf of Texas Tech University (“TTU”) and Texas Tech University Health Sciences Center (the “Health Sciences Center”), adopted a resolution establishing the “Revenue Financing System”, which resolution, together with the resolutions adopted November 8, 1996 and on August 22, 1997, is referred to herein as the “Master Resolution”; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of each institution and agency currently in the Texas Tech University System, and pledges the Pledged Revenues attributable to each participant of the Revenue Financing System to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has previously adopted the First through Fifteenth Supplemental Resolutions to the Master Resolution authorizing Parity Obligations thereunder and other permitted changes to the Master Resolution; and

WHEREAS, the Board reserved the right under the terms of the Master Resolution to issue obligations on a parity with the outstanding Parity Obligations; and

WHEREAS, the Board hereby determines that it is in the best interest of the participants in the Revenue Financing System to (i) refund certain of its previously issued and outstanding commercial paper notes (the “Refunded Commercial Paper Notes”) in order to convert interim financing into long-term, fixed rate financing; (ii) refund all or certain of the outstanding debt obligations listed in **Schedule I** hereto (the “Refundable Bonds”), in order to achieve a present value savings to the Revenue Financing System; (iii) finance or refinance the cost of facilities and improvements for the participants in the Revenue Financing System, including but not limited to those improvements set forth in **Schedule II** hereto; and (iv) pay the costs of issuance relating to such Parity Obligations; and

WHEREAS, the bonds authorized to be issued by this Supplemental Resolution are to be issued and delivered pursuant to Chapter 55, Texas Education Code, Chapter 1207, Texas Government Code, Chapter 1371, Texas Government Code, and other applicable laws;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM THAT:

Section 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Sixteenth Supplement, the terms used in this Sixteenth Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in **Exhibit “A”** to this Sixteenth Supplement attached hereto and made a part hereof.

Section 2. AUTHORIZATION, PURPOSE, AND AMOUNT OF THE BONDS.

(a) ***Purpose; Designation; Maximum Amount.*** The “BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SIXTEENTH SERIES (2015A)” are hereby authorized to be issued in one or more series or subseries, taxable or tax-exempt, for the purpose of (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for TTUS, (ii) refunding the Refunded Bonds, (iii) refunding the Refunded Commercial Paper Notes and (iv) paying the costs related thereto. The Bonds shall be designated by the year in which they are awarded pursuant to Section 3 below, and each series within a year may have a letter designation following the year as determined by the Pricing Committee. The title of the Bonds may also be revised by the Pricing Committee as reflected in the applicable Pricing Resolution pursuant to Section 3(b) hereof to reflect the sequential number of the series of Bonds being issued hereunder and the status of the Bonds as tax-exempt Bonds or taxable Bonds, as applicable. The combined principal amount of all Bonds issued pursuant to this Sixteenth Supplement shall not exceed \$400,000,000.

(b) ***New Money Authorization.*** The Bonds authorized for the purposes described in clause (i) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.13, and Chapter 1371. The Board Representative shall execute a certificate providing such documentation as may be required by the Public Finance Division of the Office of the Attorney General to (i) describe the specific projects for which the Bonds are being issued, and (ii) evidence the approval, if any, required to be obtained from the Texas Higher Education Coordinating Board for the projects to be financed with the proceeds of the Bonds. The projects that may be financed with the proceeds of the Bonds include those that are described in **Schedule II** to this Sixteenth Supplement.

(c) ***Refunding Bonds Authorization.*** The Bonds authorized for the purposes described in clause (ii) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.19 thereof, and Chapter 1207.

(d) ***Refunding of Commercial Paper Notes.*** The Bonds hereby authorized to be issued for the purposes of refunding the Refunded Commercial Paper Notes are being issued to convert interim financing into long-term fixed rate financing, as contemplated by the Board in the operation of the interim financing program as provided for in the Fifth Supplement, which constitutes a public purpose. The manner in which the refunding of the Refunded Commercial Paper Notes is being accomplished by the Board does not make it practicable to make the determinations required by Section 1207.008, Texas Government Code. The Refunded Commercial Paper Notes shall be those Outstanding Commercial Paper Notes designated by the Board Representative to be refunded and retired with a portion of the proceeds of the Bonds.

Section 3. TERMS OF BONDS; PRICING COMMITTEE; PARAMETERS.

(a) ***Terms of Bonds.*** Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, numbered consecutively from R-1 upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than August 15, 2045, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as determined in the manner provided below.

(b) ***Delegation to Pricing Committee.*** As authorized by Chapter 1371 and subject to the parameters set forth in Section 3(d) below, the Pricing Committee is hereby authorized, appointed and designated to act on behalf of the Board in selling and delivering, in one or more series or subseries, taxable or tax-exempt, the Bonds and carrying out the procedures specified in this Sixteenth Supplement, including determining:

- (i) the date for issuance and sale, and the dated date, of each series of Bonds;
- (ii) the selection of the specific maturities or series (whole or part) of the Refunded Bonds to be refunded;
- (iii) the name and any special or additional series designation for the Bonds;
- (iv) the principal amount of each series of Bonds to be sold (subject to the limitations set forth in Section 2.01(a)), as well as the principal amount of each stated maturity within a series of Bonds;
- (v) the price at which the Bonds shall be sold;
- (vi) the principal amortization schedule for the Bonds (including, without limitation, the designation of any of the maturities of the Bonds as term bonds and any amortization installments to be deposited to the applicable interest and sinking fund relating to any term bond so designated);
- (vii) the redemption features of the Bonds;
- (viii) the rate or rates of interest to be borne by the Bonds;
- (ix) whether to acquire a municipal bond insurance policy in support of all or any portion of the Bonds; and
- (x) any other matters relating to the issuance, sale and delivery of the Bonds; all of which shall be specified in one or more Pricing Resolutions adopted by the Pricing Committee.

(c) ***Effect of Determination Made by Pricing Committee; Expiration of Delegation.*** Any finding or determination made by the Pricing Committee, acting under the

authority granted by this Sixteenth Supplement, in adopting a Pricing Resolution shall have the same force and effect as if made by the Board. The authority hereby granted by the Board to the Pricing Committee shall expire if not exercised by the Pricing Committee within 365 days of the date of adoption of this Sixteenth Supplement.

(d) **Parameters for Pricing.** The Pricing Committee may exercise any authority granted under Chapter 1207 or Chapter 1371 to effect the issuance of the Bonds, so long as on the date that each applicable Bond Purchase Contract is executed:

(i) the aggregate net present value savings, calculated in accordance with GASB Statement No. 7, realized as a result of the refunding of the principal amount of the Refunded Bonds by the Bonds being issued at that time shall not be less than (x) two percent (2.00%) with respect to Bonds issued to currently refund all or a portion of the Refunded Bonds; and (y) three percent (3.00%) with respect to Bonds issued to advance refund all or a portion of the Refunded Bonds;

(ii) the maximum maturity of any series of Bonds issued hereunder shall not exceed December 31, 2045;

(iii) the price to be paid for the Bonds shall not be less than 95% of the aggregate principal amount thereof; and

(iv) none of the Bonds shall bear interest at a rate greater than 10% per annum.

(e) **In General.** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS, with such changes and additions as are necessary to conform the FORM OF BONDS to the terms of the sale of the Bonds set forth in the Pricing Resolution. The final FORM OF BOND applicable to any issuance of Bonds shall be approved by the Pricing Committee and attached to the applicable Pricing Resolution.

Section 4. INTEREST. The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS to their respective dates of maturity at the rates approved by the Pricing Committee.

**Section 5. REGISTRATION, TRANSFER, AND EXCHANGE;
AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.**

(a) **Paying Agent/Registrar.** The Board Representative is directed to select, on behalf of the Board, the Paying Agent/Registrar for the Bonds. The Board Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form presented at this meeting.

(b) **Registration Books.** The Issuer shall keep or cause to be kept at the corporate trust office designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office")

books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) **Ownership of Bonds.** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Sixteenth Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) **Payment of Bonds and Interest.** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Sixteenth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) **Authentication.** The Bonds initially issued and delivered pursuant to this Sixteenth Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate (the "Authentication Certificate") unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Sixteenth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate. The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Sixteenth Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute

Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Sixteenth Supplement shall constitute one of the Bonds for all purposes of this Sixteenth Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Sixteenth Supplement, the Authentication Certificate shall be printed thereon. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in subsection (e) of this Section, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by a Board Representative. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Sixteenth Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Sixteenth Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Sixteenth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Sixteenth Supplement, and a certified copy of this Sixteenth Supplement shall be delivered to each Paying Agent/Registrar.

(h) ***Book-Entry Only System.*** The Bonds issued in exchange for the Bonds initially issued and delivered to the Underwriters shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. A "Blanket DTC Letter of Representations" in connection with utilizing the DTC Book-Entry Only System has been executed by a Board Representative and filed with DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Sixteenth Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of

giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Sixteenth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Sixteenth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Sixteenth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Sixteenth Supplement shall refer to such new nominee of DTC.

(i) *Successor Securities Depository; Transfers Outside Book-Entry Only System.*

In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC described in subsection (h) of this Section or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Sixteenth Supplement.

(j) *Payments to Cede & Co.* Notwithstanding any other provision of this Sixteenth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC referred to in subsection (f) of this Section.

(k) *Notice of Redemption.* The Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be

sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of maturity so called for redemption, the mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 6. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Underwriters pursuant to this Sixteenth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Sixteenth Supplement.

Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution, the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of participants in the Revenue Financing System. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Revenue Financing System can be incurred. This Sixteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are Parity Obligations issued under the terms of the Master Resolution. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. Pursuant to Section 7(c) of the Master Resolution, the Board hereby designates HSC El Paso as a participant in the Revenue Financing System. As required by Section 5 (a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that it will have sufficient funds to meet the financial obligations of each participant in the Revenue Financing System (currently TTU, the Health Sciences Center, ASU and HSC El Paso), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System. Furthermore, the Board hereby determines that TTU, the Health Sciences Center, ASU and HSC El Paso each possess the financial capability to satisfy its respective Direct Obligation after taking into account the payment of the Annual Debt Service Requirements on the Bonds.

Section 8. SECURITY AND PAYMENTS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Sixteenth Supplement. The Pledged Revenues are hereby pledged, subject to

the liens securing the Prior Encumbered Obligations, if any, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 9. PAYMENTS TO PAYING AGENT/REGISTRAR. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) ***Replacement Bonds.*** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same Series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) ***Application for Replacement Bonds.*** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) ***Payment in Lieu of Replacement.*** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) ***Charge for Issuing Replacement Bonds.*** Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to

all the benefits of this Sixteenth Supplement equally and proportionately with any and all other Bonds duly issued under this Sixteenth Supplement.

(e) ***Authority for Issuing Replacement Bonds.*** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) hereof for Bonds issued in exchange and replacement for other Bonds.

Section 11. AMENDMENT OF SUPPLEMENT.

(a) ***Amendments Without Consent.*** This Sixteenth Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Sixteenth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Sixteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixteenth Supplement, upon receipt by the Board of an opinion of nationally-recognized bond counsel, that the same is needed for such purpose, and will more clearly express the intent of this Sixteenth Supplement;

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 19(d)(vi) of this Sixteenth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall, not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) *Amendments With Consent.* Subject to the other provisions of this Sixteenth Supplement, the owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Sixteenth Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Sixteenth Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) *Notice.* If at any time the Board shall desire to amend this Sixteenth Supplement other than pursuant to subsection (a) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

(d) *Receipt of Consents.* Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the

form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) ***Effect of Amendments.*** Upon the adoption by the Board of any resolution to amend this Sixteenth Supplement pursuant to the provisions of this Section, this Sixteenth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Sixteenth Supplement, as amended.

(f) ***Consent Irrevocable.*** Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) ***Ownership.*** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Registrar therefor. The Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar.

Section 12. DEFEASANCE. That in accordance with the provisions of Section 1207.033, Texas Government Code, the Board may call for redemption, at a date earlier than their scheduled maturities, those Bonds which have been defeased to their maturity date. Notwithstanding any other provision of this Sixteenth Supplement to the contrary, it is hereby provided that any determination not to redeem Bonds defeased under the terms of this Sixteenth Supplement that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that, in the proceedings providing for such payment arrangements, the Board (1) expressly reserves the right to call Bonds so defeased for redemption; (2) gives notice of the reservation of that right to the owners of the Bonds so defeased immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Section 13. SIXTEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Sixteenth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Sixteenth Supplement by the Board and the covenants and agreements set forth in this Sixteenth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or

maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Sixteenth Supplement.

Section 14. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Sixteenth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 16. LIMITATION OF BENEFITS WITH RESPECT TO THE SIXTEENTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Sixteenth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Sixteenth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Sixteenth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE.

(a) *Submission of Proceedings to Attorney General.* The Board Representative is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds in accordance with Chapter 1371. The Board Representative is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds in accordance with the provisions of Chapter 1202, Texas Government Code, in which case the Board Representative also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The Board hereby authorizes the payment of the fee of the Attorney General for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. The approving legal opinion of bond counsel and the assigned CUSIP

numbers may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to the Sixteenth Supplement is hereby adopted and made a part of this Sixteenth Supplement for all purposes.

(b) **Bond Insurance.** If authorized in a Pricing Resolution, the purchase of a municipal bond insurance policy from a municipal bond insurance provider that has an underlying rating of "AA" (or its equivalent) or better at the time a Bond Purchase Contract is executed (the "Bond Insurer") as additional security for all or part of a series of Bonds is hereby authorized. The printing of a legend describing the municipal bond insurance policy issued by the Bond Insurer is hereby authorized. The payment of the premium to the Bond Insurer in consideration for the issuance of said policy, should one be so obtained, is hereby approved. The Insurance Commitment issued by the Bond Insurer shall be made a part hereof for all purposes. In addition, it is agreed that should such policy be obtained, the Board will comply with the conditions applicable to the Bonds, as set forth in the Insurance Commitment issued by the Bond Insurer, as if such conditions were incorporated in this Sixteenth Supplement, and will pay to the Paying Agent/Registrar for the Bonds the debt service due on the Bonds so insured by the Bond Insurer not later than one Business Day prior to each principal or interest payment date of the Bonds. In the event such policy is obtained, the Board Representative is hereby instructed to provide notice to the Bond Insurer in the event such payment is not made to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date; failure to make such payment to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date shall not constitute a default under the terms of this Sixteenth Supplement.

Section 18. OFFICIAL STATEMENT. Prior to execution of a Bond Purchase Contract, a Board Representative, acting for and on behalf of the Board, shall cause a preliminary Official Statement to be prepared for distribution by the Underwriters to prospective purchasers of the Bonds sold under the terms of such Purchase Contract, such document to be in substantially the form utilized in connection with the sale of Parity Obligations previously issued by the Board, with such changes and completions as the Board Representative may deem necessary or appropriate to enable the Board Representative, acting for and on behalf of the Board, to deem the preliminary Official Statement to be final as of its date, except for such omissions as are permitted by the Rule. The use of such deemed final Official Statement in the offer and sale of the Bonds is hereby approved. Within seven (7) business days after the execution of a Bond Purchase Contract, the Board Representative, acting for and on behalf of the Board, shall cause a final Official Statement to be provided to the Underwriters in compliance with the Rule and the rules of the MSRB.

Section 19. CONTINUING DISCLOSURE OBLIGATION.

(a) **Annual Reports.** (i) The Board shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2015, financial information and operating data with respect to the Board of the general type included in the final Official Statement approved by Section 18 hereof, being the information described in **Exhibit C** hereto, and (2) if not provided as part such financial information and operating data, audited financial

statements of the Board, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in **Exhibit C** hereto, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation, and audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Board will provide unaudited financial information of the type included in the Official Statement by the required time and audited financial statements when and if such audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

(ii) If the Board changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

(iii) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(b) **Notice of Certain Events.** The Board shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the Board, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with this Section by the time required by this Section.

As used in this Section, the term “obligated person” shall mean any person, including the Board, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

(c) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. (i) The Board shall be obligated to observe and perform the covenants specified in this Section with respect to the Board and the Bonds while, but only while, the Board remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice required by subsection (b) hereof of any Bond calls and defeasance that cause the Board to be no longer such an “obligated person”.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Board or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

(iv) No default by the Board in observing or performing its obligations under this Section shall constitute a breach of or default under this Sixteenth Supplement for purposes of any other provision of this Sixteenth Supplement.

(v) Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(vi) Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the registered owners and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Board if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Board's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in

such offering. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 20. FEDERAL TAX COVENANTS. With respect to any Bonds issued hereunder as Tax-Exempt Bonds, the Board covenants to take any action to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the “gross income” of the holder for purposes of federal income taxation. In furtherance thereof, the Board covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Tax-Exempt Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any “private business use,” as defined in section 141 (b)(6) of the Code or, if lesser, \$15,000,000; and if more than such amount of the proceeds are so used, that amounts or revenues, whether or not received by the Board, allocable to such property, do not, under the terms of this Sixteenth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Tax-Exempt Bonds, or if lesser, \$15,000,000 in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the “private business use” described in subsection (a) hereof exceeds 5 percent of the proceeds of the Tax-Exempt Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Tax-Exempt Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Tax-Exempt Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Tax-Exempt Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code)

which produces a materially higher yield over the term of the Tax-Exempt Bonds, other than investment property acquired with --

(1) proceeds of the Tax-Exempt Bonds invested for a reasonable temporary period of three years or, in the case of a current refunding, of 90 days or less or, in the case of an advance refunding, of 30 days or less, until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Tax-Exempt Bonds;

(g) to otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Tax-Exempt Bonds, as may be necessary, so that the Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Tax-Exempt Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Tax-Exempt Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Tax-Exempt Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax-Exempt Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve; the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In furtherance of the foregoing, any Board Representative may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Board, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds.

In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Tax-Exempt Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 21. ADDITIONAL TAX COVENANTS REGARDING USE OF PROPERTY.

(a) *Allocation of, and Limitation on, Expenditures for the Project.* The Board covenants to account for the expenditure of proceeds from the sale of the Tax-Exempt Bonds and any investment earnings thereon to be used for the projects described in the certificate executed by the Board Representative in accordance with the provisions of Section 2(b) hereof (each such project referred to herein and subsection (b) of this Section 21 as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the date of delivery of the Tax-Exempt Bonds or (b) the date the Tax-Exempt Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Tax-Exempt Bonds.

(b) *Disposition of Project.* The Board covenants that the property constituting a Project will not be sold, or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 22. SALE OF BONDS.

(a) *Underwriters.* The Board Representative is directed to select, on behalf of the Board, the senior managing underwriter and the other Underwriters for each series of Bonds to be issued hereunder to assure that the Bonds are sold on the most advantageous terms to the Board. Subject to approval of the Pricing Committee pursuant to Section 3 hereof, the Board Representative is directed to negotiate with the Underwriters all matters relating to the sale of the Bonds, including determining and fixing the date of the Bonds, the number of series, any additional designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, and the aggregate principal amount of the Bonds or any series thereof, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the

option of the Board, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of each series of Bonds, including, without limitation, the possible use of municipal bond insurance for any series of Bonds and the use or uses of premium, if any, received as a part of the purchase price for Bonds.

(b) ***Bond Purchase Contract.*** The Bond Purchase Contract shall be in substantially the form utilized in connection with the sale of Bonds previously issued by the Board for comparable purposes. A Bond Purchase Contract shall contain the terms of the sale of the Bonds, as negotiated by the Board Representative in accordance with the terms hereof. The actual sale of each series of Bonds, and the applicable Bond Purchase Contract setting forth the terms of such sale shall be approved by a Pricing Resolution. The Board Representative is hereby authorized and directed to sign each Bond Purchase Contract in the final form approved by the Pricing Committee. The Pricing Committee's approval of a Bond Purchase Contract shall be conclusively evidenced by the execution thereof by a Board Representative.

(c) ***Ratings.*** No Bonds shall be delivered unless prior to delivery, the particular series or subseries of Bonds shall have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371.

(d) ***Payment of Attorney General Fee; Bond Review Board Approval.*** The Board hereby authorizes the payment of the fee of the Attorney General for the examination of the proceedings relating to the issuance of one or more series of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. To the extent required by applicable State law, the Bonds shall be approved by the Texas Bond Review Board prior to issuance.

(e) ***Effect of Determination Made by Board Representative.*** A finding or determination made by a Board Representative acting under the authority delegated thereto by this Sixteenth Supplement with respect to all matters relating to the issuance and sale of the Bonds shall have the same force and effect as if made by the Board.

Section 23. REFUNDING.

(a) ***Refunded Bonds.*** The principal amount of Bonds, if any, issued to refund all or portion of the Refundable Bonds, and the Refunded Bonds to be refunded, shall be specifically identified in a Pricing Resolution. The Pricing Committee, acting for and on behalf of the Board, may elect not to refund any or all of the Refundable Bonds. In the event Bonds are to be sold for the purpose of refunding all or a portion of the Refundable Bonds, then on or before the date of delivery of the Bonds, the Board Representative shall execute and deliver a certificate stating that the minimum amount of net present value savings resulting from the refunding of the Refunded Bonds herein established has been met or exceeded.

(b) ***Refunded Commercial Paper Notes.*** The principal amount of Bonds, if any, issued to refund Refunded Commercial Paper Notes shall be specifically identified in a Pricing Resolution. Concurrently with the delivery of the Bonds, proceeds in the amount of the principal amount of the Refunded Commercial Paper Notes that are to be refunded with a portion of the

proceeds from the sale of the Bonds shall be deposited to the credit of the "Note Payment Fund", established in accordance with the provisions of the Fifth Supplement, to refund those Refunded Commercial Paper Notes designated by the Board Representative to be refunded and retired with a portion of the proceeds of the Bonds.

Section 24. REDEMPTION OF REFUNDED BONDS. The Board Representative is hereby authorized to take such actions, consistent with the resolutions authorizing the issuance of the Refunded Bonds, that may be required to redeem prior to their scheduled maturities any of the Refunded Bonds. Upon the execution of the Bond Purchase Contract, the Board Representative may implement, on behalf of the Board, the redemption of any of the Refunded Bonds so designated in the Bond Purchase Contract, and that the redemption date for any of the Refunded Bonds shall be the first available call date provided for in the proceedings authorizing the issuance of any such Refunded Bonds.

Section 25. ESCROW AGREEMENT. The Board shall cause to be deposited with the Escrow Agent (as named in the hereinafter described Escrow Agreement) or directly with the paying agent for the Refunded Bonds, from the proceeds received from the sale of any series of Bonds and other available moneys of the Board, an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with Chapter 1207, to the extent Bonds are sold for such purpose. If required to establish firm banking arrangements with respect to the Refunded Bonds, the Board Representative is hereby authorized, for and on behalf of the Board, to execute and deliver one or more Escrow Agreements or deposit agreements with respect to the refunding of the Refunded Bonds, in the form approved by the Pricing Committee, with such changes as the Board Representative deems necessary to effect the sale of the Bonds to the Underwriters.

Section 26. FURTHER PROCEDURES. The Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixteenth Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds. In case any officer whose signature shall appear on the Bonds or any documents authorized in this Sixteenth Supplement shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 27. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions (other than the Master Resolution), including any resolutions specifying other sources of funding for the projects listed on Schedule II, which are in conflict or inconsistent with this Sixteenth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 28. RULES OF CONSTRUCTION. For all purposes of this Sixteenth Supplement, unless the context requires otherwise, all references to designated Sections and

other subdivisions are to the Sections and other subdivisions of this Sixteenth Supplement. The words “herein”, “hereof and “hereunder” and other words of similar import refer to this Sixteenth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Sixteenth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Sixteenth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Sixteenth Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to “FORM OF BOND” shall refer to the form of the Bonds set forth in **Exhibit B** to this Sixteenth Supplement, as finalized in the applicable Pricing Resolution.

Section 29. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Sixteenth Supplement was adopted; that this Sixteenth Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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SCHEDULE I

LIST OF REFUNDABLE BONDS

Any outstanding maturities of the following obligations:

TTUS Revenue Financing System Refunding & Improvement Bonds, Ninth Series 2003

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Original Principal</u>	<u>Principal Outstanding</u>	<u>Proposed Call Date*</u>
9/1/2003	2/15/2023	97,265,000	270,000	4/12/2015

*The 2015-2023 maturities may be redeemed prior to stated maturity on August 15, 2013 or any date thereafter at par plus accrued interest. The proposed call date may be subject to change.

TTUS Refunding and Improvement Bonds, Tenth Series (2006)

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Original Principal</u>	<u>Principal Outstanding</u>	<u>Proposed Call Date*</u>
2/1/2006	2/15/2031	220,915,000	179,135,000	2/15/2016

*The 2017-2029 and 2031 maturities may be redeemed prior to stated maturity on February 15, 2016 or any date thereafter at par plus accrued interest.

TTUS Revenue Financing System Refunding And Improvement Bonds, Twelfth Series (2009)

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Original Principal</u>	<u>Principal Outstanding</u>	<u>Proposed Call Date*</u>
2/1/2009	2/15/2038	170,640,000	111,585,000	2/15/2020

*The 2020-2028, 2033, and 2038 maturities may be redeemed prior to stated maturity on February 15, 2019 or any date thereafter at par plus accrued interest.

SCHEDULE II

ELIGIBLE PROJECTS

The acquisition, purchase, construction, improvement, renovation, enlargement and/or equipping of property, buildings, structures, facilities, roads and related infrastructure of TTUS including the following facilities:

1. West Village Housing Improvements;
2. Research & Technology Park Improvements;
3. Gayle Greve Hunt School of Nursing Building Improvements;
4. COBA Wing Addition;
5. Athletics Technology Improvements;
6. Jones Stadium North Colonnade Expansion;
7. United Supermarkets Arena Renovations;
8. Bayer CropScience Building Renovations;
9. Bayer CropScience TRIAD Facility Improvements;
10. Research II (ESB II);
11. Engineering Building (Renovations to Mass Communications Building);
12. New PSS Building and Renovations;
13. Stangel/Murdough Kitchen Renovations;
14. Burkhardt Center for Autism Education & Research - Hospitality Food Area;
15. Burkhardt Center for Autism Education & Research; and
16. Other capital projects throughout the TTUS.

EXHIBIT A

DEFINITIONS

As used in this Sixteenth Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term “*Acts*” shall mean, collectively, Chapter 55, Texas Education Code, Chapter 1207 and Chapter 1371.

The term “*ASU*” shall mean Angelo State University, a component institution of TTUS.

The term “*Authorized Denominations*” shall mean Authorized Denominations as defined in Section 2 of this Sixteenth Supplement.

The term “*Board Representative*” shall mean the Chancellor of TTUS or the Chief Financial Officer, or such other official of TTUS specifically appointed by the Board as a “Board Representative” to carry out the functions specified herein, each acting independently and not jointly.

The term “*Bond Purchase Contract*” shall mean any bond purchase agreement, between the Board and the Underwriters pertaining to the purchase of any series of Bonds by the Underwriters.

The term “*Bonds*” shall mean each series of Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Sixteenth Supplement; and the term “Bond” means any of the Bonds.

The term “*Business Day*” shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term “*Chapter 1207*” shall mean Chapter 1207, Texas Government Code.

The term “*Chapter 1371*” shall mean Chapter 1371, Texas Government Code.

The term “*Chief Financial Officer*” shall mean the Chief Financial Officer of TTUS so appointed by the Board or by the Chancellor of TTUS.

The term “*Code*” shall mean the Internal Revenue Code of 1986, as amended.

The term “*Commercial Paper Notes*” shall mean the Board of Regents of Texas Tech University Revenue Financing System Commercial Paper Notes, Series A, issued pursuant to the provisions of the Master Resolution and the Fifth Supplement.

The term “*Designated Trust Office*” shall have the meaning ascribed to said term in Section 5(b) of this Sixteenth Supplement.

The term “*DTC*” shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term “*DTC Participant*” shall mean securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term “*Eleventh Supplement*” shall mean the Eleventh Supplemental Resolution adopted by the Board on October 11, 2007, designating ASU as a Participant in the Financing System.

The term “*Escrow Agent*” shall mean the banking institution named in the Escrow Agreement and chosen in a manner consistent with the legal requirements set forth in Chapter 1207.

The term “*Escrow Agreement*” shall mean one or more escrow agreements between the Board and the Escrow Agent, dated as of date of the Bond Purchase Contract, and executed for the benefit of the owners and holders of the Refunded Bonds.

The term “*Fifteenth Series Bonds*” shall mean the Board of Regents of Texas Tech University System Revenue Financing System Refunding Bonds, Fifteenth Series (Taxable 2012B) authorized by the Fifteenth Supplement.

The term “*Fifteenth Supplement*” shall mean the Fifteenth Supplemental Resolution adopted by the Board on December 16, 2011, authorizing the Fifteenth Series Bonds.

The term “*Fifth Supplement*” shall mean the amended and restated fifth supplemental resolution adopted by the Board on August 8, 2008, authorizing the Commercial Paper Notes.

The term “*Fourteenth Series Bonds*” shall mean the Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Fourteenth Series (2012A) authorized by the Fourteenth Supplement.

The term “*Fourteenth Supplement*” shall mean the Fourteenth Supplemental Resolution adopted by the Board on December 16, 2011, authorizing the Fourteenth Series Bonds.

The term “*Health Sciences Center*” shall mean the Texas Tech University Health Sciences Center, a component institution of TTUS.

The term “*HSC El Paso*” shall mean the Texas Tech University Health Sciences Center at El Paso, a component institution of TTUS.

The term “*Issuance Date*” shall mean the date of delivery the Bonds to the Underwriters against payment therefor.

The term “*MAC*” shall mean the Municipal Advisory Council of Texas.

The term “*Master Resolution*” shall mean the Master Resolution Establishing The Revenue Financing System under the Authority and Responsibility of the Board of Regents of Texas Tech University, adopted by the Board on October 21, 1993, as amended on November 8, 1996 and on August 22, 1997.

The term “*Maturity*” shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term “*MSRB*” shall mean the Municipal Securities Rulemaking Board.

The term “*Ninth Series Bonds*” shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Ninth Series (2003) authorized by the Ninth Supplement.

The term “*Ninth Supplement*” shall mean the Ninth Supplemental Resolution adopted by the Board on August 8, 2003, authorizing the sale of the Ninth Series Bonds.

The term “*Parity Obligations*” shall mean the outstanding parity revenue obligations issued by the Board in accordance with the terms of the Master Resolution and secured by the Revenue Financing System, namely as of the date of this Sixteenth Supplement, the Commercial Paper Notes, the Ninth Series Bonds, the Tenth Series Bonds, the Twelfth Series Bonds, the Thirteenth Series Note, the Fourteenth Series Bonds, the Fifteenth Series Bonds and, when delivered, the Bonds authorized to be issued hereunder in one or more series.

The terms “*Paying Agent/Registrar*”, “*Paying Agent*” or “*Registrar*” shall mean the agent appointed pursuant to Section 5 of this Sixteenth Supplement, or any successor to such agent.

The term “*Pricing Committee*” shall mean the Chancellor, the Chief Financial Officer, John D. Steinmetz, L. Frederick Francis and John Walker.

The term “*Pricing Resolution*” shall mean one or more resolutions adopted by the Pricing Committee in accordance with Section 3(b) of this Sixteenth Supplement.

The term “*Record Date*” shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term “*Refundable Bonds*” shall mean those debt obligations identified in Schedule I to this Sixteenth Supplement.

The term “*Refunded Bonds*” shall mean those Refundable Bonds identified in a Pricing Resolution to be refunded with proceeds from the sale of one or more series of the Bonds.

The term “*Refunded Commercial Paper Notes*” shall mean those Commercial Paper Notes refunded by an issuance of one or more series of Bonds issued hereunder, as identified in a certificate of the Chief Financial Officer executed pursuant to the terms of this Sixteenth Supplement.

The term “*Registration Books*” shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Sixteenth Supplement.

The term “*Regulations*” shall mean all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

The term “*Revenue Financing System*” shall mean the revenue financing system of TTUS as established by the Board pursuant to the Master Resolution.

The term “*Rule*” shall mean SEC Rule 15c2-12, as amended from time to time.

The term “*SEC*” shall mean the United States Securities and Exchange Commission.

The term “*Sixteenth Supplement*” shall mean this Sixteenth Supplemental Resolution adopted by the Board on December 12, 2014, authorizing the sale of the Bonds.

The term “*Tax-Exempt Bonds*” shall mean the Bonds issued hereunder as obligations described in section 103 of the Code, the interest on which is not includable in the “gross income” of the holder for purposes of federal income taxation

The term “*Tenth Series Bonds*” shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Tenth Series (2006) authorized by the Tenth Supplement.

The term “*Tenth Supplement*” shall mean the Tenth Supplemental Resolution adopted by the Board on December 16, 2005, authorizing the sale of the Tenth Series Bonds.

The term “*Thirteenth Series Note*” shall mean the note, in one or more designated series, as authorized by the Thirteenth Supplement.

The term “*Thirteenth Supplement*” shall mean the Thirteenth Supplemental Resolution adopted by the Board on September 12, 2008, authorizing the sale of the Thirteenth Series Note.

The term “*TTU*” shall mean Texas Tech University, a component institution of TTUS.

The term “*TTUS*” shall mean the Texas Tech University System, under the governance of the Board.

The term “*Twelfth Series Bonds*” shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Twelfth Series (2008) authorized by the Twelfth Supplement.

The term “*Twelfth Supplement*” shall mean the Twelfth Supplemental Resolution adopted by the Board on August 8, 2008, authorizing the sale of the Twelfth Series Bonds.

The term “*Underwriters*” shall mean those investment banking firms designated by the Board Representative in accordance with Section 22(a) hereof to purchase one or more series of Bonds pursuant to a Bond Purchase Contract.

All terms not herein defined shall have the meanings given to said terms by the Master Resolution or as otherwise defined in this Sixteenth Supplement.

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EXHIBIT B

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BOND,
_____ SERIES (201__)

NO. R-_____ PRINCIPAL
AMOUNT
\$ _____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
%	_____, 20__	_____, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM (the "Issuer"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Bond Date, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on _____ 15, 20__, and semiannually on each February 15 and August 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, initially at the corporate trust

office in _____, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Trust Office") of _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method, as shall be acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

THIS BOND is one of a series of bonds authorized in the aggregate principal amount of \$_____ pursuant to a Sixteenth Supplemental Resolution to the Master Resolution adopted December 12, 2014, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution") ***FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTUS, (ii) REFUNDING THE REFUNDED BONDS, (iii) REFUNDING THE REFUNDED COMMERCIAL PAPER NOTES AND (iv) PAYING THE COSTS RELATED THERETO.***

ON February 15, 20_____, or on any date thereafter, the Bonds of this series scheduled to mature on and after February 15, 20_____ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portion thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par value thereof and accrued-interest to the date fixed for redemption; provided that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be

redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

BONDS MATURING February 15, 20____ are "Term Bonds" and are subject to mandatory redemption at a price equal to the principal amount to be so redeemed and accrued and unpaid interest to the date of redemption, to-wit:

Said Bonds shall be redeemed in part by lot prior to maturity on February 15, 20____, in the amounts designated below, to-wit:

Years	Amounts
_____	_____

* Maturity

THE ISSUER shall redeem Term Bonds by lot, or purchase in the open market Bonds of the same maturity. The Board shall effect the retirement of the Term Bonds required to be retired by mandatory redemption, by either redemption in accordance herewith or prior purchase for cancellation in the open market at a price not exceeding the redemption price. To the extent that Term Bonds have been previously purchased for cancellation or redeemed other than pursuant to a sinking fund redemption payment, each sinking fund payment amount for such Term Bonds shall be reduced, to the extent practicable, by the amount obtained by multiplying the principal amount of such Term Bonds so purchased or redeemed by the ratio which each remaining sinking fund payment amount of such maturity bears to the total remaining sinking fund payment amounts of such maturity, and by rounding each such sinking fund payment amount to the nearest \$5,000 integral multiple. On the maturity date of any Term Bonds, the Board shall effect the payment of the principal of maturing Term Bonds. The foregoing notwithstanding, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, the particular Bonds to be so redeemed shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out

of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, payable in the same manner, in any authorized denomination at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the

registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Bond Resolution; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, any outstanding Prior Encumbered Obligations.

THE ISSUER has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair or Vice Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary/Assistant Secretary
Board of Regents of
Texas Tech University System

Chair/Vice Chair
Board of Regents of
Texas Tech University System

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

Paying Agent/Registrar

**FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER
OF PUBLIC ACCOUNTS TO ACCOMPANY THE BONDS
UPON INITIAL DELIVERY**

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond and the proceedings authorizing its issuance have been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/ _____ /

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond, company.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION OF THE BOARD

The following information is referred to in Section 19 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in the Official Statement under the caption "DEBT SERVICE REQUIREMENTS", the subcaptions to the caption "TEXAS TECH UNIVERSITY SYSTEM" in Appendix A to the Official Statement entitled "- General Description - Enrollment", "- Admissions and Matriculation", "- Financial Management" and "- Selected Financial Information" and in Appendix B to the Official Statement entitled "TEXAS TECH UNIVERSITY SYSTEM CONSOLIDATED ANNUAL FINANCIAL REPORT".

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation.



TEXAS TECH UNIVERSITY SYSTEM

2015 Bond Issue

Jim Brunjes

Vice Chancellor and Chief Financial Officer

December 11, 2014



BOR Action Item



- The Board of Regents will approve a resolution authorizing the sale and delivery of **“Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Sixteenth Series Tax-exempt and Taxable Bonds in the Maximum aggregate amount of \$400 million.”**

2015 Bond Issue



Funding History of Last Five Years - Capital Projects

Projects Completed in the Last Five Years Texas Tech University



TTU	2009	2010	2011	2012	2013	2014	2015	Total
Engineering Expansion/Renovation Phase I	*							\$10,000,000
Art 3D Ceramics	*							\$1,100,000
Track Renovation	*	*						\$4,800,000
Center for Pulse Power & Power Electronics	*							\$1,500,000
Student Lecture Pool	*		*					\$7,500,000
High Performance Research Computing Facility	*							\$1,800,000
Jones AT&T Stadium East Side Expansion	*	*						\$39,600,000
Jones AT&T Stadium NEZ Expansion	*							\$6,000,000
Jones AT&T Stadium NEZ Facilities	*	*						\$20,100,000
Art 3D Annex Finish Out (Sculpture)	*							\$3,800,000
RRHC North Addition	*	*						\$1,800,000
Rewis College of Bus Admin	*							\$7,000,000
TY Baseball Park Improvements & Plank Area	*	*						\$5,000,000
Admin Bldg Abatement & Renovation	*							\$3,400,000
Cap Sciences Build-Out	*							\$12,100,000
Printech (HESS) Bldg Renovation	*							\$7,200,000
Gerald Myers Indoor Soccer Facility	*	*						\$1,000,000
Kerr Science Chapel	*		*					\$3,400,000
Media and Communication	*							\$25,000,000
Creative Movement Studio	*							\$2,200,000
IRLS Lab at TREP	*		*					\$2,400,000
Talkington Residence Hall and Dining Facility	*		*					\$47,000,000
Architecture Life Science Upgrades	*							\$7,400,000
Petroleum Engineering and Research Bldg	*							\$22,800,000
Biological Sciences Bldg Life Safety Upgrades	*							\$6,000,000
Jones AT&T Stadium NEZ Colonnade & Infill Seating	*	*						\$5,150,000
Burkhart Dr for Autism Education & Ranch	*		*					\$40,800,000
Video Scoreboard	*							\$13,000,000
Track Team Building Renovation	*	*						\$1,200,000
West Village	*	*						\$54,000,000
Rewis Golf Course Clubhouse & Team Facility	*	*						\$5,700,000
Admin Bldg 3rd Floor Interior Finish-Out	*							\$2,400,000
SUBTOTAL	15	18	5	2				\$999,440,720

Total Gross Square Footage Added for TTU = 1,583,171 sq ft

Total Enrollment for TTU Fall, 2009 = 30,049

Total Enrollment for TTU Fall, 2014 = 35,204

*17% Enrollment increase for TTU since Fall, 2009

Projects Completed in the Last Five Years HSC, ASU, System



HSC	Project Name	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
	Larry Combs Community Health & Wellness Center	•	•	•	•	•	•	•	\$5,198,508
	Abilene School of Pharmacy	•	•	•	•	•	•	•	\$9,087,743
	Abilene School of Nursing	•	•	•	•	•	•	•	\$13,645,000
	P. Marie Hall SimLife Center	•	•	•	•	•	•	•	\$6,500,000
	Amarillo School of Pharmacy Expansion	•	•	•	•	•	•	•	\$8,010,000
	Amarillo Family Medicine Relocation	•	•	•	•	•	•	•	\$7,000,000
	Amarillo Research Building	•	•	•	•	•	•	•	\$18,000,000
	El Paso Medical Education Building	•	•	•	•	•	•	•	\$45,000,000
	OC Cancer Research Lab	•	•	•	•	•	•	•	\$3,200,000
	SUBTOTAL	7	•	•	•	•	•	•	\$114,541,243

Total Gross Square Footage Added for HSC = 310,849 sq ft

Total Enrollment for HSC Fall, 2009 = 3,250

Total Enrollment for HSC Fall, 2014 = 5,013

ASU	Project Name	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
	Rec/Wellness/CHP Expansion	•	•	•	•	•	•	•	\$7,000,000
	ASU Plaza Verde Residence Hall Phase I	•	•	•	•	•	•	•	\$35,000,000
	SUBTOTAL	2	•	•	•	•	•	•	\$42,000,000

Total Gross Square Footage Added for ASU = 175,726 sq ft

Total Enrollment for ASU Fall, 2009 = 6,376

Total Enrollment for ASU Fall, 2014 = 6,490

SYS	Project Name	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
	System Office Relocation (TT Plaza)	•	•	•	•	•	•	•	\$2,000,000
	SUBTOTAL	1	•	•	•	•	•	•	\$2,000,000

Total Gross Square Footage Added for System Administration = 51,141 sq ft

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2015 Bond Issue



Projects Awaiting Bond Debt Funding

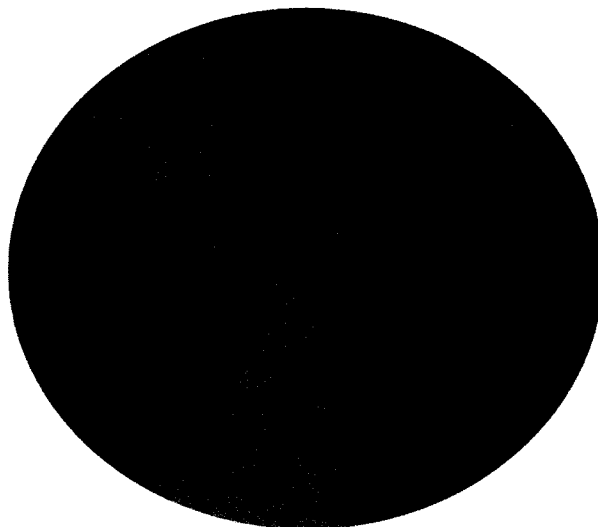
Summary of Projects in Next Bond Issuance



Entity	Project	Dept	Revenue Source	Tax-Exempt (TE) or Taxable (T)	Approved Financed Total	Estimated New Total Proceeds	CP as of 8/26/2014	Est CP at Issue
TTU	West Village	Housing & Hospitality	Aux Housing & Dining Revenues	TE	54,800,000	53,329,181	48,030,364	53,329,181
TTU	COBA Wing Addition	Academics	Student Facility Use Fee	TE	14,700,000	14,700,000	-	1,000,000
HSCELP	Gayle Greve Hunt School of Nursing Bldg	GGHSON	Hunt gift & MCA grant	TE	14,500,000	12,664,000	7,500,000	12,664,000
TTU	Research & Technology Park Phase I	Research	Grant Revenues - Indirect Cost Recovery	T	29,045,000	29,045,000	4,750,000	22,250,000
TTU	Bayer CropScience TRIAD Facility	Research	Institutional Funds	T	14,216,135	13,721,135	5,500,000	7,500,000
TTU	Video Screen	Athletics	Auxiliary - Athletics Revenues	T	11,000,000	7,568,000	7,568,000	7,568,000
TTU	Bayer CropScience Bldg Renovation / Previously University College	Research	Institutional Funds	T	5,100,000	5,100,000	2,760,000	4,800,000
TTU	United Supermarkets Arena Renovations	Athletics	United Supermarkets Gift	T	4,300,000	4,300,000	620,000	2,620,000
TTU	Jones Stadium North Colonnade	Athletics	Auxiliary - Athletics Revenues & Gifts	T	2,250,000	1,827,000	1,827,000	1,827,000
						Tax-Exempt Totals	84,000,000	80,693,181
						Taxable Totals	66,911,135	61,561,135
						Overall Total	149,911,135	142,254,316
							55,530,364	66,993,181
							23,025,000	46,565,000
							78,565,364	113,558,181

7

Breakdown of Projects in New Bond Issuance



Total Debt:
\$142,254,316

8

Refinancing Candidates



Series	Refinancing Amount
2003 Series 9 Tax-Exempt: Callable 8/15/2013	\$270,000
2006 Series 10 Tax-Exempt: Callable 2/15/2016	\$179,135,000
2009 Series 12 Tax Exempt: Callable 2/15/2020	\$111,585,000
Total Possible Refunding	\$290,990,000

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Estimated Savings



Series	Amount
2003 Series 9 Tax-Exempt	\$35,000
Estimated NPV Savings % of refunded bonds	14.15%
2006 Series 10 Tax-Exempt	\$7,700,000
Estimated NPV Savings % of refunded bonds	11.65%
2009 Series 12 Tax-Exempt	<u>TBD</u>
Total Estimated Net Present Value Savings	\$7,735,000
Estimated Aggregate NPV Savings of refunded bonds	11.75%

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2015 Bond Issue



Texas Tech University System Credit Profile

TTUS Credit Profile Select Ratio Comparison



MOODY'S



	Texas A&M University System	Texas State University System	Texas Tech University System	University of North Texas System	University of Texas System	University of Houston System
RATINGS	Aaa/AA+/AA+	Aa2/-/AA	-/AA/AA	Aa2/-/AA	Aaa/AAA/AAA	Aa2/AA/-
Operating Margin (%)	2.3%	2.6%	2.6%	(3.5%)	2.5%	2.9%
RANKING:	5	2	2	6	4	1
Maximum Annual Debt Service to operations (%)	8.4%	8.0%	3.5%	5.5%	4.1%	6.8%
RANKING:	6	5	1	3	2	4
Expendable financial resources-to-comprehensive debt (x)	2.10x	0.52x	1.99x	0.67x	1.49x	0.75x
RANKING:	1	6	2	5	3	4
Expendable financial resources-to-operations (x)	1.47x	0.42x	0.79x	0.41x	0.85x	0.61x
RANKING:	1	5	3	6	2	4
AVERAGE RANKING:	3.25	4.5	2	5	2.75	3.25
	3	5	1	6	2	3

TTUS Credit Profile

Analysis of FY 2013 and FY 2014 Ratios for TTUS



MOODY'S



	TTUS - FY 2013	TTUS - FY 2014
Operating Margin (%)	2.6%	5.9%
		Better
Maximum Annual Debt Service to operations (%)	3.5%	4.1% (est)
		Better
Expendable financial resources- to-comprehensive debt (x)	1.99x	2.10x
		Better
Expendable financial resources-to-operations (x)	0.79x	0.83x
		Better

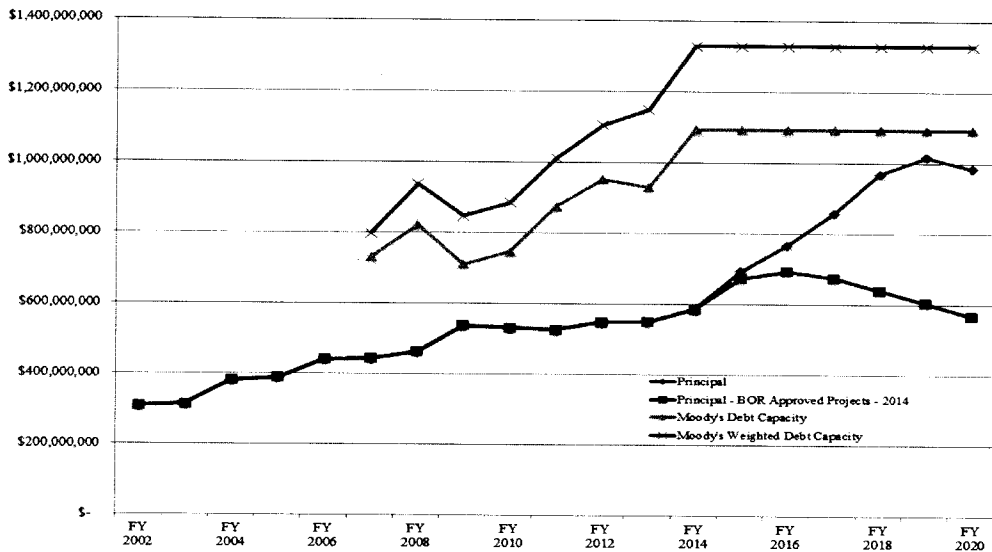
13

2015 Bond Issue



Future Texas Tech University System Debt

TTUS Debt Capacity Analysis Principal vs. Debt Capacity



15

Tentative Schedule of Events



DATE	ACTION
December 5	Distribute underwriting RFP
December 11 & 12	BOR adopt bond resolution
January 9	UW's RFP's due
January 20	UW's oral presentation in Dallas Select Underwriting Syndicate and Underwriters Counsel Send out PA/R RFP's and make selection Submit rating requests
Week of February 2	Distribute first draft of POS
February 11	Fitch Rating Call 10:00am CT
February 12	S&P Rating Call 10:00am CT
Week of February 16	Finalize POS Due Diligence meeting
Week of February 23	Receive ratings Electronic distribution of POS
Week of March 3	Price Bonds Publish conditional call notice on series 2003 bonds
7 days after pricing	Final OS delivery
End of March or 1 st week in April	Receive approval from AG Closing
60 days after closing	Submit BRB Final Report

Dec-14						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Jan-15						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31


Feb-15						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Mar-15						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

16

Debt Ratings



	AA
FitchRatings	AA+

17

Pricing Committee



The “Pricing Committee” shall include:

- The Chancellor
- The Chief Financial Officer (TTUS)
- Members of the Finance and Administration Committee of the Board of Regents

18

BOR Action Item



- The Board of Regents will approve a resolution authorizing the sale and delivery of **“Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Sixteenth Series Tax-exempt and Taxable Bonds in the Maximum aggregate amount of \$400 million.”**

19



TEXAS TECH UNIVERSITY SYSTEM™



TEXAS TECH UNIVERSITY SYSTEM

LTIF Reallocation

Jim Brunjes

Vice Chancellor and Chief Financial Officer

December 11, 2014



Bayer CropScience



- Bayer CropScience (BCS) is a major economic force in Lubbock that is continuing to experience a significant growth in operations. Starting in 1999 with 4 people, the business has now added about 80 full-time people over the years.
- Since 2009, Texas Tech University (TTU) and Bayer CropScience (BCS) have been conducting joint research activities under a cooperative research and development agreement (Project Revolution). This agreement has facilitated research by TTU and BCS scientists in a variety of areas related to genetic modifications of cotton to enhance numerous aspects of fiber quality and functionality.

Bayer CropScience



- FY 2010:

Bayer CropScience made TRIP eligible gifts totaling \$7.5M. \$5M of this gift and \$5M TRIP match was designated to “support research in the Department of Plant and Soil Science. This will enable Texas Tech University to pursue research initiatives and collaborations that could not otherwise be secured without the additional resources these funds will provide the University”

- FY 2012 and FY 2013:

Bayer CropScience made TRIP eligible gifts totaling \$10M in FY12 and \$9,316,135 in FY13 to “support construction of research facilities and research efforts in the Department of Plant and Soil Science and related crop science programs at Texas Tech University”.

3

Bayer CropScience



- Funds would be designated as \$2.5M for chairs and fellowships, \$3M to research facilities within the dept; and the balance of \$13,816,135 to be used for research projects. TRIP matching funds are not included in these figures.

Total BCS gifts to research in CASNR	\$ 18,816,135
Total TRIP to research in CASNR	\$ 5,000,000
GRAND TOTAL for research in CASNR	\$ 23,816,135

- \$12 million of the research project funds will be set aside in the LTIF until such time as appropriate research projects are identified. This will generate approximately \$540,000 annually for use by CASNR.

4

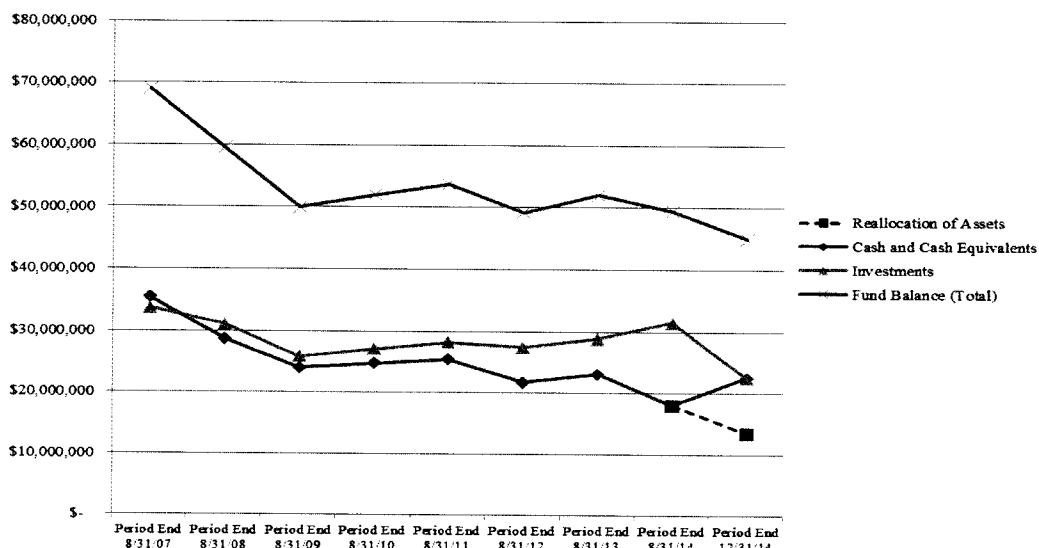
Medical Liability Self-Insurance Plan



- In August 2014, the actuary found the Medical Liability Self-Insurance Plan (Plan) to be in sound financial condition. That is, the Plan had sufficient funding to retire the likely liabilities of the Plan through August 31, 2014 and an adequate contingent reserve and capital base to absorb the expected experience in the FY 2015 Plan year. Due to increased funds, the actuary concluded that it was safe to pay the School of Medicine an experience dividend.
- The Chancellor has issued an experience dividend in the sum of \$4 million as authorized at the TTUS Board of Regents meeting on August 8, 2014.

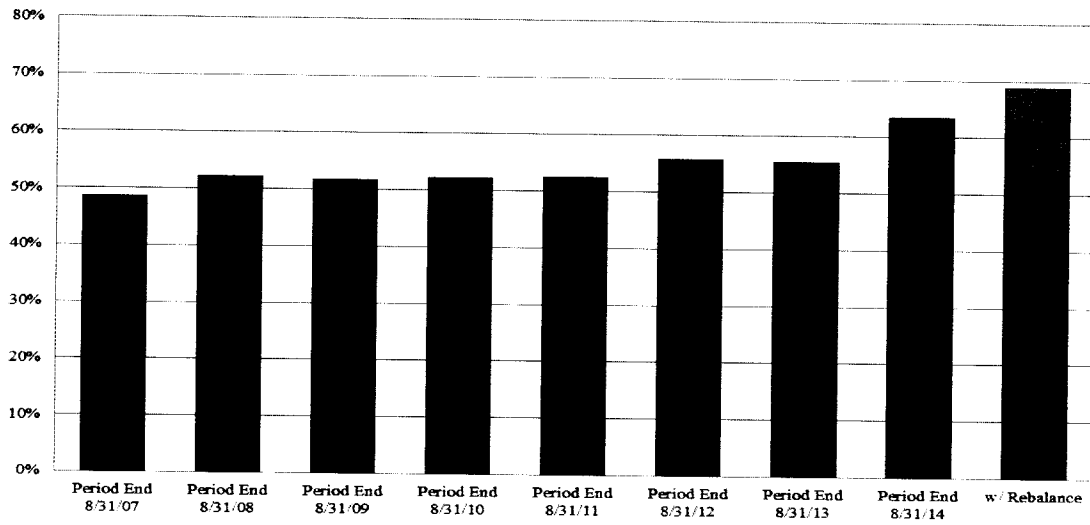
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Reallocation Proposed



6

% in Long Term Investment Fund



7



TEXAS TECH UNIVERSITY SYSTEM

[Major revisions: approved by the Board of Regents, ~~October 10, 2014~~] [Major revision:
~~December x, 2014~~]



Angelo State University Operating Policy and Procedure

OP 10.01: Undergraduate Student Admissions

DATE: ~~October 15~~ December x, 2014

PURPOSE: The purpose of this Operating Policy and/or Procedure (OP) is to outline policies concerning undergraduate student admissions.

REVIEW: This OP will be reviewed in August of every odd -numbered year by the executive director of enrollment management with recommended revisions forwarded by September 1 through the vice president for student affairs and enrollment management to the president for approval and submission to the Board of Regents for approval. (*Regents' Rules*, Sections 05.01.2 and 05.02)

POLICY/PROCEDURE

Angelo State University commits itself to the equal consideration of all qualified applicants for admission without regard to race, color, religion, sex, age, or national origin, and without regard to disabilities as required by the Americans with Disabilities Act of 1990. An applicant will be eligible for admission to the university when the Office of Admissions has on file the items required in the appropriate category, as listed below, and when all requirements in that category have been met.

- Application for Admission.
- Official transcripts of high school records.
- Scores on the American College Test (ACT) or the Scholastic Assessment Test (SAT) (scores cannot be more than five years old).
- Current non-refundable application fee.

1. ASSURED ADMISSION

Assured admission is granted to applicants based on satisfaction of the following requirements: a) graduate from an accredited high school or home school with a Texas Advanced or Recommended or Distinguished Achievement Program diploma or the Endorsements or Distinguished level of Achievement on the Foundation High School Program or its equivalent; and b) present the combination rank in class and minimum test scores indicated below.

High School Class Rank

Top 10% (Distinguished Program Required)
Next 40%
3rd Qtr
4th Qtr

Test Scores

ACT or SAT

No Minimum
17 / 820 (Math/Critical Reading)
File Review
File Review

[Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision: December x, 2014]

Assured admission is also granted to applicants who have: a) graduated from an accredited high school or home school with a Texas Advanced or Recommended or Distinguished Achievement Program diploma or the Endorsements or Distinguished level of Achievement on the Foundation High School Program or its equivalent; b) completed at least six (6) semester credit hours of dual credit through Angelo State University with a 3.0 GPA or higher; and c) submitted ACT or SAT scores.

Assured admission may also be granted to applicants not on a Texas High School Diploma Program but who meet one of the requirements listed below and meet the class rank and test score requirements noted above. The required SAT scores for assured admission are based on the math and critical reading portions of the SAT only.

- a. Submit, for private and home school students, the Texas Private High School Certification Form published by and made available on the Texas Higher Education Coordinating Board website.
- b. Satisfy ACT's College Readiness Benchmarks on the ACT assessment.
- c. Earn an SAT assessment score of at least a 1500 out of 2400.

Students who are unranked or fall within the 3rd or 4th quartiles will have their file reviewed to determine admissibility and potential for success at Angelo State University. Consideration factors include, but are not limited to, the applicant's academic record, class rank, standardized test scores, first-generation status, bilingual proficiency, extracurricular activities, community activities, region of residence, socioeconomic background, financial status of the school district, the school district's performance level on the TEA's accountability criteria, responsibilities such as employment or helping to rear children, resident of a rural or urban area or a resident of a central city or suburban area, attendance in a school under a court ordered desegregation plan, commitment to a particular field of study, personal interview, admission to a comparable accredited out-of-state institution, any other consideration the university considers necessary to accomplish the university's stated mission.

2. ADMISSION FILE REVIEW OF FRESHMAN APPLICANTS

Applicants who do not meet the assured admission criteria will have their records reviewed to evaluate other factors that predict success at Angelo State University. Consideration factors are the same as those used in the Assured Admission for applicants who are unranked or in the 3rd or 4th quartile.

3. ADMISSION TO A COLLEGE MAJOR

All new students will be admitted to the university then to a college and major. A college or major may have admission requirements in addition to those of the university.

4. GENERAL EQUIVALENCY DIPLOMA (GED) ADMISSION

Individuals who are not high school graduates but who have submitted evidence of a high school equivalency diploma from the Texas Education Agency (or equivalent agency in other states) may be eligible for admission to Angelo State University when they have submitted all of the following items to the Office of Admissions:

- Application for Admission.

~~[Major revisions: approved by the Board of Regents, October 10, 2014]~~ [Major revision:
December x, 2014]

- Scores on the ACT or the SAT (scores cannot be more than five years old).
- Current non-refundable application fee.

These applicants must meet one of the following admission requirements:

- a. Satisfy the College Readiness Benchmarks on the ACT assessment.
- b. Earn an SAT assessment score of at least a 1500 out of 2400.

5. DUAL CREDIT/CONCURRENT ENROLLMENT

High school and home school students who have completed the sophomore or junior year of high school may be eligible for enrollment in certain courses at Angelo State University under either the Springboard On-Site Dual Credit/Concurrent Enrollment Program (DC/CE) or the Off-Site Dual Credit Enrollment Program. Students approved for either DC/CE program must be enrolled concurrently in Angelo State University and high school. Enrollment may be limited to no more than two courses of prescribed work during a fall or spring semester or each summer term.

Springboard On-Site Dual Credit/Concurrent Enrollment Program

A high school student will be eligible for admission to Angelo State University under the Springboard On-Site Dual Credit/Concurrent Enrollment Program when the applicant has met all admission requirements and has on file the following items:

- Dual Credit/Concurrent Enrollment Application for Admission.
- Official transcripts of high school records.
- Official scores on the ACT or the SAT (scores no more than five years old).
- Passing scores on the Texas Success Initiative (TSI) assessment test or proof of exemption.
- Dual Credit/Concurrent Enrollment Agreement form.
- Letter of recommendation from high school counselor.
- Completed Residency Questionnaire.
- Completed Bacterial Meningitis Vaccination form.
- Completed FERPA waiver form.
- Completed Course Selection form.
- Completed the sophomore or junior year of high school.

To be eligible for admission to Angelo State University under the Springboard On-Site Dual Credit/Concurrent Enrollment Program, high school students must meet the following admission requirements:

- a. Enrolled currently in high school courses necessary to complete the curriculum requirements on a Texas Advanced or Recommended or Distinguished Achievement High School Program, or the Endorsements or Distinguished level of Achievement on the Foundation High School Program, or its equivalent.
- b. Meet the class ranked test score requirements noted below, and

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**High School
Class Rank**

Top 10%
Next 40%
3rd Qtr
4th Qtr

**Test Scores
ACT or SAT**

No Minimum
17 / 820 (Math/Critical Reading)
File Review
File Review

- c. Meet Texas Success Initiative (TSI) exemption requirements with a composite score of 23 or above (19 subscore in English and math) on the ACT or a combined verbal and math score of 1070 (minimum 500 verbal and 500 math subscores) or above on the SAT or provide passing scores on the TSI assessment test.

Off-Site Dual Credit Enrollment Program

To be eligible for admission to Angelo State University under the Off-Site Dual Credit Enrollment Program, high school students must meet the following admission requirements:

- a. Be a high school student who has completed the sophomore or junior year.
- b. Have a “B” (3.0 or 80) overall high school average, or be in the top half of class, or recommended by the high school principal or high school counselor.
- c. Pass the section of the TAKS or TSI assessment that corresponds to the enrolled course, unless exempt, and provide TSI Assessment scores as required by the Texas Success Initiative (TSI).
- d. Dual Credit/Concurrent Enrollment Application for Admission.
- e. Official transcripts of high school records.
- f. Completed Residency Questionnaire.

Students granted enrollment to take academic courses under either the Springboard On-Site Dual Credit/Concurrent Enrollment Program or the Off-Site Dual Credit Enrollment Program will not be considered as having officially been admitted to, nor matriculated at, Angelo State University until they graduate from high school and enroll in the university as regular students.

6. TRANSFER ADMISSIONS

Students transferring from an accredited college or university will be eligible for admission to Angelo State University when they have met all admission requirements and have on file in the Office of Admissions the following items:

- Application for Admission.
 - Official transcripts of all college or university work.
 - Current non-refundable application fee.
- a. Transfer students from an accredited college or university who are not on disciplinary suspension may be admitted if their cumulative grade point average on all college level work attempted meets the following criteria and the other designated requirements:

[Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision: December x, 2014]

**Total College Level
Semester Credit
Hours Attempted**

1-17

18 or more

**Minimum Cumulative Grade
Point Average and
Other Requirements**

2.00 and meet admission criteria
for regular admission for high school
graduates

2.00

Students who are on academic suspension at any institution attended are ineligible for admission to Angelo State University until the period and terms of the suspension have been satisfied and the above criteria have been met.

- b. Graduates from an accredited two-year college with the associate degree will be admitted to Angelo State University once official transcripts demonstrating a 2.00 GPA or greater on all transferrable coursework have been received in the Office of Admissions. However, a maximum of sixty-six semester credit hours of college level academic course work may be applied toward a bachelor's degree at ASU. ASU will not accept transfer credit for developmental courses.
- c. When calculating a transfer grade point average, grades of *A*, *B*, *C*, *D*, and *F* are computed as recorded. Grades of *WF* are averaged as *F*. When a course has been repeated, the last grade stands and is used for GPA calculations. Grades in non-transferable, developmental, and some technical/vocational courses are disregarded.
- d. Students meeting all admission requirements who are currently enrolled in another college or university and are unable to provide current transcripts of all previous work may appeal their admission to the Office of Admissions. It is the responsibility of the students to provide the official transcript to the Office of Admissions or be subject to forced withdrawal.

7. ADMISSION REVIEW OF TRANSFER APPLICANTS

Transfer applicants who do not meet the admission GPA requirements but who have a minimum GPA of 2.0 on transferable coursework will have their records reviewed to evaluate other factors that could predict success at Angelo State University. A committee will review applicants holistically. Academic information such as the types of courses taken and the pattern of progress, as well as course work taken leading toward the major, the student-submitted essay explaining her/his decision to transfer to Angelo State University, reasons for past academic performance and plans to ensure future academic success, and extracurricular activities or employment information will be used to evaluate the applicant.

8. FORMER STUDENT ADMISSIONS

All former undergraduate Angelo State University students who did not attend one long semester (fall or spring) must re-apply for undergraduate admission to re-enter ASU. They must submit an application for undergraduate admission and the current non-refundable application fee.

Former ASU students who have attended another college or university after leaving ASU will be considered as transfer students and must meet the requirements listed in section 6 above. Students must submit official transcripts of all college or university course work since their

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December x, 2014]

last enrollment at ASU. The cumulative grade point average of all official transcripts that were not previously received in the Office of Admissions must be a minimum 2.00.

Students who leave ASU on scholastic probation may be re-admitted on scholastic probation. If a student was suspended from ASU, he or she may return on probationary status after complying with the suspension requirements.

9. TRANSIENT ADMISSIONS

Applicants who have completed college work and are working toward a degree at another college or university are eligible to be considered for transient admission. Applicants who desire to register for any term may be considered for enrollment without regard to the provisions of (section 6) above, but must not be on academic suspension from another institution.

Transient students are required to submit an application for undergraduate admission, the current non-refundable undergraduate application fee, and proof of good standing with their current institution.

10. POST-BACCALAUREATE ADMISSIONS

Post-baccalaureate admission is granted to students who have been awarded a bachelor's degree and do not want to obtain another undergraduate degree. Post-baccalaureate students are required to submit an application for undergraduate admission, current non-refundable undergraduate application fee, and proof of baccalaureate degree.

ASU undergraduate students who are in good standing and seek post-baccalaureate admission for the term directly following their graduation need to submit a Continuing Education Verification Form for admission.

11. PROVISIONAL ADMISSION

- a. Freshman applicants not admitted through the university's standard admission and review process may be considered for admission through the provisional admission program.
- b. Students may satisfy their provisional admission requirement in one of two ways:
 - 1) Apply and be accepted to the Angelo State Direct Path Program, a partnership with Howard College. Upon earning 18 transferable credit hours with a cumulative 2.0 or higher grade point average a student will be fully admitted to Angelo State University.
 - 2) Participate in the Summer Gateway Program by enrolling in and completing six hours of transferable coursework with a 2.0 or greater grade point average either at Angelo State University or at another college or university. Following successful completion of the requirements, a student will be admitted to Angelo State University.

12. OTHER PROVISIONS AND CONDITIONS OF ADMISSION

All other provisions and conditions of admission not covered by the above admission requirements shall be established by the president of the university.

~~[Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision:~~
~~December x, 2014]~~

13. ADMISSION DECISION APPEALS

The policies and procedures for considering admission decision appeals shall be established by the vice president for student affairs and enrollment management, subject to approval by the president of the university. The university's decision in all such cases shall be final.

FIVE-YEAR BUDGET PROJECTIONS FOR THE 2+2 PROGRAMS
WITH COLLIN COLLEGE

FY 2016	Number	Cost	Fringe Benefits	Total	Revenue-Expenses
Faculty Salaries	18	\$5,000		\$90,000	
Site Director	1	\$80,000	\$24,000	\$104,000	
Advisor	1	\$45,000	\$13,500	\$58,500	
Technology Support	1	\$50,000	\$15,000	\$65,000	
Facility Rental (Offices)	5	\$700		\$3,500	
Operating Costs		\$50,000		\$50,000	
Travel		\$10,000		\$10,000	
Marketing and Recruitment		\$25,000		\$25,000	
Materials					
Total Cost				\$406,000	-\$102,872

FY 2017	Number	Cost	Fringe Benefits	Total	Revenue-Expenses
Faculty Salaries	18	\$5,000		\$90,000	
Full-time Faculty	1	\$65,000	\$19,500	\$84,500	
Site Director	1	\$81,600	\$24,480	\$106,080	
Advisor	1	\$45,900	\$13,770	\$59,670	
Technology Support	1	\$51,000	\$15,300	\$66,300	
Facility Rental (Offices)	6	\$700		\$4,200	
Operating Costs		\$55,000		\$55,000	
Travel		\$11,000		\$11,000	
Marketing and Recruitment		\$27,500		\$27,500	
Materials					
Total Cost				\$504,250	-\$49,558

FY 2018	Number	Cost	Fringe Benefits	Total	
Faculty Salaries	18	\$5,000		\$90,000	
Full-time Faculty	2	\$65,000	\$19,500	\$169,000	
Site Director	1	\$83,232	\$24,970	\$108,202	
Advisor	1	\$46,818	\$14,045	\$60,863	
Technology Support	1	\$56,100	\$16,830	\$72,930	
Facility Rental (Offices)	7	\$700		\$4,900	
Operating Costs		\$60,500		\$60,500	
Travel		\$12,100		\$12,100	
Marketing and Recruitment		\$30,250		\$30,250	
Materials					
Total Cost				\$608,745	\$149,075

FY 2019	Number	Cost	Fringe Benefits	Total	
Faculty salaries	18	\$5,000		\$90,000	
Full-time Faculty	3	\$65,000	\$19,500	\$253,500	
Site Director	1	\$84,897	\$25,469	\$110,366	
Advisor	1	\$47,754	\$14,326	\$62,081	
Technology Support	1	\$61,710	\$18,513	\$80,223	
Facility Rental (Offices)	8	\$700		\$5,600	
Operating Costs		\$66,550		\$66,550	
Travel		\$13,310		\$13,310	
Marketing and Recruitment		\$33,275		\$33,275	
Materials					
Total Cost				\$714,904	\$346,044

FY 2020	Number	Cost	Fringe Benefits	Total	
Faculty Salaries	18	\$5,000		\$90,000	
Full-time Faculty	4	\$65,000	\$19,500	\$338,000	
Site Director	1	\$86,595	\$25,978	\$112,573	
Advisor	1	\$48,709	\$14,613	\$63,322	
Technology Support	1	\$67,881	\$20,364	\$88,245	
Facility Rental (Offices)	9	\$700		\$6,300	
Operating Costs		\$73,205		\$73,205	
Travel		\$14,641		\$14,641	
Marketing and Recruitment		\$36,603		\$36,603	
Materials					
Total Cost				\$822,889	\$692,751 \$1,035,440

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Enrollment		100	150	250	350	500
SCH/Student		9	9	9	9	9
SCHs		900	1,350	2,250	3,150	4,500
State Tuition	\$50	\$45,500	\$67,500	\$112,500	\$157,500	\$225,000
Designated Tuition	\$163	\$146,628	\$219,942	\$366,570	\$513,198	\$733,140
Student Services	\$142	\$14,200	\$21,300	\$35,500	\$49,700	\$71,000
IT Fee	\$27	\$21,150	\$31,725	\$52,875	\$74,025	\$105,750
Advising & Retention Fee	\$4	\$3,600	\$5,400	\$9,000	\$12,600	\$18,000
Library Fee	\$330	\$32,950	\$49,425	\$82,375	\$115,325	\$164,750
Records Fee	\$9	\$8,100	\$12,150	\$20,250	\$28,350	\$40,500
OLDE	\$35	\$31,500	\$47,250	\$78,750	\$110,250	\$157,500
Total Revenue		\$303,128	\$454,692	\$757,820	\$1,060,948	\$1,515,640

SCHOOL OF PHARMACY
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

PHARMACY INCOME PLAN
BYLAWS

SCHOOL OF PHARMACY
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
PHARMACY INCOME PLAN

BYLAWS

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The Bylaws, and all amendments thereto, of the Texas Tech University Health Sciences Center School of Pharmacy Income Plan ("PIP", the "Plan") are hereby superseded by the amended Bylaws as follows:

ARTICLE I

PURPOSE

The Texas Tech University Health Sciences Center School of Pharmacy (the School) has created a separate fiscal plan for the purpose of managing the professional income of its members. This plan shall be named the Pharmacy Income Plan ("PIP", or the "Plan") and administered pursuant to the Bylaws set forth in this document and Exhibit A, attached hereto and incorporated by reference herein.

ARTICLE II

2.0 DEFINITIONS

2.1 GLOSSARY

PIP or Plan

Pharmacy Income Plan ("Plan").

Augmentation

Compensation in addition to Base Salary.

Base Salary

The Base Salary specified in an annual contract between the faculty member and Texas Tech University Health Sciences Center

Business Operations Trust Fund

The Business Operations Trust Fund will be the initial depository account for the receipt and disbursement of all Professional Income.

Course and Scope of Employment of TTUHSC

All activities commensurate with one's designated position; assigned activities are based on the percent time of employment, are determined by the needs of each department, and may vary from semester to semester.

Dean

Dean of the School of Pharmacy of Texas Tech University Health Sciences Center

Full-time Faculty

School of Pharmacy faculty fully engaged in teaching, scholarship, and/or practice as a full-time employee who works 75-100% FTE as per HSC OP 70.05.

Incentive Compensation

Discretionary payment made only upon recommendation of the Department Chair and Dean and approved by the TTUHSC President.

~~Institutional Program Fund~~ Institutional Development Fund Manager of Plan

Funds used to support the programs of TTUHSC.

~~The fiscal manager of PIP~~ Assistant Dean of Finance and Administration.

Memorandum of Appointment

Notice provided to non-tenure faculty members annually prior to September 1. TTUHSC OP 60.08.

Net Plan Income

The sum remaining from gross income after deductions for payments to the Business Operations Trust Fund and the ~~Institutional Program Fund~~ Institutional Development Fund ("IPDF").

Professional Income

Income earned from patient-care related, consultative and direct care services, etc., by the faculty member who participates in the Plan.

School

School of Pharmacy of Texas Tech University Health Sciences Center.

SPEC

School of Pharmacy Executive Committee.

TTUHSC School of Pharmacy campuses

TTUHSC campuses at Amarillo, Abilene, Lubbock or the DFW Metroplex

TTUHSC President

President of the Texas Tech University Health Sciences Center, or designee

2.2 PLAN COMPOSITION:

The Pharmacy Income Plan shall consist of:

- 2.2.1 Business Operations Trust Fund ~~for the Center~~, which will be the initial depository account for the receipt and disbursement of all professional fee income.
- 2.2.2 An ~~Institutional Program Fund~~ Institutional Development Fund, which will be utilized to support the programs of ~~TTUHSC the School~~ Center.
- 2.2.3 A School Development Fund, which will be utilized to support the developmental programs of the School.
- 2.2.4 A School Program Fund, which will be utilized to support the programs of the School.
- 2.2.5 A Member's Account, which will be expended at the discretion of the individual faculty member according to the rules of the PIP.

2.3 TOTAL COMPENSATION TO PIP MEMBERS:

Total Compensation shall be comprised of the following:

- 2.3.1 State-appropriated education and general budget funds, contract and grant funds, gift funds, PIP Member's Account, or other funds designated for salaries by the Board of Regents, as paid to faculty members by the School and reported to the Internal Revenue Service.
- 2.3.2 — Augmentation

- 2.3.2 Augmentation, ~~shall~~which shall be defined as that part of Total Compensation, paid from PIP funds or from other ~~sources~~ authorized by the Board of Regents, which is paid to a member pursuant to the Plan that is outside of the amount listed in the annual Memorandum of Appointment.
- 2.3.3 Member's Augmentation shall be expended at the member's discretion from available member funds in the ~~Member's~~ account and with appropriate ~~TTUHSC~~University approvals.
- 2.3.4 Incentive Compensation is discretionary and may only be paid upon the written recommendation of the departmental Chair and the Dean and ~~with the approval of the TTUHSC~~ President.

ARTICLE III

~~2.03.0~~ 2.03.0 ORGANIZATION OF THE MEMBERSHIP

~~2.1.3.1.~~ 2.1.3.1. MEMBERSHIP

- ~~2.1.1.3.1.1.~~ 2.1.1.3.1.1. Membership in the Plan shall be required of each faculty member whose appointment at the Health Sciences Center and affiliate institution(s) totals fifty percent (50%) time or greater and who, as a licensed pharmacist, generates income related to patient care. Exceptions to the above may be made only upon written recommendation to the PIP Policy Committee, and the subsequent approval of the Dean and TTUHSC President.
- ~~2.1.2.3.1.2.~~ 2.1.2.3.1.2. Members of the Plan shall be eligible to participate in its deliberations and to vote upon matters of business and shall be eligible for election to offices and for appointment to committees.
- ~~2.1.3.3.1.3.~~ 2.1.3.3.1.3. A member leaving the faculty terminates membership in the Plan without further rights, privileges, entitlements, or recourse.

~~2.2.3.2.~~ 2.2.3.2. MEETINGS OF THE GENERAL MEMBERSHIP

- 3.2.1 The membership shall meet in general session at an annual meeting in the third quarter of the fiscal year at a location designated by the PIP ~~President~~Chair. Notice of the annual meeting, an agenda, and an annual report developed by the PIP ~~President~~Chair, upon consultation with the Dean shall be made available, upon written request, to each member at least three weeks before the meeting. The annual meeting shall be held simultaneously at all TTUHSC School of Pharmacy campuses ~~the centers of the regional campuses~~ by means of interactive telecommunications.
- 3.2.2 Procedures of the annual meeting:
- 3.2.2.1 Appropriate communications will be provided so that each member is afforded an opportunity to speak and to hear the conduct of the business.
- 3.2.2.2 The conduct of business shall be limited to that of the published agenda. Other business may be added to the agenda upon majority vote of the membership present at the meeting.
- 3.2.2.3 The total of all votes from the TTUHSC School of Pharmacy ~~Centers regional campuses~~ shall constitute the basis for decisions.

- 3.2.2.4 Special meetings may be called by the Dean, the PIP ~~President~~Chair, or upon written petition by twenty-five percent (25%) of the members. Special meetings shall require the same notice as the annual meeting.
- 3.2.2.5 The PIP ~~President~~Chair shall preside at all meetings of the general membership. In the absence of the PIP ~~President~~Chair, the PIP Chair-elect ~~President-elect~~ shall preside. The PIP Manager will serve as secretary at all general and committee meetings. A secretary will be elected by the policy committee.
- 3.2.2.6 Minutes of each meeting shall be circulated to each member within thirty (30) days following the meeting.
- 3.2.2.7 The presence of at least thirty-five percent (35%) of the members shall constitute a quorum.
- 3.2.2.8 Each member shall have one (1) vote and must be present to vote.
- 3.2.2.9 Except where otherwise specified within these Bylaws, a simple majority vote of the members present shall prevail.
- 3.2.2.10 Meetings of the membership shall be conducted according to *Robert's Rules of Order*. If *Robert's Rules of Order* are silent to an issue, then the order of precedence will be the governing documents of the PIP and then the policies and procedures of TTUHSC.

2.3.3.3. PIP POLICY COMMITTEE

- ~~2.3.1.3.3.1.~~ There shall be a Policy Committee.
- ~~2.3.2.3.3.2.~~ The Policy Committee shall consist of voting and non-voting members.
 - ~~2.3.2.1.3.3.2.1.~~ Voting members shall be:
 - 3.3.2.1.1. PIP Chair, who shall chair the committee and be elected from the membership at large; the term of appointment is 1 year. Chair shall begin term on the first day of September following annual elections.
 - 3.3.2.1.2. PIP Chair-elect, who shall be elected from the membership at large; the term of appointment is 1 year. Chair-Elect shall begin term on the first day of September following annual elections.
 - 3.3.2.1.3. PIP Past Chair, who shall serve as a committee member; the term of appointment is 1 year. Past Chair shall begin term on the first day of September following annual elections.
 - ~~2.3.2.1.1.3.3.2.1.4.~~ Each full-time departmental Chair, if the Chair is a member, or in his or her absence, the designee of the departmental Chair.
 - ~~2.3.2.1.2.~~ ~~Two members elected from the membership at large who shall serve for two years, and whose terms shall be staggered so that one member is elected each year.~~
 - ~~2.3.2.1.3.3.2.1.5.~~ Non-voting members shall be the Dean, Associate Dean for Finance and Administration, and PIP Manager.
- ~~2.3.3.3.3.3.~~ Election of officers
 - ~~2.3.3.1.3.3.3.1.~~ The officers of the Policy Committee shall be the:

- 2.3.3.1.1.3.3.3.1.1. _____ PIP ~~President~~Chair, who will preside;
- 2.3.3.1.2.3.3.3.1.2. _____ PIP ~~President~~Chair-elect, who will succeed the PIP ~~President~~ Chair or preside in the PIP ~~President's~~ Chair's absence and shall otherwise perform the duties prescribed by these Bylaws.
- 2.3.3.2.3.3.3.2. _____ ~~Officers~~The PIP Chair-elect shall be elected annually by ~~the committee~~ PIP members ~~from among the voting members~~ to serve a term of one year from September through August to coincide with the academic year.
- 2.3.3.3. ~~No elected officer shall serve more than two full consecutive terms in the same office.~~
- 2.3.3.4.3.3.3.3. _____ In the event of a vacancy:
- 2.3.3.4.1.3.3.3.3.1. _____ During the term of the PIP ~~President~~Chair, the PIP ~~President~~Chair-elect shall fill the remainder of the PIP ~~President's~~ Chair's term, as well as the ensuing term;
- 2.3.3.4.2.3.3.3.3.2. _____ During the term of the PIP ~~President~~Chair-elect, a new PIP ~~President~~Chair-elect shall be elected at the next regular meeting following the occurrence of the vacancy, and shall fill the remainder of the PIP ~~President~~Chair-elect's term as well as the ensuing term.
- 2.3.4.3.3.4. _____ Meetings
- 2.3.4.1.3.3.4.1. _____ The PIP Policy Committee shall meet at the call of the PIP Chair, but not less frequently than every quarter, or on the written petition of one half (1/2) of the members of the committee.
- 2.3.4.2.3.3.4.2. _____ The presence of majority of the voting members shall constitute a quorum.
- 2.3.4.3.3.3.4.3. _____ Each voting member or his or her designee shall have one (1) vote. A simple majority vote of the voting members present shall prevail.
- 2.3.4.4.3.3.4.4. _____ Meetings shall be conducted according to *Robert's Rules of Order* (See 3.2.2.10).
- 2.3.5.3.3.5. _____ The Policy Committee shall consider PIP business and recommend policy issues and changes to the Dean.
- 2.3.5.1.3.3.5.1. _____ The PIP ~~President~~ Chair will communicate recommendations of the Committee to the Dean.
- 2.3.5.2.3.3.5.2. _____ The PIP Manager will staff the Policy Committee, ~~will~~ maintain minutes, and ~~will~~ be accountable to the Dean who is accountable for the operational and fiscal status of the PIP.
- 2.3.6.3.3.6. _____ The PIP ~~President~~ Chair may attend the meeting of the School of Pharmacy's Executive Committee (SPEC) when PIP items are to be addressed.
- 2.3.6.1.3.3.6.1. _____ The Dean shall be responsible for informing the PIP ~~President~~ Chair when an item pertinent to PIP is on the SPEC agenda.
- 2.3.6.2.3.3.6.2. _____ The PIP ~~President~~ Chair may submit agenda items to the SPEC for policy review and consideration.
- 2.3.7.3.3.7. _____ The Policy Committee may appoint subcommittees as necessary.

~~2.3.8.3.3.8.~~ The Dean and/or PIP President may appoint ad hoc committees to review specific matters when necessary.

~~2.3.9.3.3.9.~~ The Dean shall be accountable to the TTUHSC President for the sound management of the PIP. Final authority on all matters relating to PIP shall reside with the TTUHSC President.

~~2.4.3.4.~~ BUSINESS OPERATIONS

~~2.4.1.3.4.1.~~ The PIP Policy Committee, with the advice and consent of the Dean, shall recommend the appointment of a PIP Manager to serve as the general administrator and fiscal officer of the Plan.

The salary of the PIP Manager ~~shall derive~~may be supported from by PIP funds, in relation to the percentage of time spent on duties and responsibilities related to PIP activities.

~~2.4.2.3.4.2.~~ A PIP Business Office, under the direction of the PIP Manager, shall be maintained by the Plan for the administration of PIP affairs.

~~2.4.3.3.4.3.~~ Administrative personnel and consultants may be employed or retained as recommended by the Policy Committee or by the Dean, in accordance with Center-TTUHSCS Operating Policies and Procedures and applicable state and federal laws.

~~2.4.4.3.4.4.~~ Annual operating and capital expense budgets for the Plan shall be prepared and approved in accordance with the Policies and Procedures of the Board of Regents. A summary revenue and expense budget for the coming year shall be submitted in the ~~last~~third quarter of the current fiscal year to the Policy Committee and to the Dean for approval and recommendation. Any changes in the final budget must be reviewed by the Policy Committee and approved by the Dean prior to the submission of the annual budget.

~~2.4.5.3.4.5.~~ Financial Reports shall be prepared by the PIP Business office, under the direction of the PIP Manager and submitted ~~monthly~~quarterly to the Policy Committee, and to the Dean. These reports shall include summary financial data stating monthly and year-to-date billings, income, expenses, and net income to the Program Fund.

~~2.4.6.3.4.6.~~ Collections under the Plan will be recorded for each member and reported to the Dean. An annual statement of funds deposited in the PIP during the fiscal year will be submitted to the appropriate department Chair and the Dean no later than each October 1.- These reports will be prepared and submitted by the PIP Business office.

~~2.4.7.3.4.7.~~ Professional fees shall be centrally billed. Collections shall be made by the PIP Business Office in accordance with approved procedures. All collections shall be deposited to the PIP Business Operations Trust Fund.- Any exceptions to the billing and collection policy shall be reviewed by the Policy Committee and approved in writing by the Dean.

~~2.4.8.3.4.8.~~ The TTUS/TTUHSC Office of ~~Internal audit~~Audit Services may, at its discretion, audit the operations of PIP.

ARTICLE IV

3.04.0 PRACTICE INCOME PLAN IP-BUSINESS OPERATIONS TRUST FUNDS

3.1.4.1. COMPOSITION

3.1.4.1.1. A PIP Business Operations Trust Fund shall be established for the receipt and disbursement of all ~~P~~professional ~~I~~income under the provisions of the Plan (see Article 4.53).

3.1.2.4.1.2. The PIP Business Operations Trust Fund shall make disbursements to the following funds as hereinafter provided:

3.1.2.4.1.2.1. ~~Institutional Program Fund~~ Institutional Development Fund (see Article 4.53);

3.1.2.2.4.1.2.2. School Program Fund (see Article 4.6);

3.1.2.3.4.1.2.3. School Development Fund (see Article 4.7);

3.1.2.4.4.1.2.4. Member's Account (see Article 4.8).

3.2.4.2. SOURCES OF INCOME

3.2.1.4.2.1. Pursuant to ~~each faculty~~ the member's Assignment and Plan Agreement, ~~contract with the Plan~~, each member shall assign all ~~P~~professional ~~I~~income ~~venue~~ to the PIP Business Operations Trust Fund (see Article 4.34).

3.2.2.4.2.2. Income from the professional services collected by PIP for services rendered at School of Pharmacy ~~the campuses~~ by part-time clinical or volunteer faculty and assigned to the department shall accrue to the PIP Business Operations Trust Fund, unless exempted by recommendation of the departmental Chair, approved by the Policy Committee, and subsequently approved in writing by the Dean.

3.2.3.4.2.3. Income earned from any unexpended balances of the Business Operation Trust Fund, ~~Institutional Program Fund~~ Institutional Development Fund, or School Program Fund shall accrue to the respective fund that generated it.

3.3.4.3. ITEMS INCLUDED IN PROFESSIONAL INCOME

3.3.1.4.3.1. Professional fees generated from patient care services within the campus-affiliated program, including third-party payments, patient care consultations, services, and contracts.

3.3.2.4.3.2. Sales revenue for medications sold in the School's ~~p~~Pharmaceutical ~~c~~Care ~~c~~Centers.

3.3.3.4.3.3. Management consulting contracts which would involve patient care (~~e~~-~~g~~., contracts between TTUHSC and outside entities set-up for management of rural hospitals pharmacies).

3.3.4.4.3.4. All other professional income with the exception of the following;

3.3.4.1.4.3.4.1. Honoraria and non-professional retainers;

3.3.4.2.4.3.4.2. Patent income and royalties as shall be established by the TTUS/TTUHSC Intellectual Property Policy;

~~3.3.4.3.4.3.4.3.~~ Fees for court appearances, depositions, record reviews, other than those given by the member in an official capacity, as approved in writing by the departmental Chair.

~~3.3.4.4.4.3.4.4.~~ Payment for editing scientific publications;

~~3.3.4.5.4.3.4.5.~~ Non-patient consultation fees earned as a regional or national consultant with non-affiliated institutions, with written approval of the departmental Chair.

~~3.3.4.6.4.3.4.6.~~ Honoraria for continuing education.

~~3.3.4.7.~~ Exceptions to the above must be approved in writing by the PIP Policy Committee and the Dean.

3.3.4.8. DETERMINATION OF PROFESSIONAL FEES FOR SERVICES

~~3.3.4.9.4.3.4.7.~~ The PIP Manager shall prepare at least annually a schedule of fees to be used for customary billing, which will be approved reviewed and approved by the Dean.

3.4.4.4. BUSINESS OPERATIONS TRUST FUND

4.4.1. The Business Operation Trust Fund shall be the initial depository account and maintained by the School for the purpose of paying the expenses of the general administrative and business operations of the Plan.

~~3.4.1.~~ The Business Operation Trust Fund shall be maintained by the School for the purpose of paying the expenses of the general administrative and business operations of the Plan.

3.5.4.5. INSTITUTIONAL PROGRAM FUND INSTITUTIONAL DEVELOPMENT FUND

4.5.1. An Institutional Program Fund Institutional Development Fund (IPF) shall be established for the President of the Health Sciences Center and the Chancellor. Expenditures from this Institutional Program Fund Institutional Development Fund (IPF) shall be at the discretion of the President and the Chancellor.

~~3.5.1.~~ The annual percentage required for allocation to the Institutional Program Fund Institutional Development Fund ~~will~~ shall be communicated to the Dean by the TTUHSC Office of Finance and Administration in the third quarter of each fiscal year. These funds will then be transferred to the President of the Health Sciences Center and the Chancellor for use.

~~3.5.2.4.5.2.~~ A Facility Use Fee shall be established annually to be funded by PIP and paid monthly to ??. The amount shall be set in accordance with general business practices and approved by the PIP Policy Committee in conjunction with the Dean or designee.

3.6.4.6. SCHOOL PROGRAM FUND

~~3.6.1.4.6.1.~~ A School Program Fund shall be established.

~~3.6.2.4.6.2.~~ The School Program Fund shall consist of the balance of professional income account maintained by the PIP Business Operations Trust Fund after all payments required by the Plan.

~~3.6.3.4.6.3.~~ The School Program Fund shall be expended in support of faculty compensation and benefits, professional liability insurance coverage, direct School business, and functions related to teaching, research, and patient care activities.

~~3.6.4.4.6.4.~~ Expenditures from the School Program Fund shall be under the direction of the Dean in accordance with those items allowable in Exhibit D.

~~3.7.4.7.~~ SCHOOL DEVELOPMENT FUND

~~4.7.1.~~ A School Development Fund shall be established for the School to enhance and support development of the School.

~~4.7.2.~~ The PIP Policy Committee, in conjunction with the Dean, shall approve the budget ~~and method of funding~~ the School Development Fund.

~~3.7.1.4.7.3.~~ Expenditures from the School Development Fund shall be at the discretion of the Dean in accordance with those items allowable in Exhibit D.

~~3.8.4.8.~~ MEMBER'S ACCOUNT

~~3.8.1.4.8.1.~~ A Member's Account shall be established for each member of the Plan.

~~3.8.2.4.8.2.~~ The Member's Account shall consist of the member's percentage of PIP payments.

~~3.8.3.4.8.3.~~ The Member's Accounts shall be maintained by the PIP Manager for expenditure at the discretion of the member. -Expenditures from the Member's Account shall be under the direction of the member in accordance with those items allowable in Exhibit CC.

ARTICLE V

~~4.05.0~~ GENERAL PROVISIONS

~~4.1.5.1.~~ EXCEPTIONS

~~4.1.1.5.1.1.~~ All exceptions granted under provisions of the Plan shall be reviewed and approved in writing by the Dean annually and with the consultation and advice of the PIP Policy committee.

~~4.1.2.5.1.2.~~ This Plan is created for management purposes only, and nothing in this Plan shall be construed to create a partnership, trust, association, or any other entity.

~~4.2.~~ CONTRACTS/ETHICS

~~4.3.~~ The Code of Ethics of the American Pharmaceutical Association is accepted as the governing code of ethics for the Plan (Exhibit BA).

~~4.4.5.2.~~ CONTRACTS

4.4.1.—5.2.1 The Assignment and Plan Agreement Appropriate contracts shall be executed between each member and the Plan, substantially in the ~~These contracts shall be in the form and content as shown in similar to the one appended as (attached Exhibit BB).~~

4.4.2.—

~~BENEFITS COMMITTEE~~

4.4.3-5.2.1. ~~The PIP President shall designate one member of the Policy Committee to serve on a standing, Benefits Committee, which shall review and make recommendations regarding member benefits to the Policy Committee.~~

4.5.5.3. GRIEVANCE COMMITTEE

4.5.1-5.3.1. In the event that any member of the Plan has a grievance related to compliance with these Bylaws, the PIP Chair shall name an ad hoc grievance Committee to review and make recommendations to the PIP Policy Committee for resolution. Unresolved grievances will be referred to the Dean for final resolution.

4.6.5.4. AMENDMENT OF BYLAWS

4.6.1-5.4.1. These Bylaws may be amended by a two-thirds (2/3) vote of the members present or by a two-thirds (2/3) vote of those responding by written ballot, providing that the amendment shall have been offered at a previous meeting or by written notice not fewer than thirty (30) days prior to the meeting of the membership.

4.6.2-5.4.2. These Bylaws or any amendments thereto shall be effective upon approval by the Board of Regents of the Texas Tech University System.

4.7.5.5. DISSOLUTION OF PLAN

4.7.1-5.5.1. The Plan may be dissolved by the Dean upon recommendation of the TTUHSC ~~Center~~President or designee,s and approval by a two-thirds (2/3) majority of the membership, the TTUHSC President, and the Board of Regents.

4.7.2-5.5.2. Upon voluntary dissolution of the Plan in order to establish a new organizational structure, all the assets of the former Plan shall be transferred to the new Plan.

4.7.3-5.5.3. Upon ultimate dissolution of the Plan, all monies remaining in the PIP Business Operations Trust Fund shall be utilized to discharge obligations of the Plan, with the balance to be distributed by the Dean with the approval of the President. Accounts receivable remaining outstanding after a one-year period shall be assigned by the PIP Business Operations Trust Fund to the Texas Tech Pharmacy School Foundation (the Foundation), and all collections of such accounts shall inure solely to the benefit of the Foundation.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER ("TTUHSC")

EXHIBIT A: EXPLANATION AND OPERATION OF THE SCHOOL OF PHARMACY ("School") PHARMACY INCOME PLAN ("PIP" or "Plan")

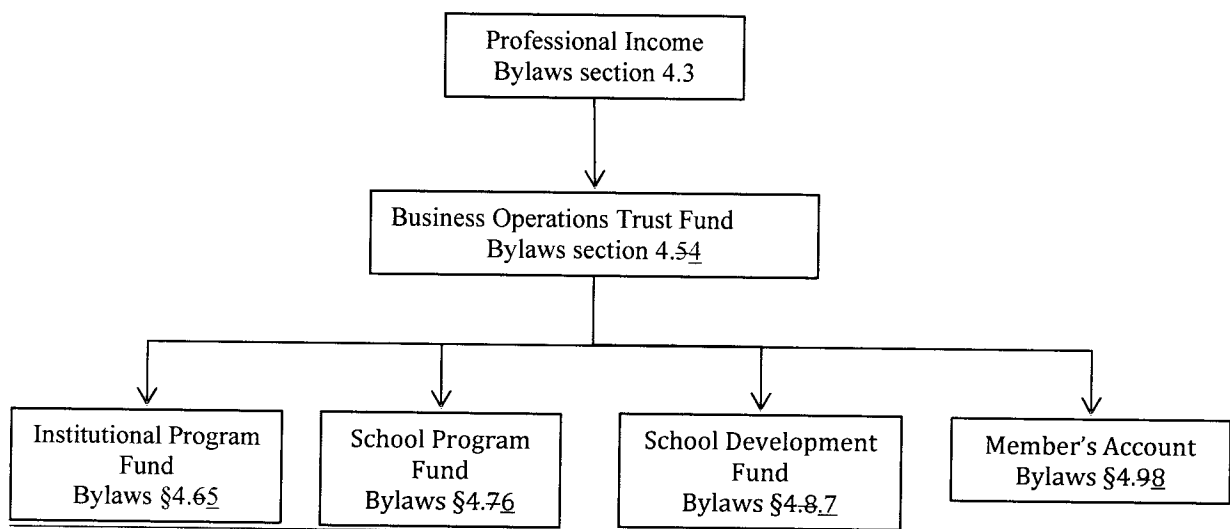
I. PURPOSE OF PIP

The Pharmacy Income Plan (PIP or Plan) is intended as a method to enhance compensation for School of Pharmacy ("School") faculty involved in providing patient care services. The Plan will also provide funds to enhance the development of TTUHSC, the School, and School Departments. ~~The PIP Bylaws were approved by the Texas Tech University System ("TTUS") Board of Regents on June 6, 1995 and amended on May 1, 2001. This Explanation and Operation of the Pharmacy Income Plan (PIP) document further explains the operation of the PIP and was approved by the PIP membership on 05/21/2014 on April 11, 2003 and subsequently submitted for approval to the Dean of the School of Pharmacy.~~

II. PIP FUNDS

- A. Income generated from patient care and other services shall be considered PIP Professional Income. These revenues shall be collected and deposited to the School of Pharmacy PIP Business Operations Trust Fund.- Items included in Professional Income are set forth in the PIP Bylaws, section 4.3.
- B. No funds donated to TTUHSC, the School of Pharmacy, or grants between TTUHSC or the School and other entities may be deposited to individual PIP Member's Accounts. -Non-patient care fees, honoraria, or payments for non-patient care consultations, and continuing education presentations, are excluded from the PIP.
- C. There are five (5) main PIP Funds as shown below in **Figure 1** and further described below:

Figure 1.



1. Business Operations Trust Fund. This fund is used for initial receipt and disbursement of Professional Income from patient care services. Additionally, this fund will be maintained for the purpose of paying the expenses of the general administrative and business operations of the PIP -- see section 4.4 of the PIP Bylaws.
~~Additionally, this fund will be maintained for the purpose of paying the expenses of the general administrative and business operations of the PIP -- see section 4.5 of the PIP Bylaws.~~
2. Institutional Program Fund~~Institutional Development Fund.~~ This fund is solely for the purpose of transferring funds from the PIP Business Operations Trust Fund and for allocation of a fraction (~~e.g., 2.5%~~) of income to support and enhance various programs of TTUHSC. Expenditures from this fund are transferred out of the SOP, and used at the discretion of the President of TTUHSC and Chancellor -- see section 4.5 of the PIP Bylaws.
- 2.3. School Program Fund – The purpose of this fund, which is transferred and managed by individual departments, is to support faculty compensation and benefits, faculty travel, professional liability, direct School Business, and functions related to teaching, research, and patient care activities -- see section 4.6 and Exhibit D of the PIP Bylaws.
- 3.4. School Development Fund – The purpose of this fund is to enhance and support development of the School. This may include school-wide development activities and functions such as graduation, meals for guests, etc. -- see section 4.7 of the PIP Bylaws.
- 4.5. Member's Account. Each PIP member shall have a separate PIP account maintained by the PIP Manager as the Member's Account -- see PIP Bylaws section 3.4 and section 4.8. All deposits to and disbursements from an individual faculty Member's Account shall be documented with an appropriate receipt or record and summarized monthly for each PIP member.- These funds ~~may will~~ may be paid out upon a member's retirement or resignation from the University, contingent upon approval of the Chair of the Department and the Dean of the School of Pharmacy.

PIP FUNDS AND ALLOCATIONS

School Negotiated Contracts

1. ~~Extramural~~External Contracts:
 - i. ~~Extramural~~External School negotiated contracts are those in which the School has established a contractual relationship for patient care services with an external business entity (i.e. outside of TTUHSC). Funds from these contracts are typically paid to the School for reimbursement of drug or medically related items and/or ~~salaries~~faculty time for patient care services or management and benefits. These contractual services are typically not linked to a specific faculty member. ~~Renewal of extramural contracts is a general responsibility of the School of Pharmacy (see Example 1 below).~~ These contractual services are typically not linked to a specific faculty member and are negotiated with assistance and involvement from the Pharmacy Practice Department Chair, Regional Dean, Dean and/or Assistant Dean of Finance and Administration. Renewal of external contracts is a general responsibility of the School of Pharmacy (see Example 1 below).
 - i.ii. All external PIP contracts that would affect a current faculty member's practice and are under consideration or in the process of being drafted and negotiated by the School must be drafted and ~~and~~ negotiated in consultation with both the faculty member and the Chair of the Department.
 - ii.iii. For prospective faculty members who are being recruited to fulfill the terms and conditions of a current PIP contract, a copy of the current contract with the outside entity must

be provided by the prospective division head or department chair to that individual before an offer of employment is made.

iii.iv. According to the PIP Allocation Formula, set forth below, 25% of gross external contract ~~contract funds~~ salaries shall be allocated to the PIP Member's Account. The remaining salary ~~replacement funds after payment to the individual faculty Member's Account~~ shall be allocated as designated in the PIP Allocation Formula for School Negotiated Extramural Contract Income (see Table 1 below).

iv.v. If the faculty member chooses to augment his/her salary from PIP, TTUHSC authorized fringe costs ~~benefits~~ ~~expenses~~ must be paid from the faculty Member's Account per HSC Policy. Fringe costs generally include Social Security Tax (if the faculty member has not exceeded the annual maximum), Medicare Tax, Worker's Compensation and the Lump Sum Vacation Pool.

v.vi. If an external contract has provisions for other payments beyond salary and wages ~~an hourly contracted rate~~, funds generated from these provisions will be treated in a manner similar to the sale of medications (see Section D) (see Table 3).

Table 1.

PIP Allocation Formula for School Negotiated Extramural Contracts

PIP Allocation Formula	School Negotiated Contract Income <i>*when deposited into PIP Member Account</i>
PIP Member's Account	25% of salaries
Institutional Program FundInstitutional Development Fund	2% of contractPercentage Determined by TTUHSC
School Program Fund	remainder
School Development Fund	5% of contract

Example 1: Dr. AB is a new faculty member who will be working with XYZ Hospital to provide clinical pharmacy services. The School has contracted with XYZ Hospital to provide 25% of Dr. AB's salary and the associated 28% fringe benefits for these clinical services. Dr. AB's annual salary from the School is \$70,000 and \$19,600 for fringe benefits (28% of \$70,000). Total salary and fringe benefits is \$89,600 (\$70,000 + \$19,600). Therefore, \$22,400 (25% of \$89,600) will be paid by XYZ Hospital to the School. Of this \$22,400, 25% of salary in the amount of \$4,375 (25% of \$17,500) will be deposited in the PIP Member's Account and may be used at the PIP Member's discretion in accordance with Exhibit C of the PIP Bylaws and IRS rules. Should the PIP Member choose salary augmentation, the member will be required to pay TTUHSC fringe benefit costs, currently estimated at 8.7% of the salary augmentation made. In Dr. AB case, up to \$4,024 could be paid as salary augmentation ($4,375 / 1.087$). \$351 would be charged as TTUHSC paid fringe benefit cost to his individual statement.

Example 1: Joe Smith, Assistant Professor, Pharm D

- **Base Salary = \$97,500**
- **School Negotiated PIP Contract: \$60/hr, 80 hours/week maximum**
- **Total hours billed in August = 68.28**
- **Total Invoice to Practice Site = \$4,095.00**

Allocation	Amount
Institutional-Dean	\$204.75
School Program Fund	\$2,765.43 <u>2,774.37</u>
PIP Members	\$1,023.75
President Institutional Development Fund	\$61.43 <u>92.13**</u>
Chancellor	\$40.95
TOTAL	\$4,095.00

Member Distribution	Amount
Member Earnings (25% of gross)	\$1,023.75
Fringe Costs (~18%)	\$191.43 <u>184.27</u>
<u>Augmentation</u>	<u>\$832.32</u> <u>839.418</u>
Base Salary Per Month	\$8,125
<u>TOTAL Payroll Submitted:</u>	<u>\$8,957.32</u> <u>8,964.48</u>

Federal Income taxes are then deducted from payroll amount according to withholding elections and tax Brackets.

Calculation based upon FY2014-2015 Institutional Development Fund rate of 2.25%

2. Intramural-Internal Contracts. Income from these contracts is for patient care and administrative services provided by the School to a defined patient population for which TTUHSC is responsible. The School may be required to manage and provide pharmacy services under either a fee-for-service or capitated basis. Generally, intramural-internal contracts may shall not be commingled with PIP funds. In those few incidences where intramural-internal contracts may be paid directly to the School through PIP, the intramural contract will be treated the same as an extramural School contract for purposes of PIP allocation.

PIP Member Negotiated ~~Extramural~~External Contracts

1. PIP Member negotiated external contracts are those in which the faculty member has negotiated terms and conditions for contractual patient care services with an external business entity (i.e. outside of TTUHSC). These contracts are developed with input from the specific faculty member and assistance from the Assistant Dean of Finance and Administration as well as the HSC Office of Contracting. No negotiation assistance is provided from the Pharmacy Practice Department Chair, the Dean or Regional Deans. These agreements also include fee-for-service payments for clinic-based care. Although these services are linked to a specific faculty PIP member, a contractual relationship exists between TTUHSC on behalf of the School and an external entity. The School is paid only when a specified faculty PIP member provided the services. Renewal of external contracts is often dependent on the performance of a specific faculty PIP member, or group of faculty members, rather than a general responsibility of the School of Pharmacy. ~~negotiated-extramural contracts are those in which the faculty~~

member has negotiated terms and conditions for contractual patient care services with an external business entity (i.e. outside of TTUHSC). This also includes fee-for-service payments for clinic-based care. Income from these contracts is typically reimbursement for salaries and benefits paid to the School. Although these services are linked to a specific faculty PIP member, a contractual relationship exists between TTUHSC on behalf of the School and an external entity. The School is paid only when a specified faculty PIP member provided the services. Renewal of extramural external contracts is often dependent on the performance of a specific faculty PIP member, or group of faculty members, rather than a general responsibility of the School of Pharmacy.

2. Income generated from Member Negotiated ~~Extramural~~ External Contracts shall be allocated according to the Member Negotiated/Earned Allocation Formula (see Table 2 below).

Table 2.

PIP ALLOCATION FORMULA FOR MEMBER NEGOTIATED/EARNED CONTRACTS

<u>PIP Allocation Formula</u>	<u>TOTAL PROFESSIONAL INCOME DEPOSITED DURING FISCAL YEAR</u>					
	<u>\$1 to \$10,000</u>	<u>\$10,001 to \$20,000</u>	<u>\$20,001 to \$30,000</u>	<u>\$30,001 to \$40,000</u>	<u>\$40,001 to \$50,000</u>	<u>Over \$50,000</u>
<u>PIP Member's Account</u>	<u>90%</u>	<u>85%</u>	<u>78%</u>	<u>69%</u>	<u>58%</u>	<u>50%</u>
<u>Institutional Program Fund</u> <u>Institutional Development Fund</u>	<u>Percentage Determined by TTUHSC2 %</u>	<u>Percentage Determined by TTUHSC2 %</u>	<u>Percentage Determined by TTUHSC2 %</u>	<u>Percentage Determined by TTUHSC2 %</u>	<u>Percentage Determined by TTUHSC2 %</u>	<u>Percentage Determined by TTUHSC2 %</u>
<u>School Program Fund</u>	<u>3% remainder</u>	<u>8% remainder</u>	<u>15% remainder</u>	<u>24% remainder</u>	<u>35% remainder</u>	<u>43% remainder</u>
<u>School Development Fund</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>TOTAL Allocation</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Federal income taxes are then deducted from payroll amount according to withholding elections and tax brackets*
Institutional Program Fund/Institutional Development Fund percentage may change as directed by HSC Finance and Administration office. The School Program fund for member negotiated contracts is calculated the same as school negotiated contracts – the remaining balance is applied to this fund.*

- 2.3. If the faculty member chooses to augment his/her salary from PIP, TTUHSC -authorized fringe costs must be paid from the faculty's Member's Account. Fringe costs benefits generally include Social Security Tax (if the faculty member has not exceeded the annual maximum), Medicare Tax, Worker's Compensation and the Lump Sum Vacation Pool.
- 3.4. If an extramural contract has other payment provisions beyond salary and wages, funds generated from these provisions will be treated in a manner similar to the sale of medications (see section D)(see Table 3).
4. A clinical drug study is a special type of PIP member extramural contract. Typically, the drug company does not place specifications on the researcher or institution as to how the contract dollars are to be spent; the contract typically specifies certain data or specific reports from the researcher. The investigator may specify patient care dollars within the grant budget that may be paid to PIP for the care of study patients.
5. Pursuant to TTUHSC Operating Policy 70.18, a faculty member may seek employment outside of SOP or TTUHSC executed agreement to perform professional services. Income from any patient care

services rendered outside of “normal business hour” (e.g. 8:00 AM to 5:00 PM Monday – Friday) and not on behalf of TTUHSC is not considered PIP income.

6. As a TTUHSC faculty member, benefits (e.g. health insurance, retirement, etc.) are paid. Therefore, members may which to -negotiated contracts based on an hourly rate are often higher than typical market rates. This will often offset PIP taxes.
7. As a TTUHSC faculty member, malpractice insurance is paid by the School, and legal representation for malpractice claims will be provided by the insurer within the scope of coverage of the insurance policy is services are provided as part of a formal TTUHSC contract. PIP members who provide services outside of a formal TTUHSC member-or school negotiated PIP contract (e.g., “Dual Reporting and Multiple Employment HSC 70.18”) should obtain additional malpractice insurance.
8. PIP Members who provide patient care services and are paid directly by the entity through agreements that comply with HSC Operating Policy 70.18 and have been approved in writing by the Department Chair and Dean may keep 100% of the earnings as this professional work is considered outside the parameters of a faculty member’s role within the TTUHSC or SOP.

Payment for PIP members’ and residents professional services in School’s Pharmacies

1. School operated pharmacies will be staffed by School faculty (full or part-time), school residents, or non-faculty staff pharmacists. -The pharmacy shall pay the full cost of salaries and fringe for all professional pharmacy services provided to the pharmacy.
2. ~~Institutional Program Fund~~Institutional Development Fund, School Program Fund and School Development Fund allocations shall be paid annually based on the net income of all school pharmacies combined.
3. Executive, Director, and Administrator salaries are not charged directly to School operated pharmacies. Instead, the pharmacies shall be charged an overhead rate of 20% of the pharmacist-in-charge salaries and fringe benefits to cover the administrative burden.
4. School Residents will be paid normal relief pharmacist’s wages for hours worked outside normal business hours, 8:00 am – 5:00 pm, Monday thru Friday. Residents, as part of their approved residency program and under the consultation of the Residency Director and Director of Residency Programs, may be assigned to work in a School pharmacy during normal business hours. There shall be no PIP payments for residency program hours.

Funds from Sale of Medications at School Operated Pharmacies

1. Funds earned from the sale of prescription and non-prescription medications and health supplies will first be applied to the payment of the costs of medications, prescription containers, labeling and other pharmacy supplies, and general operating costs of the pharmacy. General operating costs will include non-faculty personnel costs associated with dispensing medications and the PIP faculty member's time spent in dispensing services and related patient care activities (it should include counseling, specific disease state management activities that are a result of dispensing, drug profile review, etc.).
2. The pre-negotiated hourly rate for the faculty PIP member's time will be the only payment made to the faculty member for services related to the sale of prescription and non-prescription medication under their practice supervision. Billing for faculty member’s professional services will be at a pre-negotiated rate between the School and the entity receiving the services. Payments received by the Plan for the faculty member’s time will be allocated according to the following Payment for Professional Services from Sale of Medications (see **Table 3**). The funds remaining after all pharmacy operating costs and

faculty payments have been made will be held in the PIP Business Operations Trust Fund as a reserve against short-falls in operating revenues during subsequent periods.

Table 3.

Payment for Professional Services from Sale of Medications

PIP Allocation Formula	TOTAL PROFESSIONAL INCOME DEPOSITED DURING FISCAL YEAR
Institutional Program Fund Institutional Development Fund	2% <u>Percentage determined by TTUHSC</u>
School Program Fund	93% <u>remainder</u>
School Development Fund	5%
TOTAL Allocation	100%

IV. USE OF FUNDS

- A. The Dean shall consider the source of PIP funds when determining departmental allocation. The appropriate uses and disbursement of funds are specified in section 4.5, 4.6, 4.7, 4.8, and Exhibits CC and DD of the PIP Bylaws. The use of these funds may be further limited by Internal Revenue Service rules and requirements. The individual faculty member shall determine the use of funds within his/her individual account, within the constraints of the University's interpretation of related business expenses

PIP DISBURSEMENT

~~All Funds deposited into Member Accounts~~ will be available for disbursement ~~from Member's Accounts~~ beginning in the month following the date of service.

There shall be subsequent reconciliation for unpaid services in the month following the date of service.

Faculty members may not allocate expenses to internal member accounts if funds are not available in member accounts to pay for goods or services. Member accounts may not maintain negative balances.

NON-FACULTY STAFF (Non PIP members)

- A. Funds earned from assigned practice by non-PIP members shall be deposited in the PIP Business Operations Trust Fund. Salaries, wages, and/or fringe costs shall be paid from the Business Operations Account.

VII. TOTAL ANNUAL COMPENSATION OF PIP MEMBERS

- A. A PIP member's total annual compensation will be:

$$\begin{aligned} & \text{Annual Base Salary} + \\ & \text{Augmentation From Member's Account} \\ & = \text{Total Annual Compensation} \end{aligned}$$

B. Total Annual Compensation will not be known until the end of the fiscal year when all payments have been made by PIP to the faculty member.

C. Base Salary

1. Annual Base Salary is the annual salary that has been authorized by the Board of Regents for the contract year and *does not* include any salary augmentation. *Once approved by the Board for the fiscal year, this is the minimum compensation paid to the PIP member less any faculty leave without pay processed during the year, regardless of PIP earnings.*
2. As with all state agencies, salaries are subject to the availability of funds and the Board of Regents must approve all faculty salaries annually.
3. The Annual Base Salary may be paid from any account (state appropriations (subject to the FTE cap), PIP funds, research or educational grants (as permitted by the grantor) or contracts, etc.).

D. Augmentation

1. Augmentation is defined by the PIP Bylaws in Article II, Section 2.3.2.

VIII. GOVERNING DOCUMENT

- A. In the event of inconsistency between this Explanation and Operation of the School of Pharmacy Income Plan and the School of Pharmacy Income Plan Bylaws, the terms of the Bylaws shall govern.

APPROVALS

For the School of Pharmacy

Quentin Smith, R.Ph., Ph.D.
Dean, School of Pharmacy

Date

Kenneth McCall, Pharm.D., BCPS,
CACP
PIP President

Date

EXHIBIT B
ASSIGNMENT AND PLAN AGREEMENT

As a condition of my employment as a member of the faculty of the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC), I hereby assign to the Pharmacy Income Plan (the Plan) Business Operations Trust Fund all fees charged by me for professional activities, pharmaceutical care and wages paid by Texas Tech University Health Sciences Center Affiliated Clinical facilities, except those exempted by the Plan. The assignment shall be absolute, subject only to the conditions that TTUHSC shall not alter the fees charged by me, except as provided in the Bylaws of the Plan, and that such fees as are collected shall be used for purposes consistent with the Bylaws of the Plan, or amendments thereto.

I further agree that all monies received by me for such fees and wages will be promptly turned over to the Business Office of the Plan and that all checks made payable to me for such fees and wages will be promptly endorsed and turned over to the Business Office. It is clearly understood that this assignment does not apply to salary received from TTUHSC or to reimbursement of actual expenses incurred under the Plan.

Further, I agree to comply with the Bylaws of the Plan.

This agreement shall terminate when my membership in the Plan ends.

As indicated by my spouse's signature below, if applicable, the undersigned joins this Assignment in acknowledging that such Assignment and Plan Agreement is binding on the marital community pursuant to Texas law.

Member

Date

Spouse of Member

Date

~~As a condition of my employment as a member of the faculty of the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC), I hereby assign to the Pharmacy Income Plan (the Plan) Business Operations Trust Fund all Professional Income as defined in the Plan Bylaws fees charged by me for professional activities, pharmaceutical care and wages paid by Texas Tech University Health Sciences Center Affiliated Clinical facilities, except that Income those exempted by the Plan. This A~~The assignment shall be absolute, subject only to the conditions that TTUHSC shall not alter the Professional Ffees charged by me, except as provided in the Bylaws of the Plan, and that such fees as are collected shall be used for purposes consistent with the Bylaws of the Plan, or amendments thereto.

~~I further agree that all monies received by me for such fees and wages will be promptly turned over to the Business Office of the Plan and that all checks made payable to me for such fees and wages will be promptly endorsed and turned over to the Business Office. It is clearly understood that this Aassignment does not apply to salary received from TTUHSC or to reimbursement of actual expenses incurred under the Plan.~~

~~Further, I agree to comply with the Bylaws of the Plan.~~

~~This Assignment and Plan A agreement shall terminate when my membership in the Plan ends.~~

Witness

Member

Date

Date

Spouse

Date

Representative for the Plan

Date

EXHIBIT C
EXPENSES ALLOWABLE FROM THE PIP PLAN MEMBER'S ACCOUNT

This Exhibit has been developed to provide guidelines for expenditure of PIP funds. It is intended to comply with any applicable federal and state laws and regulation including but not limited to riders in S.B. No.1 General Appropriations Bill, Article III, Education, Special Provision Relating Only to State Agencies of Higher Education and as these may be amended. The PIP may have an annual audit of its collections and expenditures by the Texas Tech University System office of Audit Services which will be provided to the Texas Tech University System Board of Regents.

The following expenditures are permitted from PIP Member's Account, subject to availability of funds and the written approval of the Dean.

- A. Augmentation of members' salaries.
- B. Salary or partial salary for faculty and/or staff (within accepted salary ranges and classification including required school benefits) with written approval of the Dean.
- C. General maintenance, operation, and purchase and/or replacement of equipment used in education, research, and patient care.
- D. Ordinary and necessary business expenses incurred by a member in generating professional income, in accordance with IRS guidelines for business expenses.
- E. Travel and other expenses, including registration fees and tuition, incidental to attendance at professional meetings, as well as the support of education, research, and patient care.
- F. Approved Professional society memberships.
- G. Group medical, life, disability, supplemental retirement, dental, and vision benefit insurance, and any other insurance benefit deemed appropriate. The departmental Chair, with the approval of the Dean, may individually establish these benefits.
- H. Texas State Board of Pharmacy annual license fee.
- ~~H.I.~~ Out of State annual license renewals.
- ~~H.J.~~ Related educational aids such as books, journals, slides, and digital audio or and videotapes files.

Procedures

- All requests for reimbursement from a Member's Account must contain adequate documentation and must be signed by the person seeking reimbursement.
- All expenditures are subject to TTUHSC Operating the Policies and Texas Tech University System Regents' Rules. Procedures of the Board of Regents of Texas Tech University Health Sciences Center System and applicable institutional regulations and procedures.

- This list of authorized expenditures may be periodically amended by action of the office of the TTUHSC President, upon recommendation of the Dean.

EXHIBIT D
**EXPENSES ALLOWABLE FROM THE PIP SCHOOL PROGRAM FUND AND SCHOOL
DEVELOPMENT FUND**

This Exhibit has been developed to provide guidelines for expenditure of PIP funds. It is intended to comply with any applicable federal and state laws and regulations including, but not limited to, riders in S.B. No. 1, General Appropriations Bill, Article III, Education, Special Provisions Relating Only to State Agencies of Higher Education, and as these may be amended. The PIP may have an annual audit of its collections and expenditures by the Texas Tech University System office of Audit Services, which will be provided to the Texas Tech University System Board of Regents.

~~This appendix has been developed to provide guidelines for expenditure of PIP funds. It is in compliance with the rider in the 1990-91 Appropriation Bill (Senate Bill 222) and recent IRS guidelines for business expenses. The PIP may have an annual audit of its collections and expenditures which will be provided to the Texas Tech University Health Sciences Center Board of Regents within 90 days of the end of the fiscal year~~

- The following expenditures are permitted from PIP School Program Fund and School Development Fund, subject to availability of funds and the written approval of the Dean.

- A. Augmentation of members' salaries.
- B. Salary or partial salary for faculty and/or staff (within accepted salary ranges and classification including required school benefits) with written approval of the Dean.
- C. General maintenance, operation, and purchase and/or replacement of equipment used in education, research, and patient care.
- D. Ordinary and necessary business expenses incurred by a member in generating professional income, in accordance with IRS guidelines for business expenses.
- E. Travel and other expenses, including registration fees and tuition, incidental to attendance at professional meetings, as well as the support of education, research, and patient care.
- F. Professional society memberships.
- G. Expenses and consultant fees for guest speakers including official entertainment.
- H. Group medical, life, disability, supplemental retirement, dental, and vision benefit insurance, and any other insurance benefit not paid for by the state of Texas, deemed appropriate. The departmental Chair with the approval of the Dean may individually establish these benefits.
- I. Medical and professional liability premiums and reserves.
- J. Texas State Board of Pharmacy annual license fee.
- ~~J.~~ K. Out of state annual license renewals.
- ~~K.~~ L. _____ Related educational aids such as books, journals, slides, and digital audio and video filestapes.
- ~~L.~~ M. _____ Official institutional functions and official entertainment for business-related events or for a documented benefit to Texas Tech University Health Sciences Center.

Procedures

- All requests for reimbursement from the School Program Fund must contain adequate documentation and must be signed by the person seeking reimbursement.
- All expenditures are subject to TTUHSC Operating the Policies and Texas Tech University System Regents' Rules. Procedures of the Board of Regents of Texas Tech University Health Sciences Center~~System~~ and applicable institutional regulations and procedures.
- This list of authorized expenditures may be periodically amended by action of the office of the President, upon recommendation of the Dean.

Summary of revisions proposed to Missions

[as of: 11-17-2014]

Substantive revisions include the following

Texas Tech University System:

The only change to the System's mission statement is the addition of Texas Tech University Health Sciences Center at El Paso to the list of the System's component institutions.

Texas Tech University Health Sciences Center at El Paso:

The addition of a mission statement for TTUHSC El Paso is proposed. Although the El Paso campus became a free-standing institution on September 1, 2013, the development of a Board-approved mission statement for the new institution was pending the arrival of a permanent president of the institution.

President Richard Lange took office on July 1, 2014, and has submitted a proposed mission statement for TTUHSC El Paso.

~~[The Rules and Regulations of the
Board of Regents of the Texas Tech University System]~~

Missions

Dates Approved or Amended:

-- Comprehensive review/amendments.....

The mission statements herein are the only mission statements authorized to be used without prior approval of the board.

Texas Tech University System. The mission of the Texas Tech University System is to provide leadership and support services for Texas Tech University, the Texas Tech University Health Sciences Center, the Texas Tech University Health Sciences Center at El Paso, and Angelo State University in the attainment of each component's individual mission.

Texas Tech University. As a public research university, Texas Tech advances knowledge through innovative and creative teaching, research, and scholarship. The university is dedicated to student success by preparing learners to be ethical leaders for a diverse and globally competitive workforce. The university is committed to enhancing the cultural and economic development of the state, nation, and world.

Texas Tech University Health Sciences Center. The mission of Texas Tech University Health Sciences Center is to improve the health of people by providing educational opportunities for students and health care professionals, advancing knowledge through scholarship and research, and providing patient care and service.

Texas Tech University Health Sciences Center at El Paso. The mission of Texas Tech University Health Sciences Center at El Paso is to improve the lives of people in our State and our community by focusing on the unique health care needs of socially and culturally diverse border populations through excellence in integrated education, research, and patient care.

Angelo State University. Angelo State University, a member of the Texas Tech University System, delivers undergraduate and graduate programs in the liberal arts, sciences, and professional disciplines. In a learning-centered environment distinguished by its integration of teaching, research, creative endeavor, service, and co-curricular experiences, ASU prepares students to be responsible citizens and to have productive careers.

Summary of proposed housekeeping changes to Chapter 10 (Intellectual Property)

[proposed ... 11-17-2014]

Previously, the Office of Research, Commercialization and Federal Relations ... a division within the Texas Tech University System Administration (TTUSA) ... was responsible for system-wide management and oversight of functions relating to intellectual property, and specifically when intellectual property involved technology commercialization and research.

Recently, the commercialization and research functions were transferred from TTUSA to Texas Tech University. Accordingly, changes to the Intellectual Property chapter of the *Regents' Rules* (Chapter 10) are proposed to accommodate this transfer.

There is one substantive change proposed, which involves an expansion of the signature authority for the new Office of Research Commercialization. Currently, signature authority is limited to only license agreements, but the revised signature authority would encompass most documents that further the activities of the Office of Research Commercialization. [see Section 10.08.11 on p. 11]

However, all other changes are housekeeping in nature and include:

<u>Section</u>	<u>Explanation of proposed change</u>
<i>throughout</i>	Modified numbering and terminology to follow definitions and style contained in the other chapters of the <i>Regents' Rules</i> .
<i>throughout</i>	<ul style="list-style-type: none">• The name of the department responsible for intellectual property was changed from "Office of Research, Commercialization and Federal Relations (ORCFR)" to "Office of Research Commercialization (ORC)."• Also, the title of the head of this department was changed from "vice chancellor for ORCFR (ORCFR vice chancellor)" to "vice chancellor for ORC (ORC associate vice president)."
10.02.08	To better integrate commercialization activities within the academic mission of TTUS; the department was moved from the TTUSA to TTU, to operate under the direction of the TTU vice president for research.
10.03.03.b	Replaced "CD ROM" with "digital media" to reflect technological advances since the last time a comprehensive review and amendments for Chapter 10 was done (in 2008).
10.03.03.d	Replaced "an interactive CD ROM" with "an interactive digital medium" to reflect technological advances since the last time a comprehensive review and amendments for Chapter 10 was done (in 2008).
10.03.03.e	Corrected reference to "TTU" with "TTUS."

Chapter 10 -- Intellectual Property Rights

10.01 General

10.01.1 Statement of Basic Philosophy and Objectives

It is recognized that research and scholarship on the part of [~~mem-~~
~~bers of the~~] TTUS faculty, staff, and students [~~of the Texas Tech~~
~~University System*~~ (hereinafter referred to as TTUS)] will result in
patentable and non-patentable inventions, such as biological and
other proprietary materials, plants, manuscripts, computer soft-
ware, trade secrets, medical treatments, devices, pharmaceuticals
and products that are potentially marketable.

It is the policy of the [~~Board of Regents~~] board to encourage schol-
arly activity without regard to potential gains from royalties and
other forms of income. In all cases, however, the affected individ-
uals are subject to individual or TTUS obligations under grants,
contracts, or research agreements with governmental agencies and
sponsors. All TTUS policies will provide adequate recognition and
incentives to sponsors, assignees, and creators and will serve the
public interest.

10.01.2 [~~1.~~] General Policy

This intellectual property policy, as adopted, shall apply prospec-
tively to all persons employed by [~~the component faculties of~~]
TTUS, to all students of TTUS, and to anyone using TTUS facilities
or under the supervision of TTUS personnel. Every employee,
faculty member, staff member, or student is expected to be aware
of the TTUS policies regarding intellectual property and agrees to

[_____

_____]

* ~~TTU and all of its subordinate units; TTUHSC and all of its subordinate units;~~
~~and ASU and all of its subordinate units.]~~

accept and abide by them as a condition of employment or enrollment. All intellectual property disclosures made prior to the date of this policy shall be governed by the prior established policy.

Unless otherwise specified, copyrightable works are considered intellectual property and shall be governed by the general intellectual property policies set forth herein.

It is the intent of this policy to foster the traditional freedoms of the TTUS faculty, staff, and students in matters of publication and invention, through a fair and reasonable balance of the equities among creators, sponsors, and TTUS. The purpose of the policy is to outline the respective rights that members of the faculty, staff, and students have in intellectual materials created while they are affiliated with TTUS.

As a public institution, TTUS is entrusted with the responsibility to facilitate application of scientific, technical, artistic, and intellectual endeavors of its faculty and staff for public use and to provide for an equitable disposition of interests among the creators (authors and inventors), TTUS, and, where applicable, the sponsoring or contracting funding source.

10.02 [2.] **Definitions**

~~[For the purposes of this regulation, the following terms are defined as follows:]~~

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

10.02.2 [(b)] **Invention:** A process, method, discovery, device, plant, composition of matter, or other invention that reasonably appears to qualify for protection under United States patent law, Chip Design Protection law or plant protection schemes, whether or not actually patentable. An invention may be the product of a single inventor or a group of inventors who have collaborated on a project.

10.02.3 [(e)] Copyrightable Work: An original work of authorship which has been fixed in any tangible medium of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, including but not limited to, books, journals, software, computer programs, musical works, dramatic works, videos, multimedia products, sound recordings, and pictorial and graphical works. A copyrightable work may be the product of a single author or a group of authors who have collaborated on a project.

10.02.4 [(d)] Trademark (including Service Mark): A distinctive word, design, or graphic symbol, or combination word and design, that distinguishes and identifies the goods and services of one party from those of another, such as names or symbols used in conjunction with plant varieties or computer programs.

10.02.5 [(e)] Tangible Research Property: Tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works and trademarks. An item of tangible research property may be the product of a single creator or a group of individuals who have collaborated on a project.

10.02.6 [(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.

10.02.7 [(g)] Intellectual Property Committees: Standing committees of component institutions, whose purpose is to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the [ORCFR] ORC regarding intellectual property matters when called upon, including comment on disputes that may arise regarding the handling of intellectual property and technology transfer and suggestions for policy or procedure

changes with respect to this policy. The TTU vice president for research will appoint members of the TTU committee; the TTUHSC executive vice president for academic affairs will appoint members of the TTUHSC committee; the TTUHSC El Paso executive vice president for academic affairs will appoint members of the TTUHSC El Paso committee; the ASU provost and vice president for academic and student affairs will appoint members of the ASU committee. The majority of members of each committee will be faculty members. Each committee will meet at least twice each year, or more often as called by the appropriate vice president [~~or the vice chancellor of ORCFR (ORCFR vice chancellor)~~].

10.02.8 [(+)] The Office of Research [~~]~~ Commercialization [~~and Federal Relations~~]: The mission of the [TTUS] Office of Research [~~]~~ Commercialization ("ORC") [~~and Federal Relations (ORCFR) administrative office's mission~~] is to promote the transfer of TTUS technologies for society's use and benefit while generating unrestricted income to support research and education. The [~~ORCFR~~] ORC is responsible for administration and implementation of TTUS's intellectual property program, and for assisting and advising TTUS's faculty and staff. The ORC is managed by an associate vice president ("ORC associate vice president") who reports to the TTU vice president for research.

10.02.9 [(+)] Software: In recent years, the United States Patent and Trade-mark Office has determined that software which meets certain technical and legal criteria may be patentable. In the case that software originally disclosed as a copyrightable work subsequently is determined to be patentable subject matter, and TTUS chooses to seek patent protection for the software, then such software shall be managed under this regulation as an invention.

10.03 [~~3~~] Ownership

10.03.1 In general, intellectual property made with the use of TTUS facilities or during the course of regularly assigned duties of the faculty and staff automatically is owned by TTUS. Those who are subject to this policy must, and do hereby, assign their rights in all applicable intellectual property to TTUS, except intellectual property which might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing TTUS facilities.

10.03.2 [~~a~~] Ownership Further Defined:

- a. [~~1~~] An invention or tangible research property resulting from activities related to an individual's employment responsibilities and/or with support from TTUS funds, facilities or personnel is owned by TTUS.
- b. [~~2~~] An invention or tangible research property unrelated to an individual's employment responsibilities that is developed on his or her own time without TTUS support or use of TTUS's facilities is not owned by TTUS.
- c. [~~3~~] Ownership of an invention or tangible research property developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof), a state agency or a nonprofit or for-profit non-governmental entity, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms, is owned by TTUS.

10.03.3 [~~b~~] Ownership of Copyrightable Works:

TTUS encourages the preparation and publication of copyrightable works that result from teaching, research, scholarly and artistic endeavors by members of the faculty, staff and student body of TTUS. Authors shall be permitted maximum freedom with respect to their copyrightable works, consistent with the obligations to TTUS. Copyrightable works may be created under a variety of cir-

cumstances which impact the ownership and subsequent management thereof, as follows:

a. [(1)] Books, Articles and Similar Works

In keeping with academic tradition, and except to the extent required by the terms of any funding agreement, TTUS does not claim ownership to pedagogical, scholarly or artistic works, regardless of their form of expression. Such works include but are not limited to faculty-prepared works such as textbooks, course materials and refereed literature. Such works include those of students created in the course of their education, such as dissertations, papers and journal articles. Furthermore, TTUS claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire. If title to copyright in works defined within this section vests in TTUS by law, TTUS will, upon request and to the extent consistent with its legal obligations, convey copyright to the authors of such copyrightable works.

b. [(2)] Institutional Works or "Works for Hire"

TTUS shall retain ownership of copyrightable works created for institutional purposes in the course of the creator's employment, including but not limited to simultaneous or sequential contributions over time by numerous faculty, staff or students. For instance, work assigned to programmers is institutional work or "work for hire" as defined by law, as is software developed for TTUS purposes by staff working collaboratively. Brochures, training programs, [CD-ROMs] digital media, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. TTUS owns all right, title and interest in such institutional works.

c. [(3)] Works Developed with Significant Use of Resources

Copyrightable works that are not works for hire but are works that are developed with integral and significant use of funds,

space, hardware, or facilities administered by TTUS, where use was essential and substantial rather than incidental, shall be owned by TTUS. Furthermore, copyrightable works that are not works for hire (see Section ~~[(2) above]~~ 10.03.3.b) but are works that are developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof), a state agency or a non-profit or for-profit non-governmental entity, or by a private gift or grant to TTUS, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with copyright law, shall be owned by TTUS. TTUS recognizes and affirms the traditional academic freedom of its faculty and staff to publish pedagogical, scholarly or artistic works without restriction. In keeping with this philosophy, TTUS will not construe the provision of offices or library facilities as constituting significant use of TTUS resources, except for those instances where the resources were furnished specifically to support the development of such copyrightable works. Nothing in this section is intended to change the traditional manner in which TTUS faculty, staff and employees assign the copyright ownership of works intended for publication in scholarly journals.

d. ~~[(4)]~~ Hybrid Works

Changing technology can give rise to creative efforts that fall into more than one category, for example, a book (traditionally owned by the author) coupled with an interactive ~~[CD-ROMs]~~ digital medium (perhaps software in which TTUS may have rights to under this policy). Such hybrid works should be brought to the attention of the ~~[ORCFR]~~ ORC which shall negotiate a reasonable sharing arrangement or release as may be appropriate. Should the ~~[ORCFR]~~ ORC and the creator be unable to agree, the matter shall be finally resolved by the president of the applicable institution.

e. ~~[(5)]~~ Copyrightable Works Not Owned by TTUS

Authors of copyrightable works that are not owned by TTUS own the copyrights in their works and are free to publish

them, register the copyright, and to receive any revenues which may result there from.

Copyrightable works to which [TTU] TTUS has no ownership rights (see [foregoing] Section [3(b)(1-4)] 10.03.3.a-d, where conditions for [TTU] TTUS ownership are defined) may still be submitted for publication and published by TTUS. Upon TTUS publication acceptance, the independent author shall agree to transfer copyright of the work by contract to the specific TTUS publication. A transfer agreement obtained from the [ORCFR] ORC shall be executed and maintained in the [ORCFR] ORC.

10.04 [4.] Research Involving Third Party

In research sponsored by or involving third parties, provisions for the control of and compensation for patents should normally be consistent with the general policy stated herein. However, nothing in this policy shall preclude acceptance of a contract, grant or agreement which provides for ownership of intellectual property by the sponsor with appropriate compensation.

10.05 [5.] Disclosure of Intellectual Property

All intellectual property shall be promptly disclosed to the [ORCFR] ORC. Disclosure shall be made on a disclosure form prescribed by and available from the [ORCFR] ORC. Creators shall cooperate with TTUS and the [ORCFR] ORC in protecting intellectual property rights in the invention. At least once a year, coincidental with a regular board meeting, the [ORCFR] ORC associate vice [chancellor] president shall prepare for the chancellor and the board a report listing the titles and a brief description of each disclosure received since the last report.

10.06 [6.] Intellectual Property Administration

When TTUS elects to protect intellectual property in its name, it shall award to the creator a reasonable share (as defined hereinafter) of net proceeds from royalties or other income or value after deduction of the directly assignable

costs of patenting, marketing, licensing and protection of intellectual property rights.

10.07 [7.] Determinations by the [~~ORCFR~~] ORC.

The [~~ORCFR for TTUS~~] ORC shall make determinations as to:

10.07.1 [~~(a)~~] the potential value of the intellectual property to TTUS;

10.07.2 [~~(b)~~] the rights and equities of the creator, TTUS and any third parties; and

10.07.3 [~~(c)~~] the required actions to maximize the benefits of any intellectual property to the public, TTUS, and the creator.

10.08 [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:

10.08.1 [~~(a)~~] No entity shall be granted the exclusive rights to the development and/or commercialization of all intellectual property created at TTUS. Agreements should grant rights only on a specific project basis.

10.08.2 [~~(b)~~] If an entity is granted the exclusive rights with respect to a particular invention, product, process or other item of intellectual property, the agreement should provide that such rights will revert to TTUS in the event the entity fails to diligently develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances.

10.08.3 [~~(c)~~] An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse TTUS for all expenses incurred by TTUS in obtaining a patent or, if a patent has not been obtained, should be required to prosecute and bear the expense of obtaining patent protection for

the benefit of TTUS and, in either event, the entity should be required to take all actions necessary, including litigation, to protect and preserve such patented rights from infringement.

10.08.4 [(d)] TTUS and its officers and employees should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

10.08.5 [(e)] Restrictions on use by the component institution for research and teaching purposes and the publication rights of researchers should be minimized.

10.08.6 [(f)] If the entity fails to develop and commercialize the property, any and all rights the entity has been granted in TTUS's property shall be returned and granted back to TTUS so that another entity may be offered the right to develop and commercialize the technology.

10.08.7 [(g)] The entity should be required to comply with all applicable federal, state, and local laws and regulations, particularly those concerning use of animals, biological materials and necessary testing, human subject protection and approval by the Federal Drug Administration or other relevant federal or state agency.

10.08.8 [(h)] The entity should be required to maintain confidentiality with regard to any unpatented technology or know-how.

10.08.9 [(i)] An entity that grants a license or sublicense to some other entity for property or technology that is in whole or in part derived from or based on that which is licensed to the entity by TTUS, should be required to share with TTUS: at least 40% of any royalty received by the entity and at least 40% of any equity position to which the entity may be entitled. An entity that participates in additional research and development of property or technology that is licensed may be entitled to a reduction from the above restriction per recommendation by the [ORCFR] ORC associate vice [chancellor] president and approval of the president of the respective institution. Such participation means specifically: sponsored research into TTUS, bundling TTUS intellectual property with the entity's existing intellectual property to form joint intellectual property,

and/or a specified product development period of over one year with mutually agreed upon milestones.

10.08.10 [(j)] License agreements should contain such other provisions as may be determined by the [~~ORCFR~~] ORC and the Office of General Counsel to be in the best interest of TTUS.

10.08.11 [(k)] The [~~ORCFR vice chancellor~~] ORC is authorized to negotiate, and the TTU vice president for research or designee is authorized to execute, TTUS license agreements, precludes to license agreements (including option agreements and memorandums of understanding), inter-institutional agreements, assignments of intellectual property related to inter-institutional agreements, powers of attorney for patent filings, non-disclosure agreements related to ORC business, and patent and copyright documents. The authority to execute such documents that involve a commitment of funds or resources is restricted to documents that have been:

- a. [(1)] approved by the vice president for research (or the equivalent of that position) of the institution at which the creator is employed; and
- b. [(2)] approved as to form, law, and compliance with the *Regents' Rules* and applicable policies by the vice chancellor and general counsel.

10.09 [9:] **Reports to the Board**

The chancellor shall report annually to the [~~Board of Regents~~] board concerning the status of license agreements, including the distribution of revenues earned from such agreements. The chancellor will inform the board at the first meeting following the end of each calendar quarter of any license agreements entered into by the [~~TTUS ORCFR~~] ORC and not previously reported.

10.10 [10:] Reports to the State of Texas

In compliance with Section 51.912, *Texas Education Code*, the [~~Board of Regents~~] board must file a report identifying all employees who have an equity interest in or serve as employees, officers, or members of the board of directors of business entities that have agreements with TTUS relating to the research, development, licensing or exploitation of intellectual property in which TTUS has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005, *Texas Education Code*. The [~~ORCFR~~] ORC will submit the report through the chancellor or his/her designee to the [~~Office of the Board of Regents~~] board. The [~~board office~~] secretary will obtain the signature of the [~~chairman of the board~~] chair and will transmit the report to the Governor's office and other required entities.

10.11 [11:] Board Approval of Employee Participation in Business Entities

10.11.1 [(a)] For the purposes of this section, the following definitions apply:

- a. [(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.
- b. [(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.
- c. [(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.

10.11.2 [(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.

10.11.3 [(e)] Employee who is the creator/inventor.

- a. [(1)] 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.
- b. [(2)] After a creator/inventor has received the approval of the board under Section [10.11(c)(1) of this section] 10.11.3.a, the creator/inventor must report to the ORC associate vice [~~chancellor for technology commercialization~~] president and the vice president for research (or the equivalent of that position) of the institution at which the creator/inventor is employed the following:
 - (1) [(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
 - (2) [(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.

10.11.4 [(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.

10.12 [~~12.~~] Assignment and Protection

10.12.1 [~~(a)~~] Creators shall execute appropriate assignment and/or other documents required to set forth effectively the ownership and rights to inventions and tangible research property. Assignment agreements are prescribed by and available from the [~~ORCFR~~] ORC.

10.12.2 [~~(b)~~] The [~~ORCFR~~] ORC will determine whether TTUS desires to commit funding to obtain protection for the invention, and shall so notify the creators of the decision. In many cases, before making a final decision, the [~~ORCFR~~] ORC will identify one or more licensees who will bear the cost of obtaining patent protection.

10.12.3 [~~(c)~~] In those instances where the creator perceives that delay would jeopardize obtaining the appropriate protection for the invention, the creator may request that TTUS expedite its decision. If TTUS has not acted within six months after a request to expedite, and the creator has cooperated in good faith, TTUS will release its rights and Section 10.19 shall apply.

10.12.4 [~~(d)~~] Copyrightable Works

Agreements permitting a party to use, develop, or otherwise commercialize copyrightable works owned by TTUS are encouraged. The [~~ORCFR~~] ORC has primary responsibility for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works.

10.13 [~~13.~~] Obligations to Sponsors

The [~~ORCFR~~] ORC, in cooperation with the respective Office of Research Services or Office of Sponsored Programs, shall coordinate reporting requirements and other obligations to research sponsors regarding inventions or economically significant tangible research property developed under a research contract or grant, including but not limited to obligations to the United States Government under [~~37CFR~~] 37 CFR Part 401.

10.14 [14.] Distribution of Income from Commercialization and Licensing

10.14.1 [(a)] Where TTUS has an ownership interest in the intellectual property pursuant to this policy, the following provisions will govern the distribution of royalties and other income, including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments, after TTUS has recouped all direct costs associated with the processing of the patent or copyright application and marketing and licensing the technology:

<i>Net Royalty and Other Income</i>	<i>Creator(s)</i>	<i>TTUS</i>	<i>Department*</i>	<i>Unit**</i>
\$0 – \$100,000	50%	30%	10%	10%
\$100,001 – \$500,000	\$50,000 plus 40% of amount over \$100,000	30%	15%	15%
\$500,000 – up	\$210,000 plus 30% of amount over \$500,000	30%	As set by [Board of Regents] <u>board</u>	

* Department, center, or institute

** College or school

Net royalties and other income are to be paid according to the above schedule as the net royalties are earned; that is, the individual will receive 50% of the first \$100,000, and 30% of all net royalties over \$100,000. Funds received by the department and college will be placed in unrestricted accounts under their control. Such funds will not be used to substitute for funds budgeted for expenditure in the routine annual operating budget which is approved by the [Board of Regents] board.

10.14.2 [(b)] This policy recognizes that in addition to the traditional academic units such as departments and colleges, research, and specifically interdisciplinary research, can be sponsored by other academic units, such as centers and institutes. Because of the many different combinations that may occur, this policy cannot specify how the royalties are to be allocated. It is, however, the general policy of [Intellectual Property Rights] Chapter 10, Regents'

Rules, to allocate royalties to the units which have provided the substantial level of indirect support that triggers TTUS's ownership of the intellectual property. The policy encourages voluntary agreements between such units prior to the development of intellectual property (to allocate the percentage of royalty share that is appropriate for each unit). In the event that no agreement can be reached prior to the generation of royalties, the president of the applicable institution(s) will resolve the allocation question.

The division of net royalties and other income from patents and copyrights managed by a patent or copyright agent will be controlled by TTUS agreement with such agent, as approved by the [TTUS Board of Regents] board. Any deviation from this rule requires the prior approval of the [TTUS Board of Regents] board.

10.14.3 [(e)] Copyrightable Works. All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the TTUS component from which the work emerged. Income received from commercialization of copyrightable works will be distributed as follows:

a. [(4)] Institutional Works: TTUS shall be entitled to all income from distribution or commercialization of institutional works.

b. [(2)] Works Developed with Significant Use of Resources: In cases where the [ORCFR] ORC conducts the commercialization or distribution of the copyrightable work on behalf of TTUS, the distribution of income shall be made in accordance with steps outlined in Section [(a) above] 10.14.1.

In cases where the TTUS unit conducts the commercialization or distribution of the copyrightable work, the distribution of net income after expenses of creation and distribution shall be as follows: 50% to the TTUS unit and 50% to the author.

c. [(3)] In the event of multiple authors, the authors will agree among themselves as to the distribution of the income accruing to the authors; distribution of the authors' share shall be made only upon receipt of a signed agreement between the authors. In the event that an author is a joint employee of two or

more ~~[components]~~ component institutions, or in the event that authors represent two or more ~~[components]~~ component institutions, the components will agree as to the distribution of the income accruing to the ~~[components]~~ component institutions, considering such factors as annualized FTE by component institution and relative contributions of the authors to the work.

10.15 ~~[15.]~~ Equity and Other Non-monetary Returns

10.15.1 TTUS may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to intellectual property.

10.15.2 ~~[(a)]~~ Creators may receive up to 50% of any equity or other non-monetary consideration (or, in TTUS's discretion, its monetary equivalent) received by TTUS or its ~~[components]~~ component institutions under this section. However, TTUS may choose to receive the consideration under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests. In such cases, any restrictions on TTUS's interest shall be equally applicable to the interest of the creator, unless waived or varied in writing and signed by the ~~[ORCFR]~~ ORC associate vice ~~[chancellor]~~ president and the creator.

10.15.3 ~~[(b)]~~ TTUS does not act as a fiduciary for any person concerning equity or other consideration received under the terms of this regulation.

10.15.4 ~~[(c)]~~ The division of net royalties and other income from patents and copyrights and marketing and licensing the technology managed by a patent or copyright agent will be controlled by TTUS agreement with such agent, as approved by the ~~[TTUS Board of Regents]~~ board. Any deviation from this rule requires the prior approval of the ~~[TTUS Board of Regents]~~ board.

10.16 [16.] Equity Ownership

This policy allows equity ownership and business participation by TTUS faculty, staff, and students consistent with state law as presently stated in Section 51.912, *Texas Education Code*, or any other future statutory provision relating to the subject matter of this intellectual property policy.

10.17 [17.] Trademarks

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a trademark identifies an educational, service, public relations, research or training program of TTUS [~~or its components~~]. TTUS, or the applicable TTUS component institutions, owns all right, title and interest in trademarks related to an item of intellectual property owned by TTUS or its [~~components~~] component institutions, or to a program of education, service, public relations, research or training program of TTUS or its components. All income from the licensing of a trademark shall belong to TTUS, or the TTUS component institution, as applicable.

10.18 [18.] Tangible Research Property

10.18.1 [~~(a)~~] TTUS owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from TTUS-administered funds, facilities, equipment or personnel.

10.18.2 [~~(b)~~] For purposes of management of the asset, tangible research property shall be managed as an invention, with distribution of income from the distribution or commercialization of such tangible research property made in accordance with Section 10.14.

10.19 [19.] Provisions for Release of Rights to Creators

Absent a contractual obligation to a research sponsor, TTUS may release ownership rights to a creator, with the following provisions.

10.19.1 [~~(a)~~] TTUS shall retain [~~for TTUS and all components thereof~~] a perpetual, royalty-free license to use the invention or copyrightable

work, and any corresponding patents or copyrights, for research, education and service purposes.

10.19.2 [(b)] TTUS shall receive a share of all proceeds generated from commercialization of the invention or copyrightable work after the creator has recovered documented out-of-pocket costs for obtaining legal protection for the invention or copyrightable work, the amount of such share to be negotiated at the time of the release. Should the [ORCFR] ORC and the creator be unable to agree, the matter shall be finally resolved by the president of the applicable institution.

10.19.3 [(e)] In the case of release of rights to the creator, the creator shall not be entitled to a share of proceeds received by TTUS under Section [(b) above] 10.19.2.

10.20 [20:] **Offers of Intellectual Property**

10.20.1 [(a)] If an individual chooses to offer to TTUS certain intellectual property in which TTUS has no claim, TTUS may accept ownership of the intellectual property provided that:

- a. [(1)] the individual makes the offer to TTUS as if the intellectual property had been created within TTUS;
- b. [(2)] the individual agrees to all provisions (including distribution of income provisions) of this policy;
- c. [(3)] the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.

10.20.2 [(b)] The [ORCFR] ORC will decide whether to accept or reject such offers.

10.20.3 [(e)] Should TTUS agree to accept the offer of intellectual property, the individual will execute an [ORCFR] ORC assignment agreement transferring all right, title, and interest in the intellectual property to TTUS, and acknowledging that the individual agrees

to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and TTUS may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

10.20.4 [(d)] TTUS may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to TTUS, the intellectual property will be managed in accordance with this policy.

10.21 [21.] **Complaint Procedure**

10.21.1 [(a)] [~~Foreword.~~] The purpose of these procedures is to address complaints of individuals covered by this policy [~~(all persons employed by components of TTUS, all students of TTUS, and anyone using TTUS facilities or under the supervision of TTUS personnel)~~] related to the actions or decisions of the [~~ORCFR~~] ORC associate vice [~~chancellor~~] president and to provide a mechanism for resolving them. Each member of the TTUS faculty and staff shall have the right to a hearing for redress of complaints through established channels.

After the complaint is presented to the [~~ORCFR~~] ORC associate vice [~~chancellor~~] president, the time periods for action prescribed in these procedures are guidelines only but should be followed unless a request for extension is granted for good cause by the vice president for research of the applicable institution. Consideration should be given for TTUS holidays and agreement of the parties.

10.21.2 [(b)] **Complaint Initiation.** The complainant will present a written description of the complaint and proposed resolution to the [~~ORCFR~~] ORC associate vice [~~chancellor~~] president within 21 calendar days after the complainant becomes aware of the action constituting the complaint. The complainant and [~~ORCFR~~] ORC associate vice [~~chancellor~~] president will meet within 21 calendar

days of receipt by the ~~[ORCFR]~~ ORC associate vice [chancellor] president and attempt resolution of the complaint. If resolution is not reached, the ~~[ORCFR]~~ ORC associate vice [chancellor's] president's written decision will be provided to the complainant within 10 calendar days after the meeting. If the decision is not acceptable to the ~~[complainant]~~ complainant, or if the ~~[ORCFR]~~ ORC associate vice [chancellor] president does not render a written decision within 10 working days, the complainant may proceed as set forth below.

10.21.3 ~~[(c)]~~ Mediation. The complainant or the ~~[ORCFR]~~ ORC associate vice [chancellor] president may request mediation of the dispute within 10 calendar days of the ~~[ORCFR]~~ ORC associate vice [chancellor's] president's written decision provided under ~~[Subsection (b)]~~ Section 10.21.2. If the ~~[ORCFR]~~ ORC associate vice [chancellor] president and complainant agree, a person acceptable to both parties will mediate the complaint. If the parties are unable to agree upon a mediator within 10 calendar days of the request to mediate, the vice president for research of the applicable institution, or designate, will select a member of the TTUS community, familiar with the area in dispute, to serve as mediator. The complaint will be presented for mediation within 21 calendar days after the mediator has been selected.

- a. If mediation is successful, the complaint process shall end.
- b. If mediation fails to resolve the complaint, the ~~[ORCFR]~~ ORC associate vice [chancellor] president will provide a written decision to the complainant within 10 calendar days after the mediation is concluded. If the ~~[ORCFR]~~ ORC associate vice [chancellor's] president's decision is not acceptable to the complainant, the complainant may proceed as set forth below.

10.21.4 ~~[(d)]~~ Appeal to the President

- a. ~~[(1)]~~ The appeal procedure is initiated by the complainant providing a written request to the president asking that the

decision of the [~~ORCFR~~] ORC associate vice [chancellor] president be reviewed. The complainant will provide copies of the original complaint, written decisions of the [~~ORCFR~~] ORC associate vice [chancellor] president and a proposed resolution.

The appeal to the president shall be filed within 15 calendar days of the complainant's receipt, or lack thereof, of the written decision of the [~~ORCFR~~] ORC associate vice [chancellor] president.

The president of the applicable institution, in consultation with the Intellectual Property Committee of the applicable institution, will select three (3) members of the institution's community to serve on an appeal committee.

Persons selected for service on the committee will be allowed to present to the president reasons why they should be recused from the process.

Following the selection of the three (3) person appeal committee, the president will convene the committee, give the committee its charge, and supply the committee with all relevant documents furnished by the [~~ORCFR~~] ORC associate vice [chancellor] president and the complainant.

b. [(2)] The president may appoint a faculty member with expertise in the relevant area of intellectual property to serve as a non-voting facilitator to assist the committee in its deliberations.

10.21.5 [(e)] Hearing Committee Process

a. [(1)] Within 21 days of receipt of the request from the president, the hearing committee will hold its hearing. The committee will, prior to the hearing, elect its own chairperson. The chairperson's notice of scheduling a time and place for the hearing will be delivered to the involved parties at least seven calendar days prior to the hearing.

- b. [(2)] The hearing will be non-adversarial in nature and conducted in accordance with the procedures established by the committee. The complainant and the [~~ORCFR~~] ORC associate vice [chancellor] president will be given the opportunity to present each party's position, including the right to present information, written or oral, considered relevant or material to the complaint as determined by the committee. The committee may call such witnesses as it considers appropriate.
- c. [(3)] At the conclusion of the hearing, the committee will meet and consider the matter. The majority opinion will constitute the committee's recommendations to the president. A minority opinion may also be submitted to the president. The committee's recommendations to the president shall be advisory in nature.

If the president has appointed a non-voting faculty facilitator as permitted above, the facilitator may attend the hearing and, subject to the will of the committee, may or may not be present during the committee's deliberations.

10.21.6 [(4)] President's Decision. The president will consider all material submitted and the recommendation of the committee and render a written decision, with copies to the committee, within 15 calendar days of receipt of the committee's recommendations. The president's decision is final.

10.21.7 [(5)] Resolution by the Parties. The [~~ORCFR~~] ORC associate vice [chancellor] president and complainant may agree to a resolution of the complaint at any time from institution of the complaint until receipt of the president's decision.

Index of Chapter 10 amendments adopted since December 12, 2008:

[NOTE: Until they actually are approved by the Board, the amendments proposed herein will not be entered into the following list of adopted amendments.]

<u>Section</u>	<u>Date</u>	<u>Description of Amendment</u>
10.8(k)	12-17-10	The amendment added a requirement that, before the Director of OTTIP may finalize a license agreement: <ul style="list-style-type: none"> • 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 <i>Regents' Rules</i> and applicable policies.
10.11	12-17-10	The amendment: <ul style="list-style-type: none"> • added a prohibition on an employee who is not the creator/inventor from serving as an officer, employee or board member of a business entity that has an agreement with Texas Tech for use of intellectual property in which Texas Tech has an ownership interest; • clarified that an employee who is the creator/inventor may serve as an officer, employee or board member of such a business entity if approved by the Board ... and added reporting requirements for a creator/inventor who is approved for such service; and • added: (1) an authorization for the chancellor or the chancellor's designee to have visitation rights on the governing board of a business entity with which Texas Tech has an intellectual property agreement; and (2) set the conditions under which a Texas Tech representative may exercise the visitation rights.
10.3(a)	03-01-13	With respect to when the ownership rights of TTUS attach to intellectual property, the amendment closed the previous gap in time between the creation of the intellectual property and the required assignment to TTUS of the rights to the intellectual property. With

this amendment, the ownership rights of TTUS attach at the time the intellectual property is created.

- | | | |
|----------------------|----------|--|
| 10 <i>throughout</i> | 03-01-13 | The name of the TTUS department that is responsible for intellectual property was changed from " <i>Office of Technology Transfer and Intellectual Property (OTTIP)</i> " to " <i>Office of Research, Commercialization and Federal Relations (ORCFR)</i> " ... and the title of the head of this department was changed from " <i>Director of OTTIP (Director)</i> " to " <i>vice chancellor for ORCFR (ORCFR vice chancellor)</i> ". |
| 10.3(b) | 08-09-13 | An "Ownership of Copyrightable Works" provision that required a distance learning course materials policy to be approved by the board was deleted. Dropping this requirement from the <i>Regents' Rules</i> provides flexibility for academic officers to make revisions to such policies through the process used to prepare and adopt institutional operating policies. |

TEXAS TECH UNIVERSITY SYSTEM
OFFICE OF AUDIT SERVICES
PRIORITIZED AUDIT PLAN
Fiscal Year 2015

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMENTS	STATUS AS OF DEC 2	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
		TOTAL ENGAGEMENT HOURS AVAILABLE	19,200					
		REQUIRED AUDITS						
Required	ALL	Audit Report Follow-Up Procedures and Reporting	400		In Progress	347	53	0
Required	ALL	State Auditor's Office, THECB, and Comptroller's Office Misc. Projects	25		(9) In Progress			18
		TTU and HSC: SAO 2014 Statewide Federal Financial Audit			5 In Progress		5	0
		ASU: THECB Texas Grant Compliance Desk Review			2 In Progress	1	1	0
		HSC: THECB Formula Funding Desk Review			2 In Progress		2	0
Required	ALL	CPRIT Grant Funds	50					50
Required	TTUS	Texas Tech Foundation, Inc. Financial Statements	120		In Progress	58	62	0
Required	TTUS	Regents, Chancellor, & Presidents Travel and Other Expenses	50		In Progress	17	33	0
Required	TTUS	Risk Management Assessment	100					100
Required	TTUS	Office of Audit Services Annual Report	30		Complete	27		3
Required	TTUS	Office of Audit Services Annual Plan	40					40
Required	TTUS	Office of Audit Services Quality Assurance Activities Review	60					60
Required	TTUS	Office of Audit Services Self-Assessment	120					120
Required	TTUS	Office of Audit Services External Quality Assessment	80					80
Required	TTUS	Multihazard Emergency Plan Safety and Security Audit	150					150
Required	TTU	SACS Financial Statement Review	600		In Progress	91	509	0
Required	TTU	Athletics Financial Agreed-Upon Procedures	50	(45)	In Progress	2	3	0
Required	TTU	Texas Tech Public Broadcasting Financial Statements	300		In Progress	293	7	0
Required	TTU	Football Attendance Certification	10					10
Required	HSC	Correctional Managed Health Care Contract	150		In Progress	1	149	0
Required	HSC	Lubbock Willed Body Program	240					240
Required	HSC-EP	El Paso Willed Body Program	240		In Progress	74	166	0
Required	ASU	Carr Foundation Financial Statements	10		In Progress			10
Required	ASU	Joint Admission Medical Program Grants	60		Complete	54		6
		TOTALS FOR REQUIRED AUDITS	2,885	(45)		965	990	885
		AUDITS IN PROGRESS AT AUGUST 1, 2014						
Prior Year	TTUS	Construction Project Expenses - TTU New Residence Hall	10		In Progress		10	0
Prior Year	TTU	State Auditor's Office - TTU HUB and State Use Plan Requirements	5		Complete			5
Prior Year	TTU	Intercollegiate Athletics - Sports Medicine	115		Complete	258		(143)
Prior Year	TTU	Office of International Affairs	40		In Progress	66		(26)
Prior Year	TTU	Faculty Review Processes	360		Complete	451		(91)
Prior Year	TTU	Office of Institutional Research	300		In Progress	147	153	0
Prior Year	HSC	Lubbock Medical Practice Income Plan Business Office	250		Complete	484		(234)
Prior Year	HSC-EP	Department of Radiology	120		Complete	164		(44)
Prior Year	HSC-EP	Procurement Services	100		Complete	320		(220)
Prior Year	ASU	College of Graduate Studies	30		Complete	13		17
Prior Year	ALL	Wrap-up on Audits Included in August BOR Report	20		Complete	18		2
		TOTALS FOR AUDITS IN PROGRESS	1,350	-		1,921	163	(734)
		UNPLANNED SPECIAL PROJECTS AND INVESTIGATIONS						
		Total Hours Budgeted for Special Projects & Investigations	3,500	(1,109)				2,391
		IN PROGRESS AT AUGUST 1, 2014						
Special	ALL	Compliance with Benefits Proportional by Fund Requirements		191	Complete	191		0
Special	TTUS	Lubbock Power & Light Contract		40	In Progress		40	0
Special	TTUS	Office of Technology Commercialization Cash Controls		38	Complete	38		0
		BEGUN AFTER AUGUST 1, 2014						
Special	HSC-EP	Southwest Endocrine Consultants Cash Handling		28	Complete	28		0
Special	TTU	Athletics Procurement Card Special		262	Complete	262		0
Special	HSC-EP	Center of Excellence in Cancer Special		250	In Progress	152	98	0
Special	ALL	Miscellaneous Hotline Projects		300	In Progress	173	127	0
		SPECIAL PROJECTS AND INVESTIGATIONS TOTALS	3,500	1,109		844	265	2,391
		HIGHEST PRIORITY						
4	TTUS	Office of Investments	400					400
4	TTUS	Chancellor's Office	400		On Hold	9	391	0
4	TTU	Title IX Compliance	325		In Progress	225	100	0
4	TTU	The Institute for Environmental and Human Health	450		In Progress	211	239	0
4	TTU	Division of Undergraduate Education & Student Affairs	400					400
4	TTU	Accounts Receivable Balance Sheet Review	100		In Progress	15	85	0
4	HSC	Institutional Compliance Office	400					400
4	HSC	Accounts Receivable Balance Sheet Review	100		In Progress	3	97	0
4	HSC	School of Medicine Clinical Departments	350					350
4	HSC	Controlled Substances	400		Complete	664		(264)
4	HSC-EP	Centricity Business System Implementation	250					250
4	HSC-EP	Financial Reporting Controls	400		In Progress	32	368	0
4	ASU	Title IX Compliance	225		In Progress	380		(155)
4	ASU	Accounts Receivable Balance Sheet Review	100		In Progress	11	89	0
		HIGHEST PRIORITY TOTALS	4,300	-		1,550	1,369	1,381

TEXAS TECH UNIVERSITY SYSTEM
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PRIORITIZED AUDIT PLAN
Fiscal Year 2015

PRIORITY	ENTITY	AUDIT AREA	BUDGETED HOURS	BUDGET ADJUSTMENTS	STATUS AS OF DEC 2	ACTUAL HOURS	TIME STILL NEEDED	BUDGET vs ACTUAL
MODERATE PRIORITY								
2	TTUS	Construction Project Expenses	30	(30)				0
		TTU Research Building		10				10
		TTU Bayer Crop Research Facility		10	In Progress	10		0
		TTU Human Sciences Life Safety		10				10
2	TTUS	Data Analysis	400		In Progress	3	397	0
2	TTU	Intercollegiate Athletics	400					400
2	TTU	Contract Compliance	350					350
2	TTU	Center in Seville	250					250
2	HSC	Title IX Compliance	325					325
2	HSC	RSAM Risk Assessment Processes	300					300
2	HSC	Information Technology Processes	450					450
2	HSC-EP	Title IX Compliance	250					250
2	HSC-EP	Faculty Credentialing Process	300					300
2	HSC-EP	Medical Practice Income Plan Revenue Distribution Processes	300		In Progress	166	134	0
2	ASU	University Health Clinic and Center for Counseling Services	250					250
2	ASU	Office of Development	300					300
2	ASU	Carr Foundation Royalty Payments	10					10
MODERATE PRIORITY TOTALS			3,915	-		169	541	3,205
LOWER PRIORITY								
3	TTU	Vehicle Fleet Management	350					350
3	TTU	Vietnam Center and Archive	200		In Progress	151	49	0
3	HSC	Permian Basin Medical Practice Income Plan Business Office	300					300
3	HSC	Contract Compliance	350					350
3	HSC-EP	President's Office	350		On Hold	17	333	0
3	HSC-EP	Collection Agency Processes	200					200
3	ASU	Food Services Contract	225		Complete	315		(50)
3	ASU	Facilities Management	275					275
LOWER PRIORITY TOTALS			2,250	-		483	382	1,385
OTHER VALUE-ADDED WORK								
Total Hours Budgeted for Other Value-Added Work			1,000	(277)				723
Other	ALL	Continuous Monitoring Data Analysis			Ongoing	5		
Other	ALL	Fraud Prevention Training			Ongoing	33		
Other	ALL	Cash Handling and Control Environment Training			Ongoing	16		
Other	ALL	New Employee Orientation			Ongoing	9		
Other	TTUS	Enterprise Application Steering Committee, Council, and Work Group			Ongoing	1		
Other	TTUS	Multiple PIDM Working Group			Ongoing	4		
Other	TTU	Institutional Compliance Committee			Ongoing			
Other	TTU	Ethics Center Advisory Board			Ongoing			
Other	HSC	Institutional Compliance Working Committee			Ongoing	3		
Other	HSC	Performance Improvement Committee			Ongoing	2		
Other	HSC	Risk Management Committee			Ongoing			
Other	HSC-EP	El Paso Transition Committee			Ongoing	8		
Other	N/A	Professional Organizations (ACUA, TACUA, IIA, TSCPA)			Ongoing	123		
Other	ALL	Other Miscellaneous Projects			Ongoing	73		
OTHER VALUE-ADDED WORK TOTALS			1,000	-		277	-	723
TOTAL ENGAGEMENT HOURS			19,200	(45)		6,209	3,710	9,236
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						
	ASU	Angelo State University						
	HSC-EP	Texas Tech University Health Sciences Center at El Paso						
	N/A	Work that is not attributable to a particular institution or campus						
Required	Audits that are mandated by law, Operating Policies, standards, contracts, etc. Will be performed based on timing of external deadlines.							
Prior Year	Engagements from prior year annual plan that were in progress at August 1. Goal is to complete them early in the year.							
Special	Unplanned special projects and investigations.							
1	Engagements that were deemed most critical per the risk assessment at August 1.							
2	Engagements that were deemed to be moderately critical per the risk assessment at August 1.							
3	Engagements that were deemed least critical per the risk assessment at August 1.							
4	Areas of exposure that need attention, but have not been included in the official plan because of resource constraints.							
Other	Other projects, including committee service, class development and instruction, professional organizations, etc.							

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
December 12, 2014

Chancellor Duncan presented his report to the Board: "Thank you Mr. Chairman and members of the Board. There are several things that I'd like to address today. I'll try to be brief.

"First, I'd like to discuss our upcoming legislative session which will begin in January. Obviously, we have met our legislative delegation from Lubbock but that is not our only legislative delegation that has an interest in the Texas Tech University System. We have representatives from all over West Texas and also other areas including El Paso and South Texas and folks who believe in the mission that we have and believe in what we are trying to do in reaching the next level as a university system. The first priority we will have this coming session will be to enhance and restore formula funding. You will recall that in 2011, when we had our biggest shortfall that I've experienced since being in the legislature, I believe it was about \$27 billion. We made cuts in just about every area of the state budget and one of the hardest hits was higher education because it's not an entitlement program like public education or Medicaid or these other programs that really are driving our state budget. So, at the end of the day, we cut formula funding and we also cut, in 2011, research funding as well. Those cuts began to occur even before the 2011 session when we had interim cuts. In 2013, when we were able to have a little bit more money, we started trying to restore funding. We did restore funding in some of the research programs but we were not able to restore all of the funding in the general formula and that includes support for instructional operations and infrastructure in our community. That will be our number one priority. Base funding has to be a priority. The good news is that base funding is a priority for all of our institutions and all of the state institutions. Higher education should be all together on that.

"Second, our capital facilities—these are what you refer to as TRBs. This will be authorization for universities to issue Tuition Revenue Bonds and typically the state pays the debt service on TRBs. We haven't had a TRB issue since 2006. Typically those have gone on four-year cycles. Because of budget constraints and problems, we haven't been able to get there. Last session, we nearly had a bill but the bill died in the conference committee on the last day of the session. I do believe, as we left the session in 2013 that there was strong support for doing TRBs. I think the devil is in the details and I am confident that the legislature with higher education pulling together will be able to receive some relief on TRBs.

"A major issue that we have coming up this year is called the HEAF—Higher Education Assistance Fund. We actually recalibrate it and add money every ten years. It's a constitutionally dedicated fund. The good news about the HEAF fund is that whenever you have budget shortfalls, you typically can't cut that because it's constitutionally dedicated. So, that funding stays steady. It's a huge fund. In 1993, it was \$100 million. The legislature has improved that every ten years to its current amount which is now at about \$265 million annually for all of the universities that are eligible. We will

recommend an increase to that by \$131 million that will be significant for all of our System—for each component of our System. These will be funds that will be used for infrastructure capital, laboratories and you can also do some building with it.

“The next priority—and I believe this is a priority for both Texas Tech and Texas Tech University as well as for Angelo State University... it’s significant for Angelo State because the size of their budget—is the Hazelwood Legacy exempt costs. We will support legislature to provide resources to address forgone revenue from the Hazelwood Exemption. This will help all institutions in the state of Texas. This is one of these issues that all of higher education can stay together with. The total cost to all of the institutions into the students to do this is about \$111 million. It is not an insignificant appropriation but what happens in Hazelwood is whenever we give these exemptions to students and they don’t pay fees or they don’t pay for tuition, the only other way to subsidize that are other students in tuition. I believe that the policy should be that if we have this type of exemption, then the state should cover that as opposed to covering that from the tuition that other students are paying.

“Another area that we will focus on is employee benefits. That’s a huge expense in costs to universities across the state. Beginning in one of their budget cut sessions, I believe in 2003, the state of Texas started paying about 85 percent of those benefits and looked to universities to pay the rest. We restored some of that in 2013 but not enough. It will be our goal to try to restore more of that full funding for our employee-group benefits.

“Student financial aid will be another priority for us, specifically the Texas Grant Program and the Top Ten Percent Scholarships. These are vital to expanding participation and reducing student debt. Relevant to our medical schools and important in Texas, as we have some new medical schools coming online now is the expansion of GME. I know that Dr. Mitchell and Dr Lange will talk with you about that. It is critical and important. Last session we did some things, but I think there will be more things that need to be done. If we are educating and investing in medical education in Texas, we want to make sure that we keep those students in Texas so they can do their residencies here and stay here. Typically, students stay where they do their residency programs. We don’t want them going to Boston or Minnesota or Arizona or California to do their residency. We rather them stay here in Texas and hopefully out here in West Texas in our area.

“Finally, we want to continue to maintain stabilization in our research funds and increases if necessary. The TRIP fund in particular has been very attractive to higher education. It has been one of the most successful research programs. All of the universities have fared well with this matching program; we have in particular. We will certainly push an effort to maintain funding.

“We have a good team down there and I want to advise you that we want you to participate. You are our front line in the business world and the political world. We want to make sure that you are a part of this program. We will be contacting you and hoping that you can be present. There are several occasions when that is helpful. Some occasions is when we make formal presentations to the committees—the House

Committee and the Senate Committee on Finance. Other occasions are when we just want to go down there and talk to our supporters or leadership in areas where we need help and your presence and your guidance and wisdom on that will be greatly appreciated. We will be asking you to actively participate in that as we go through.

"It's going to be a busy spring. The next area that I want to talk about a bit is strategic planning. We just announced our strategic planning meeting in March. In between now and March, we will working hard with all of the components of the System to help prepare you in making decisions with regard to our strategic plan updates. We have asked each of our presidents to start presenting to the System Office ideas. They are working with their deans and faculty groups to be able to do that. We'll want to update you on our strategic plan, and have information for you and work with you and keep you advised during the interim of that and of where we are headed so when we reach our strategic planning meeting, we can make those changes and pursue those goals that we have established on strategic planning.

"A little bit of a funding update...the System-wide fundraising total is at about \$55.5 million from September through November which is fairly significant. This is \$17.4 million ahead of last year during the same time period. For fiscal year 2014, our giving was \$158.3 million which is the second highest year in our history. That really validates that fact that now people are believing in us. That is not even in a campaign year that we are bringing in that kind of money. We want Texas Tech and all of our institutions to continue to set records of enrollment, fundraising and research. I have a strong confidence in our fundraising team. They have done a good job for us over the years.

"The next area that I would like to cover and then I want to turn the podium over to Dr. Nellis who will give a presentation on the 40 x 20 working group. Dr. Nellis and I have appointed a working group composed of the following personnel: John Opperman, chair; Jim Brunjes; Martha Brown; Grace Hernandez; Lawrence Schovanec; Juan Muñoz; and Noel Sloan. They were tasked with evaluating and looking at the different demographics and statistics that relate to our 40 x 20 goal that is in our strategic plan today. They have worked really hard. I am very proud of their collaboration in coming up with the metrics and statistics and data that will help you and us when go into our strategic planning sessions on how to approach and manage that particular goal. With that, I want to go ahead and turn the podium over to Dr. Nellis who has an excellent presentation for you."

Regent Anders asked, "Chancellor, the things that we objectively achieve during this legislative session, could you outline that for the Board and have your office send that to us."

Chancellor Duncan responded, "I will do that. Actually, we had planned on giving you the actual notes that I was working from. We may even have it in a pocket-sized sheet so you can carry it around."

SGA President's Report
Angelo State University
Board of Regents Meeting
December 12, 2014

Jared Goecker presented his report to the Board: "Lucky for me I've had an all-star team this semester. Over this past semester, we have accomplished a lot. We worked very closely with the San Angelo Chamber of Commerce, the Concho Valley Trans System, and many others to bring public transportation to Angelo State University and its students. The SGA designed route will take students around town to shopping centers, restaurants and entertainment centers and the historic downtown for minimal to no cost to the students. We will be pilot launching this program in January but we do believe this will be a huge success. There are many different players and key roles in this project. I don't think I could name them all but I will definitely be remiss in not mentioning Dr. May, although he is not here today. We thank Dr. May for his support and his leadership. Without his assistance this program would not be taking off in January.

"The last time that I spoke with the Board, I mentioned that a pair of SGA senators were spearheading an initiative to have street signs around and on campus changed to ASU themed colors. I think I may understand a fraction now of what being a parent is like as I watched my two SGA senators present their initiatives to the San Angelo City Council. I couldn't have been more proud of them. They did a phenomenal job. The City Council voted unanimously to approve their initiative. Those signs will be going up in the next few months. The great thing about an initiative like this is that it can only grow from here. It doesn't require much maintenance on our part. We are looking forward to seeing these signs for years to come as the sign radius for ASU theme signs expand around campus.

"Also at the last meeting, I mentioned our Christmas program. I would like to thank Jared Lujan who is in attendance today for his stellar leadership with this program. It was actually on our drive from the summer board meeting that he asked if he could take the lead on that. He outlined his vision for it and any time anyone offers to take the lead on a project, I'm all for it. He did a phenomenal job. He outlined his vision and he changed the location of the program to the Memorial Oak Grove, which you may know is a tribute to fallen ASU students during World War II. It was a fitting location to celebrate life on the grounds of an area dedicated to those who paid the ultimate price for our great country. It went from being an SGA event which is what it has been in the past to being a whole campus-wide event. We brought in many student organizations, many departments, and administration on all levels. They pulled it off. It was phenomenal. We had an ice skating rink, ornament decorating, and hot chocolate; we had a charity drive with local student ministries; the ASU orchestra was there; the physics guys came out and made dipping dots. It was splendidly organized and it was all topped off with a spectacular lighting of the Oak Grove. If anyone happens to be in ASU within the next couple of weeks, I highly suggest dropping by the Oak Grove in the evening. It is really well done. There are many people who helped pull this off but a special thanks does go to Dr. May and Dr. Flores for their support.

"Starting in January, we'll be launching the student energy empowerment initiative. We have very high hopes for this program. An SGA senator has taken the lead on this project and has received wide support from students, administration and faculty to make this project a success. We hope to have some numbers to present at the next meeting but we believe this will save students a substantial amount of money that we can reinvest back into student life.

"Briefly, I'd like to mention some of the things we have done this semester. We have reached and maintained a full and all-star senate. We launched a student health initiative. We launched the Lambs Program which is a child/day care. We brought daycares onto the student discount program. We worked with IT to reach a deal extending laptop hours in the library. We launched a very successful fifth quarter that we'll be duplicating during basketball season. We hosted a luncheon with the now Texas Land Commissioner, Mr. George P. Bush. The Student Discount Program continues to grow. We fundamentally restructured the SGA election system to create transparent and smooth election process. We created a system of accountability for senate committee chairs to ensure active chairs and committees. We are taking the lead on school spirit and pride initiatives across campus. An SGA committee actually spelled the word RAMS on the Concho high rise on every home football game. Speaking of football, I was very pleased to see SGA members travel to every way game possible this year from Kingsville to Commerce to Colorado. It was a phenomenal year for football and we are very pleased to be there with them.

"In closing, I would like to reflect on a few of the main lessons I have learned in the eight months that I have been president. The first one is that success depends on the people who you surround yourself with. The team I have with me—we could not have accomplished all that we have without these people. I really truly appreciate their support. The second this is, when someone asks if they can lead a project of any kind, ask what their sock drawer looks like. If their sock drawer is disorganized, that may not be the guy. If their sock drawer is color coded and organized by length, that might be the person to lead the project—just a thought.

"We have had a true whirlwind of a semester at ASU. I am looking to be the lame duck in February.

"This concludes my report."

President's Report
Texas Tech University
Board of Regents Meeting
December 12, 2014

Dr. Nellis presented his report to the Board. "Mr. Chairman and Board members, I appreciate the opportunity to follow up on the chancellor's introduction to go over this analysis of 40,000 students by 2020 (40 x 20). We have done a lot of detailed analysis and we are really looking from a system's perspective at the context of all of the relationships between Enrollment, Housing, and faculty needs and staff needs and budget needs and some of the state policies related to formula funding, etc. This is truly a comprehensive and strategic look at our enrollment trends in the context of enhancing the quality of what is Texas Tech University.

"We will start with enrollment. You are all aware of these trends. When we look at the enrollment consistently our goal over the last several years has been to move towards 32,000 undergraduate students by 2020 with 8,000 graduate students and another approximate 600 law students as part of that total. This conservative approach that we are going to analyze here still leads us to that 40,000. So, even if we hold back and continue to try to enhance the quality of our student body which is our priority, we are still moving towards 40,000 students by 2020. Looking at the trends as far as undergraduates, you can see that in recent years we have averaged about a three percent annual undergraduate enrollment growth since 2008. This last year, which was an outstanding year as far as recruitment in the sense that our freshmen class increased by 17.5 percent in one year, our graduate enrollment increased by 8.4 percent in one year. At the same time we lowered the admission acceptance rate in the sense that we tried to take a higher quality student but it's the distribution within that trend that lead to some of the average ACT and SAT scores that we have been reflecting on. We are trying to get that quality student. Our applications for the fall 2015 are even higher than what we had this previous year. We were already turning up significantly the quality of what we are expecting for our incoming class. So, even if we conservatively look at a trend of 2.25 annual enrollment increase, as we move forward to 2020 we will reach the 40,000 students. Again, if you look at our undergraduate target of 32,000 that has been consistent for a number of years and look at the first line there, this is where we are at now. Our retention rate for freshmen to sophomore is at about 84 percent; from sophomore to junior it's at about 70 percent. Our freshmen enrollment was at about 5,600 students. We had 3,000 transfer students. If we were to get to 8,000 and consistently move towards that, you can see that we will be over 32,000 students by 2020. We increased our retention rate to 90 percent which is our goal and that puts us more AAU-like. If we improve our sophomore to junior to 77 percent, we can reduce our freshmen class fairly significantly there and still come close to the 32,000. If we go to 90 percent, 77 for the second year in retention and slightly increase our transfer rate, you can see that we'd get over 32,000 as far as our total undergraduate numbers. Again, to be more AAU-like, we need to be at about a 90 percent retention from freshmen to sophomore and 77 percent from sophomore to junior. We can stand to be even more selective and still get to that 40,000 total.

“Augmenting this is our distance online learning. We have over 2,000 students who are currently enrolled online only. So, they are not here in Lubbock. They are only taking their classes online. That number is projected to go to 5,000 by 2020. We have restructured that office. Justin Louder is leading that and he is doing an excellent job in that area. We have strategies for growing that with grants that we are providing to faculty to incentivize selected programs, strategic programs, within increased marketing and to be sure that we are analyzing the markets so we are not just being comprehensive in providing every degree online but where there are opportunities from an economic perspective and a demand perspective to reach out to a population out there. We are also augmenting our regional campus dimension as well. We are increasing via enhanced course and program offerings at these sites. We are partnering with community colleges. You are aware of the partnership that we have had with McClennan Community College in Waco. Yesterday and today you approved our relationship with Cullen College as well which will add to the number of transfer students coming to Texas Tech University.

“As far as trends, we clearly understand and want to maximize our current and future college-going population in Texas. The geographic dynamics are changing dramatically in Texas. I will show you a chart that shows some of the trends in that context but also regionally. If you look at the 2020 number of high school seniors in West Texas, we are going to be relatively flat but there are selected metropolitan areas, which are high recruiting areas for us right now, that are going to increase fairly dramatically. We also want to ensure our growing percentage of transfer students. I think our relationship with these community colleges will help that. We want to fulfill the Coordinating Board’s strategic goals for underrepresented groups by providing strong support for first generation students. We have some exemplary examples of that here at Texas Tech. We currently have 22 percent of our student body who are Hispanic and as you know, we want to be at 25 percent to be a Hispanic serving institution—being sensitive to the diversity of our state’s population.

“If you look at the trend lines for our senior class and for all students, you can see the general trend line from 2014 to 2023. Our current number of Hispanic students who are seniors in high school, this year 46.6 percent of all seniors in the state of Texas are Hispanic. By 2020, that will be 55 percent. You can see that the number of white senior students is relatively flat and actually declining somewhat as a proportion of our total state’s population. African American is going up just slightly and Asian and Pacific is going up only slightly as well. The key is being sensitive to this changing diversity of our state’s population as we continue to elevate the academic quality of our university.

“Our goal is to be more AAU-like and in that context part of that is to more competitive with our federal funding and research through NSF and we saw some significant gains this year in that category. The USDA, state and industrial research funding were up. Faculty members and national academy—we have four as you know now. We have nominated some of our existing faculty for that recognition. We will have more in the next few months as to the success of that. The National Research Council—every ten years they rank every graduate program in the United States as far as the quality of faculty. We want to be competitive. Our faculty awards and honors, we want to continue to elevate our faculty and we have a very organized effort to nominate our

faculty in these key areas. Citations for our faculty—a number of Ph.D.s granted and number of post docs—these are all important in raising the profile of Texas Tech as well as increasing the quality of undergraduate and graduate students. On the undergraduate level, we are trying to enhance the graduation rate to be more AAU-like by having smaller and more classes taught by tenure-track faculty. We want to continue to increase the number of faculty to maintain the student-faculty ratios that we currently have. The first-year experience and learning community is very important. I have talked with you already briefly about this new residence hall that should be thematic and possibly linked to our honors program—the one that is coming online in 2017. We want to enhance scholarships and need-based aid. We want to increase our advising strategy and of course enhance our admission standards as well.

“Relative to the Big XII, our student faculty ratio, as you can see is similar to many except for the private institutions. In the Big XII, we are very close to our sister institutions at the 20-1 ratio this past year. We do not have the latest figures yet for student-faculty ratios. You can also see as far as SAT scores—as you know this fall we went down 10 points as far as our SAT. We stayed the same at the ACT level. We raised the standards as far as the quality of our class and the context of that lower bar but within the distribution we are still not getting that high end student that is a proportion of the rest of the students who we are admitting to Texas Tech. That is where we need more scholarship dollars and being able to recruit those. Speaking of scholarship dollars, these are the current categories of presidential scholarships that we offer. From a historical perspective, you can see trends for the last three years as to how many of those students are enrolled at that highest level. You can see that we are not getting a huge number of the 10 highest SAT/ACT scores. Part of it is what we are able to offer them. We need to continue to ratchet that up a higher level to be competitive. I might mention that 25 percent of all merit awards come from endowment funds. The rest are from designated tuition. So, we need more endowment dollars. I know that is a priority of the chancellor and certainly of mine as we move forward in trying to secure more funding to recruit those highest level of students. For example, with national merit scholars, we have the lowest number in the Big XII right now. I put together a plan to try to get more of those students. Those students are being offered full tuition. For Texas Tech, that would be \$18,000. That is the full cost. All of their residence hall costs would be paid for and they get funds for books. So, those highest and top quality students are basically getting a full ride. Then it scales down from that. That is the competition we are in relative to these best students. I think if we could be even double from where we are at there, going from 6,000 to 12,000 total; I think we'd be very competitive and again increasing our yield significantly.

“This is the transfer scholarship program we have. We have a lot of success in getting transfer students to Texas Tech. You can see that it is based on grade point average along with hours completed. Our proven achievers—you can see the level of scholarships they get—and they coming in as juniors and seniors and by the way that is where we have a lot more capacity too at the junior and senior level. That is important as well.

“Graduate student programs—AAU schools have a higher proportion of graduate students than we currently have. We have done a number of things to try and stimulate

and increasing our numbers. As mentioned earlier, we are up 8.4 percent in our graduate enrollment. We have already committed \$2 million into college budgets for graduate recruitment. Just recently, I authorized a \$1 million a year for three years to support additional doctoral students and post docs. A lot of AAU schools have many post docs who are students who have already received their Ph.D. and before they actually start working as faculty they work in research labs as post docs. That is an indication of the vibrancy of the research quality of the institution. I won't read through all of these but we have created a doctoral dissertation completion program to make sure that these students are not only working on their Ph.D.s but they are getting done and moving on and representing Texas Tech in the work force.

"We have expanded internationally to our student recruitment. Many of these international countries will sponsor these graduate students, like the country of Brazil where they have scientific mobility programs and we are trying to get more of those students here at Texas Tech University. They are just one of several countries now that are sponsoring graduate students to come to the United States and these are high quality students who we can recruit and those countries are paying for it. This enhances the quality of our AAU profile.

"We have also increased the number of honor students. I think this college is a critical part of our AAU profile. Michael San Francisco is doing an outstanding job as the dean. We are up 9.3 percent from the fall 2013 to the fall of 2014 in that college. The SAT average is 1268 in the Honors College. You can see as we increase that profile, that really pulls the bar up for Texas Tech University overall. We go out on the road in the fall. I go out with my team consisting of deans and vice presidents to recruit these top scholar students. As an example, I met a young lady in San Antonio at a Top Scholars event. She had already been accepted at NYU. She has been accepted at Harvard and at Texas Tech. She came for a VIP visit about a month ago and she has made the decision to come to Texas Tech University. That is the type of student who we need to be able to recruit to Texas Tech. Those Top Scholar events and having that one-on-one relationship with those students and the opportunity to meet with a president or a dean or an advisor or faculty member is very important to them. They are not likely to get that at a lot of universities.

"Increasing the scholarship awards—I already mentioned that. We have put in place a President's Merit Scholarship program that we are enhancing. We have added funds to recruit a minimum of 2 to 3 new national merit scholars per year. Strengthening our fundraising efforts in that area is going to be absolutely crucial. So, from a funding and infrastructure perspective, first of all, formula funding is currently based on enrollment, discipline and class matriculation. This is important. We have to be careful how we manage our growth because if we pull back too much we put ourselves at risk for budget cuts relative to overall state formula. That is where we need to balance that with growing our graduate programs because those graduate students are weighted more heavily than undergraduate students as far part of the overall formula. If you look at our percent as far as weighted student credit hours, you can see that in the upcoming legislative session...even though we have had this tremendous growth in our enrollment, you can see that we have slipped just slightly in our weighted student credit hours as a percent of the total number of weighted number of student credit hours for

the state. Two years ago, we were at 6.76 percent of the total weighted student credit hours. Even with our growth this year going into the legislative session, we are at 6.74 percent. That is not a huge slip but it is important that we stay at least at that same level as we move forward.”

Regent Anders asked, “Is that for our students who are taking fewer hours per enrolled students?”

President Nellis responded, “That is part of it but part of it is that the other institutions are growing as rapidly as we are. When you look around the state, Texas A&M had a huge growth for the last two years in their freshmen class. They have opened the doors. That is having a significant impact on the overall weighting across the state.

“Infrastructure—as far teaching spaces existing to support our continued growth, we really need minimal additions by utilizing the existing space that we have more effectively but also building the additions that we have already been talking about—the former Petroleum Engineering Building and retrofitting that; the former Mass Communications Building and retrofitting that; the addition to the Rawls College, the west wing there; and some renovations of Weeks Hall. We think that part of our transitions—the ability is to be met as far as teaching spaces. Research space—we have greater needs. We need to add the TRB funded building, the Experimental Sciences building phase II. The addition of the former Mass Communications Building, the renovation of that is going to help us from a research space perspective. We need to retrofit some of our existing spaces like in physics and chemistry. We also must use HEAF funds, to retrofit again additional spaces for research. Office space is currently needed to meet our continued growth for our faculty and staff. That will help when have the System offices relocated to the new System building. The existing space on our core campus and the Tech Plaza could be utilized to address the office space needs with minimal debt financing. In addition, Engineering and Business have future projects planned which will address their office space deficit. The Tech Plaza, for example, we currently have 22,000 square feet of space that we are using there. It is a building of 48,000 square feet. When the System’s offices move out of that, if we have that space plus what we will gain when the System offices move out of the Administration Building, I think between the two of those that will help us offset our office space needs. New projects planned for the next five years are summarized next. The building needs that we have, and you are very aware of this as Mr. Brunjes gave an excellent presentation at our last meeting summarizing our overall plans for buildings and debt capacity. I have touched on these throughout my presentation. Housing capacity is always one that gets discussed as we try to grow toward 40,000 students. The primary goal is to house all of our first year students. That has significant implications as far as retention rates. Another goal is to provide housing for any student wishing to live on campus due to academic, economic, social, retention and graduation benefits on campus—that campus housing provides. The additional residence hall of fall 2017 will provide infrastructure to continue housing the same percentage as a proportion of our total student body as we move forward. I believe we have an opportunity in that new residence hall to be thematic as grow our AAU profile and perhaps focus on the Honors College. These are the percentages of students living on campus relative to our total enrollment. As you can see, 2014 is at 22.39 percent which has been very consistent

since 1990, within a percent or two of that number as far as the percentage of our students who live on campus. We think that we can continue to meet that with the enrollment growth as well.

“Infrastructure, auxiliaries, hospitality, recreational sports, student health services—all of these need to be enhanced as we move forward. Recreational sports, for example, we need a satellite facility and that is part of the master plan which will be located conveniently between Texas Tech and the Texas Tech University Health Sciences Center. You can see that transportation and parking will certainly need to continue to look at that as far as future needs—the Student Union, the United Supermarkets Arena as far as having adequate space for facilities that we have.

“Our increased enrollment will also necessitate added staff. We have been doing that over the past few years. We have added a significant number of staff in auxiliaries and student services as far as counseling and support to our students overall.

“In summary, the trends, even conservatively, as we enhance the quality of Texas Tech University will likely lead us towards 40,000 by 2020. We need to continue to meet goals to enhance academic quality by consistently enhancing the student quality while maintaining progress towards becoming a Hispanic Serving Institution. We need to increase the number of our faculty to maintain our student-faculty ratio and maybe even enhance it. We need to enhance our retention rates and our graduation rates and the number of graduate students as well. As far as funding and infrastructure, our enrollment growth is essential to preserve our percentage of the formula funding at the state level. We do need added housing as already planned and part of our master plan for the fall of 2017. We need the goal to increase funded research grants which will also support graduate students. TTU currently has classroom and office space to accommodate growth if the Tech Plaza is utilized and our research space will be added with the tuition revenue bonds—if we get that through the legislature. Of course, we need the additions in HEAF funding as well to retrofit our existing space to keep up with our research needs. That is the conclusion of our overview and analysis of all the different dimensions that feed into our enrollment, housing, infrastructure, research and growing the profile of Texas Tech University.

“As far as scholarships, that might be something that the chancellor would like to speak about as well.”

Chancellor Duncan added, “When we met with our working group, that was an area that we felt like, not just national merits but all of the upper level, high quality student scholarship programs can be increased. There are a lot of things that we need to do. I appreciate Dr. Nellis’ report because I think it lays out the beginning of our strategic plans for TTU on where we need to go with regard to maintaining our desire to be AAU-like as well as where we need to place our funding priorities. That includes the legislative priorities as well to where we go because TRBs are important and HEAF is really critical to that because changes in that will be significant for us to be able to do some of the things that we need infrastructure-wise.”

President Nellis added, "Even with Hazelwood, we are certainly proud of being a military friendly school but we supplement that at about \$11 to \$12 million a year. If you think about that, it's significant as well."

Chancellor Duncan commented, "Going back to what Regent Ray was saying is that now we are moving athletics with this full cost of education. It seems that we need to have the same campaign for full-cost coverage with regards to the high quality students that we want to recruit here. That will be part of the strategic plan discussion that we'll have and how we get there. I appreciate you all doing this. It was an appreciated presentation."

SGA President's Report
Texas Tech University
Board of Regents Meeting
December 12, 2014

Hayden Hatch presented his report to the Board: "Thank you Mr. Chairman and Board for having me this morning. Listening to Dr. Nellis talk about that Honors College, I'm glad that I got in three years ago. With those SAT scores, I'm not sure if I could get in today. That is great. It is truly a great time to be at Texas Tech and all of this momentum makes it easier to get things done from the student government perspective. I'd like to give you some more good news this morning. BaLeigh Waldrop, our internal vice president, has been working and planning an SGA gala. This is our 50th year for the student senate at Texas Tech. I know there are some people around the table today who will be getting an invitation to that. She is also putting together and bringing back a senior gift. That is a tradition that has been lost in recent years. She has got some great ideas. We'll have a fundraiser in the spring and try to raise some money to bring back that wonderful tradition. She is also working with a student at Tech who is going to create a safety mobile application for Texas Tech students. It will be a free app for your phone. We had a lot of businesses come in and give us sale pitches to try to bring their applications here and then we found a student, a true entrepreneur who said that he could create something just as good and we chose to go that route and keep it in house. That will be a great mobile application that will hopefully be ready by the spring.

"BaLeigh has also headed up the first year for the Women's Leadership Institution at Texas Tech. She has already held two events and invited some wonderful business women in the city to come to those events and talk to students at Texas Tech.

"Pradeep Attaluri, our graduate vice president, has been working on a food pantry project. He had got a little bit of a budget in the SGA's bank account and he decided to put that towards food for our students who might have trouble finding their next meal. We are very excited to see that started in the spring. He's also been working with Dr. Juan Muñoz for a \$25,000 research grant for students here at Tech. We have talked a lot about research and becoming AAU like and this is in stride with that goal. He has also been working to add a course for undeclared majors. He has been working with our freshmen year engagement students on this project and with the Provost's Office in providing a course for students who are not sure what they want to do. That course would bring in people from the community, business leaders, as well as faculty members to talk to them and try to provide guidance for what major they might want to choose.

"Stetson Whetstone, our external vice president, has been working on the Safe-Ride a lot this semester. As some of you may know, Yellow Cab closed mid-semester and we did not see that coming. He has been working with the new owner. That company has been purchased and we are going to bring back Safe Ride in the same fashion that it

has always been for the students. We are excited about that. He was also able to engineer a temporary fix with Citibus so that service did disappear in the meantime.

"As for myself, I am happy to say that the RFP came back on bringing a form of dining bucks off of campus. You have heard about hospitality services here doing a wonderful job. All of that food can be purchased with your student ID card. In the spring, you'll be able to take that ID card off of campus and use it at local restaurants. We are very excited about that. We are closing up meetings and talking about a company that we might choose. That will be a great service for our students and be a great recruiting tool as well.

"I'd like to update you all and specifically Regent Steinmetz on Raider Gate. That is a student tailgate. I am pleased to see that every single home game sold out this year for Raider Gate. That is huge compared to the years prior. That was a big hit this year. I say sellout, those spots are actually free but that's the term we still use. Every single spot was reserved by students. That was a great success this year.

"As a student government, the Executive Council went to Ames, Iowa where Iowa State hosted the SGA Big XII Conference. At this conference, we had a joint senate meeting and we were able to represent Texas Tech and provide a piece of legislation. We chose to write a piece that advocated for an exemption from the Affordable Care Act for students. Student employees on campus have been running into a problem. Their hours have been cut. It hurts Tech and it hurts our students as well. I'm pleased to say that this resolution was by far the most popular piece presented at that meeting and passed with unanimous support. We will, as a Big XII, go to Washington, DC in the spring and we will present this piece and advocate for that. We are excited to be able to do that on behalf of Texas Tech.

"I'd also like to update you on our push with the It's on Us campaign. The It's on Us campaign, is a campaign straight from the White House promoting bystander intervention in an attempt to decrease sexual assaults on college campuses. The week of November 17 was the national week of action for the It's on Us campaign. The SGA as well as the Intrafraternity Council had a booth in front of the SUB where we provided free food and invited students to come and speak on this topic. I am pleased to say that we had over 300 students take the pledge to say something when they see something wrong and intervene. I think that is a great movement and culture to promote at Tech. I will continue to push that campaign in the spring.

"I am very grateful to be allowed to speak with you today. Please let me know if there are any questions?"

[A regent asked about Raider Gate.]

Mr. Hatch responded, "Raider Gate is a student tailgate. It is held in a parking lot over by one of our residence halls. It is very close to the stadium. You can reserve a spot if you are a student. The spot is free. This year we had many students reserve spots for the whole season. It's a tailgating parking lot for students only."

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 12, 2014

Dr. Mitchell presented his report to the Board. "I will have a short report because I'll have someone else report on some information that I want you to have. A lot of what needs to be said to the Board has already been said by Chancellor Duncan and President Nellis regarding the upcoming session. The upcoming legislative session for everybody is going to be exceedingly important. We are looking for tuition revenue bonds for buildings; we are looking for formula funding changes; we are looking for HEAF funds; we are looking for GME funding. As we mentioned earlier, there are a lot of things that we are going to be putting together that we are going to be targeting. As the chancellor said, everyone rowing in the same boat in the same way is going to be important in the standpoint of Board members helping and the like. There will be more coming on that. A lot of our strategic planning is going to be dependent upon that.

"On the reports distributed to you, you will see on the front the slogan 'Your life our Purpose.' We have been putting on this campaign—this initiative that we have been working on for the last several months to make sure that folks know—we are starting in the Lubbock community but the plan is to make sure this falls over to all of our communities where we serve folks to make sure the people know who we are, whether they are donors, potential donors, patients. We see nearly 200,000 patients per year. As for our alumni...we now have an alumni group that has about 20,000 folks. We don't have any way of engaging people like that. We want to find ways to engage them and to bring them in so that as we grow and as we look toward things like scholarship money and the like, we have got a means for doing that. The scholarship part of it is exquisitely important for everyone on the general academic side with the AAU doing what it does. There is this historical goal that everyone tries to achieve with that. It is much different than on the Health Sciences Center side. One of our goals is to make sure that other people want to look like us. And the fact of the matter, there are certain things that we do that we do quite well. At the end of the day, I want our sister universities in the health sciences arena doing what they can to emulate Texas Tech. We have some really good things working, but the funding that we get for scholarship money becomes exquisitely important. We have got really good recruiting efforts in place and they have paid off over the last several years but we've got to do something to be able to fund some of the educational aspects of these kid's careers—the get the folks in that are absolutely the ones who we want.

"I hope that you will go through your report and look at some of these things. I am going to hit a couple of highlights. If you will look at page 3, we have our upcoming strategic planning meeting set for January 8, 2015. That is in preparation on the HSC side for the System strategic planning meeting in March. That will give us a chance to put our thoughts together and see what we have done in the last few years and where we want to go over the next few.

“On page 5, I have got a section in there about our Mommy Meds app. The Mommy Meds app as you know is used for pregnant and breastfeeding mothers. When this thing was launched, it hit the number 1 app in iTunes for medical apps. Just in the last few weeks, we’ve had this one and the professional app, nearly 20,000 downloads. This is one of those things that puts the Health Sciences Center at the forefront of everyone’s thinking—not just around here but around the country and also in places around the world.

“On page 7, our Allied Health Sciences, Nursing, School of Medicine and School of Pharmacy and Graduate School—all of our students now work together in ways that we are receiving national recognition for the interprofessional education effort that we have. These are things that I have been sharing with our sister universities like UNT, A&M and UT because we have put a lot of time and money and effort into this and it makes no sense for them to have to pay for it as well. These are things where people are turning to us to ask what it is that we are doing about it.

“On page 17, as a reminder, we have an affiliation with the Betty Ford Center. There are only two medical universities in the country that have an affiliation with the Betty Ford Center. We have students who do rotations out there as part of their medical education. It gives them an opportunity to not only learn about what substance abuse is about and the like but to also see professionals, health professions who are suffering from it because they go through what is called the caduceus program when they are there. It is one of the gems that we have and that we actually use as a recruiting tool.

“On page 27, one of the efforts that we have been putting a lot attention to, in part because the state has been asking for us to, is our Telemedicine Program. Our Telemedicine Program is outstanding. We have a network with equipment, hardware, software around the West Texas area and just as an FYI, we are going to look to expand that substantially over the course of the next few years.

“On the last few pages, I have included ‘news you can use.’ These are some articles that have come out about flu shots and other things that you might find of interest.

“On page 32 is your Christmas joke of the meeting. With that, I will give the rest of my time to Dr. Marjorie Jenkins. Dr. Jenkins is a professor of medicine. She is on the Amarillo campus. Marjorie grew up in Kentucky, got her undergraduate degree in chemical engineering. She worked in the chemical industry for a while and then she went back to medical school at East Tennessee State. She graduated at the top of her class. She did internal medicine training in Ohio. She went into private practice for a while. She mentored under Steve Berk and eventually made her way to West Texas. One of the areas that we have also received national recognition for is the work that we have done in the sex and gender-based medicine. It started out as just women’s health and it started out with Marjorie’s interest in women’s health however it is much more than that. The Laura W. Bush Institute was started several years back with a small amount of money and has worked with that now for the last several years. It has used that money for seed grants and other things to help other efforts. It is one of four institutes that we have at the HSC. I wanted her to give you a quick update on the

things that have happened in just over the course of the past year. We are at a point now, with the Laura Bush Institute, where it is poised to do some really good things moving forward. With that, Dr. Jenkins...”

Dr. Jenkins addressed the Board. “Thank you for allowing me to speak today, President Mitchell. It is an honor. I last spoke before the regents in 2008 to ask for approval for the naming of the Laura W. Bush Institute and to also propose an idea for support in building this institute. I was honored to write the proposal for Mrs. Bush. My first visit to the White House was to present that proposal which was not a nerve-wracking experience at all. We were very successful. When we went to present this idea, we were told we would get an answer in four to six months. We got the answer in four days from Mrs. Bush. She has generously supported us over the past eight years with her time and her support nationally as well.

“The Laura W. Bush Institute is an institute that is progressive and growing multi-campus and multi-disciplinary organizations focusing on women’s health, sex and gender. Basically what we do is, we support the fact that men and women and boys and girls have different health needs. They are unique from the way they access healthcare to the way healthcare is delivered to them, based on their biological makeup and based on their gender construct of how we perceive them. It might surprise you to know that currently the FDA does not require medications to be proven to work in both men and women nor do they require that stints, pacemakers, and defibrillators be proven efficacious in both men and women. That is important, that some of the advocacy that we are doing on the part of the Laura W. Bush Institute at Texas Tech is testifying at panels for the FDA, writing expert panel reports and taking our message to the next level.

“We grew rapidly. That is because Chancellor Hance was really scary, Chancellor Duncan, and he told me not to let the grass grow and to get it going. So we did grow rapidly across West Texas on the part of the Laura W. Bush Institute. We are now in Amarillo, Lubbock, Midland, Odessa, San Angelo and El Paso. We’ll be expanding to Abilene within the new building there and we are also in discussions to start an effort in Dallas. It is a very good position for me to be in because we get to work on part of the Laura W. Bush Institute across this system because of San Angelo and others. We get to see a lot of perspective.

“Before I run out of time, I want to thank this Board. Many of you here today were not here in 2008 when we started and came to ask for support. This group did allocate \$1 million to seed the Laura W. Bush Institute. So, Regent Anders, happy birthday and thank you and Regent Francis was also in that group. We also had dear friends who came on board the next year. Later came Regent Nancy Neal, who is on our founding Board, and then Regent Huffaker.

“This has allowed us to engage with leaders across Texas. You will see many friends of Texas Tech. We see friends of the Bush’s on this list who have supported this institute. They meet twice a year. Mrs. Bush meets with us to strategically plan and obtain

resources for us. Lee Ann White, Former Regent Alan White's wife and a dear friend of mine, chairs that Board for us.

"We have hosted over 75 community events. Over 20,000 girls and women have been directly reached by the institute and we have engaged in over 15,000 volunteers. We are taking the message of Texas Tech to the community. We are showing them that we are engaged and that we care about them across West Texas.

"We provided 84 research grants that are for scholarly works and NIH grants and Ph.D. students dissertations. We are creating the one and the only health professionals curricula and continuing medical education programs.

"I'll wrap up by telling you what we have done. This is the first, the best and the only. As I think about this, I think if you are the first and the only then by definition you are the best. That just came to my engineering mind. One of Mommy Meds, you have heard about Mommy Meds, it is the first and it is the best. In 2008, we were asked by Dr. Tom Howe to engage with him to launch the Infant Risk Center. Then Dean Jordan sent Dr. Hail our way. We took Dr. Hail on a road show in Amarillo. We also had our first fundraiser for the Institute in 2009 and the Infant Risk Center received over \$200,000 from the Laura W. Bush Institute. We also lobbied for their space and we lobbied to get it redone so that we could tour folks during that Power of the Purse event and Jenna Bush came and was our keynote speaker. We are very proud of Mommy Meds. We continue to engage with them through our national board and open doors for them in foundation proposals and development proposals. We are very proud of the work of Dr. Hail.

"The Cancer Prevention and Research Institute of Texas—we had a grant of \$1.67 million awarded to provide breast cancer screening and diagnostic services. I led that grant. We had two campuses and areas from the South Plains and Panhandle. That model went to ASU and their office there—the Laura Bush Office received \$1.3 million and that model has now been expanded back to Amarillo to include cervical cancer. All totaled, we have brought in \$4.5 million to West Texas for screening women for cervical and breast cancer.

"I particularly resonated with this program. My mom died from breast cancer at age 52. I say she really didn't die from breast cancer; she died from lack of access and lack of education. So, we have 54 women now who were diagnosed early and will see their children and grand children grow up. It's a really amazing program.

"We had the first sex and gender medicine certificate program for practitioners. You want your doctor to know the difference. You want your pharmacist and your nurse and your health provider to know the difference. We have created the program for training them. We have created the only national database of practitioners. Women across the country ask me, 'How do I find a doctor who knows the difference?' There is no database right now. We are creating that from Texas Tech and the Laura W. Bush Institute. We have created the only curriculum program of products that are exportable to other schools. We have Northwestern University, Mayo Clinic, the University of

Mississippi, the University of Utah and many others that are not seeking to utilize our product.

"I want to take a brief moment to let you know how we are starting national conversations. This is a workshop that happened at the National Institutes of Health on October 20. They are there to talk about integrating sex and gender into pre-clinical research. Right now 80 percent of all research is performed on males and then applied to females once we get to the clinic. So, they should be talking about research and research protocol but this is what the keynote, Dr. Larry Cahill, said at the end of his message: 'What can we do about this? I want to make two suggestions. The first is that nothing is going to change until the next generation changes its thinking. And then I'd like to highlight the work of people like Virginia Miller and Marjorie Jenkins at the Laura W. Bush Institute for women in the South Plains in Texas. These people have been amongst the leaders in creating medical school curriculum. I encourage you to go and check out this website that takes this and makes it very practical for students trying to learn things. This is one of wonderful and often unheralded work but this is really what is going to change things for the generation in thinking 'of course I need to consider whether it is a man or a woman; I would be a fool not to.'"

"So, we are excited that we have been able to engage faculty from Harvard, from UC Irvine, from Northwestern, from Mayo to help us create our online CME. We have 200 faculty and students who have helped us create our curricular products across all of the schools at the HSC and we are leading the first Sex and Gender Medical Education Summit which will take place at the Mayo Clinic in Rochester. I am chairing that committee and we are very excited to have the support of Texas Tech for this summit.

"We are branding ourselves nationally. We have been invited by HRSA (Human Resources and Services Administration) to participate on panels. I'll quickly show you the organizations that have asked us to be at the table.

"The Laura W. Bush Institute provides a lot of tangibles that I have shown you but we also provide an intangible. We provide community and we provide opportunity. My daughter, Catherine, is one of those honor students in the Honors College. She is a sophomore. When she came to Tech, she was a very highly recruited student. She was in the top 2 percent. She came for a VIP tour and she never looked back. She had to find her community at Texas Tech—this is a large campus. We provide a place for faculty and students of like-mind to come together and to help us move forward with this agenda that everyone deserves the most personalized and high-quality healthcare possible.

"And to that end, you gave us \$1 million and we are continuing to build the first, the best and the only programs and we have directly launched a Laura W. Bush Institute membership program and have representation from every campus including students and faculty from TTU, ASU and TTUHSC and we have given back \$1.84 million over the last five years.

"We believe that not knowing the difference doesn't mean that there is no difference and that is really the basis of the Laura W. Bush Institute.

"So to you , the regents of 2014, I want to thank you for all you do for our System and I want to ask you to continue to support us when you go back to your communities to help elevate the Laura W. Bush Institute. We have a big agenda over the next few years. We need to become an endowed institute. We want to expand our presence in West Texas and in East Texas. It will take a village to do that and it will take leaders such as yourselves to help us to do that as well. Thank you. Also, thank you to Dr. Mitchell who is such an excellent supporter of the Laura W. Bush Institute and so strategic in his thinking. That has really helped us to elevate remarkably more than we ever could have.

"That concludes my report."

Regent Anders commented, "Tedd can I make a suggestion that we include continued discussion about the Laura W. Bush Institute at the strategic workshop in the spring."

President Mitchell replied, "Yes we will."

SGA President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
December 12, 2014

Eric Edwards presented his report to the Board: "Hello everyone. It is my pleasure to have the opportunity to present to you today.

"I would like to start by saying that I am so proud of our HSC students this semester. They have gone above and beyond my expectations in all manners. I don't have time to fill you in on all of the things that we have done but I will present in a style like Dr. Mitchell by keeping things short and concise.

"Our senators, this semester have completed over 400 community service hours and that is between the 45 that are here on the Lubbock campus. That is a significant feat. They volunteered at the Pumpkin Trail, the Hope Lodge and the Ronald McDonald House and I am so proud and impressed by them. The big event that we had since we last met was our Leadership Summit. This is a great event where we get students from across from all of our HSC campuses to come to Lubbock. We had students travel here from Midland, Odessa, Amarillo and we had a few students come in from El Paso as well. Dr. Mitchell was our keynote speaker. He gave a phenomenal speech. Everybody was so excited to work together. We had a big interdisciplinary teamwork activity. Everyone had lots of fun and we got rave reviews. We also went to the UT game which unfortunately did not go in our favor but that didn't take away from our festivities.

"Besides that, we are currently taking applications for our Phone-a-thon Scholarship which is an annual event. Last year we gave out over \$80,000 of scholarships to our students. We have already earned \$33,000 more than that which won't all go to the scholarship but will go to the endowment fund. We are looking forward to being able to give out more money and support more students in the future. This is very exciting for us.

"Our next big event that is coming up is the annual joint congress between TTU and TTUHSC and everyone here will be receiving invitations to that event. Please keep an eye out for that. This is a great opportunities for all of the students to come and get updates from the University's presidents and just talk about problems and events and things that they face throughout the year that might be unique or maybe can translate to the other universities. We are really looking forward to this event. It is a nice event. We have a social hour so the SGAs can get together and talk. This will be a lot of fun and we are really looking forward to it.

"This past Friday, we held our annual student holiday reception. It was a huge success. We raised several hundred pounds of food for the food bank and we collected a lot of toys for the Toys for Tots. We had hundreds of students attend. It was a couple of hours long. We had great food. The theme was Christmas Wonderful. Some of my senators dressed up as Mr. and Mrs. Clause and they went down to the pediatric wing

of the hospital and they gave out coloring books and crayons to the kids. That was a lot of fun and we had a really good time.

"Next semester we have a lot of big events coming up as well. We will have our annual middle school open house where we get all of the local middle school students to come in and we teach them about medicine and nursing and biomedical research and things like that. It will be a lot of fun. On April 11, we will be hosting our annual Future Healthcare Providers Conference which is open to people from all walks of life—so from middle school, high school, and college or people who are looking for a career change into a medical profession. They can come attend this conference. We usually have between 200 to 300 people. We'll have all sorts of interactive activities. The Army medical triage tent will actually be set up in one of our lobbies. The guests will be able to walk through this and see all of the technologies and all of the great things you can do if you go into the military side of healthcare. We are really looking to that. Dr. Dalley, one of our anatomy professors does a great demonstration of some things that even I am grossed out by but the students really like and the visitors think it is really interesting. We are looking forward to another great semester. Again, I want to thank you all for giving me the opportunity to present to you.

"Everyone have a happy holiday and for those who are traveling, stay safe.

President's Report
Texas Tech University Health Sciences Center El Paso
Board of Regents Meeting
December 12, 2014

Dr. Lange presented his report to the Board. "It is a privilege to present to you today. First of all, I'd just like to affirm our unity extending behind what the chancellor and the previous two presidents said about our legislative priorities in terms of making sure that formula funding, TRB, HEAF funding, the Hazelwood exemption and GME slots are all on the agenda. We are all unified about that.

"I'd like to tell you a bit of what is going on in El Paso right now. This weekend, we'll hold the Nursing School graduation. This will be my first Nursing School graduation at our institution. I appreciate that Regent Anders will be there to participate. We will graduate 48 nursing students. We will have an opportunity to drive Regent Anders by the Nursing School which has been completed. It's a 37,000 square foot facility. It is unique in that 11,000 of it is simulation training. Again, that is a training where you don't sit in the classroom but you are actually in a hospital room. You have an ICU room; you have an emergency room; you have a birthing room. The nurses train in real life situations, often times with mannequins or people who are trained to represent people who have various diseases. It fosters interprofessional education so that it not only has nurses there, but will have pharmacists there, nursing students, residents and physicians as well. It is really state-of-the-art. We are very excited about that. You will all be receiving an invitation to the ribbon cutting that takes place on February 3, 2015. We will install the art and will have a dedication for that sometime in the spring.

"We were excited to host the Tenant Board. This is not the local board, it's the national Tenet Board. They are our partners in our new West Side Hospital and in our medical office building as well. In attendance were Jeb Bush; Trevor Fetter who is the president and CEO of Tenet Health; Ed Kangas who is the retired chairman from Deloitte Touche Tohmatsu; Senator Rob Kerrey who is a former Navy seal and has won multiple medals; Karen Garrison who is the former retired president of Pitney Bowes; Brenda Gaines who is the retired president and CEO of Diners Club North America; and James Unruh from Alerion Capital Group. They came to El Paso because it is strategic for them. It's strategic from a business standpoint but also because of the clinical care that we offer there and the partnerships that we have. That was a very big event.

"We were happy to have the chancellor come out on November 4. I am pleased to say that the System and Texas Tech University and the Health Sciences Center here, have sent out multiple groups to El Paso. The Development groups have been here as well as information systems. We've had the financing and government relations group visit as well. That is to make sure that we have all of the tools that we need during our transition period over the next two or three years, as we transition to a totally free-standing health sciences center or university. The communications with these groups and the support has been phenomenal. We appreciate that very much.

"I am happy to say that in regards to our research efforts, although fairly new—remember we have four centers of excellence, centered around infectious disease, neuroscience, and obesity and diabetes—we have held annual conferences. These are international conferences. One is in neuroscience and the second in infectious disease; we are getting recognition in those areas. We are partnering with our sister institution here in Lubbock but also with the University of Texas El Paso as well as centers around the United States. I am happy to report that one of our professors was chosen as the lead internet lead editor for an international journal. So, we are gaining some recognition there. That extends to what happens to students because it's not just in the research area, but we have scholarly activity and research programs. We expect all of our medical student to participate. This isn't a course, but before they graduate they have to participate in a scholarly activity. That could be at our university or at universities across the country. So, they will actually write to individuals across the country for research programs that they are interested in and then they will spend at least a month at that institution. For example, the person who won first place in the poster presentation, Zameer Aberdin, is a second year medical student. Interestingly enough, his brother was a fellow of mine in Dallas, so it comes around. We trained his brother and now we are now training Zameer. He did his project at Northwestern. Huy Ly presented the relationship between plasma polyunsaturated fatty acid levels and depressive symptoms in the Cooper Center Longitudinal Study. This was at Tedd's institution and my former institution at UT Southwestern as well. Jeremy will talk a little more about that but that research doesn't stay in a research building but it perforates all down to what we do at the medical student level and at the nursing student level as well.

"I am proud to say, as Marjorie said as she is emphasizing gender related differences in terms of medicine and devices and how we apply that and how people respond, we are making a concerted effort at our institution as well to make sure that we foster the education and mentoring of women both in our medical school and in our dental school as well.

"The PLFSOM Women in Medicine and Science Organization has a mentoring course for young faculty members. I'll be mentoring individuals who want to have a leadership position at the dean or chair level as well. That extends even to the community. We have our female medical students providing guidance at the local high schools as well. They are encouraging young women—high school students—to pursue education in science, technology and math. Things that aren't typically sponsored at the high school level especially for women. What we are telling them is 'yes you can do it.' I will remind you that 55 percent of our medical school classes are females and the other 45 percent came from females.

"In my first faculty recognition banquet—I handed that over to Clinical Affairs and I told them to come up with the theme. I have only been there for five months. The culture that I want to create is a culture of excellence. I didn't tell them what I wanted the theme to be. They told me what they thought would be appropriate for what I am trying to do at the university. The theme was charting a course to excellence. So if you come to El Paso, and you want fried okra, I can tell you where to get it. If you want steamed

okra, I can tell you where to get that. If you want even fried, steamed or even boiled, I can tell you but if you want mediocre, it's not in El Paso. It's not on our campus and they are getting that.

"Now we have a mission that is centered around this team of excellence. Our mission at the TTUHSC El Paso is to improve the lives of the people in our state and our community by focusing on the unique health care needs of socially and culturally diverse border populations through excellence and integrated education, research and patient care. After this discussion, I asked my fellow presidents what their mission statements were. Tedd replied, 'I agree with Rick.' President May said, 'Su mission is me mission.' And Dr. Nellis's was 'Yeah, we can do that and sports.' I just want to highlight our mission statement. In the future, if you ask me I will know it.

"One of the advantages of being a smaller institution is that we actually have a Thanksgiving luncheon. The entire university is invited. We served over 2,000 lunches. You can see that we served. I served but didn't do the cooking. It was a chance to serve our faculty and staff and students as well. This is a big event. It's actually a time to give thanks.

"I want to close my remarks by thanking the chairman for opening the session by acknowledging the fact that Rick and Ginger Francis need our prayers and support. I'm grateful that this is a body where it's not just words that actually mean something. This will give us a time to reflect. My first comments with Rick after the untimely and tragic passing of his son were 'Rick, what can I do for you and Ginger.' He said go home and hug your kids. What we do is important. It reminds us to stay focused; it reminds us that we interact and we change lives one person at a time. It allows us to remember to be thankful and to be focused and to remember to always keep the first things first.'

"I will close with that. Thank you for allowing me to address you today."

Student Representative Report
Texas Tech University Health Sciences Center El Paso
Board of Regents Meeting
December 12, 2014

Jeremy Stewart presented his report to the Board: "Chairman and members of the Board, I would like to begin by thanking you for allowing me to speak with you today. I'd also like to thank Eric. The event that they held here and invited us to attend was well received. I wasn't able to attend but we had great feedback from that. We learned a lot.

"I'll start with our Spring for Sparks event which was a fundraiser for the Sparks Community Center where our student-run clinic is held. This was the first year for the event. It was a 5K. We have 117 participants and 30 sponsors. We raised over \$3,500. With that being only the first year, it's only grow from there. This should now be an annual event.

"We also have the College Cup. Each class is split into four different colleges: red, gold, green and blue. We meet weekly for ethics classes. We have a competition every year and whoever gets the most points wins and we have four events of field day, a lounge day and a gym day and then we also get points for volunteer hours. It's a Hogwart style system where we are counting the numbers and displaying that to all of the students. Everyone gets really excited about that. It gives us a break from our library time and gives us a chance to socialize with our classmates

"Dr. Lange talked about the SARP Symposium. I wanted to provide a little bit of background from the student perspective. A lot of people might not do research and participate in research and this gives us an opportunity to become more involved. Some people who ordinarily wouldn't do research are now really excited about doing research. This could take our institution up to the next level and increasing the amount of research we have in our background. There were over 250 students who completed the SARP project. There are still 200 more, myself included, working on ours. Many people went national. As mentioned, Zameer went to Chicago. Some people have been doing an international trip to Nicaragua. Some will be doing research there in the spring on the population there.

"We have an event in the works. We will be organizing a volunteer day called Step Out. That is an idea from a fourth year medical student and usually by the fourth year you take a step back and focus on interviews and coast. This medical student took an idea from Baylor where he attended undergrad. What they do, every organization from fraternities, sororities, student interest groups, they go out in the community and they organize one day where everybody goes out. It mobilizes the students and gets them out in the community. We already do a lot of volunteer work but this gives us one day where we all come together. This really adds to the amount of community service that we provide. The community has given us a lot by allowing us to have a medical school and we want to give back and help however we can. We are still working on a name; Step Out is Baylor's name. We'll have our own name.

"We also have the gold tournament scheduled that I spoke of during the last meeting. The date for that is March 28, 2015. Please mark that in your calendars. Hopefully you'll be available. We are still working on the location but we are in talks and we think we have a good place set up. That's going to benefit the medical student-run free clinic and the Sparks Housing Development Corporation which is where the clinic is located. We are still working on the sign ups but this guy is chomping at the bit to get in, so possibly we'll have a big name person here.

"I'd also like to reiterate about our Thanksgiving luncheon. It was really great. I had to take my lunch to class, but they gave us bags and a lanyard for our ID. The food was good and we enjoyed it. We also had a Christmas luncheon for all of the students on Wednesday and that went really well too.

"We had our 2nd annual Tacky Sweater Bowling party. That was a big success this year. That was just for the class of 2017 students but I think we'll expand that to include the whole school in the future. We had 60 people participate. It was free bowling and we had a lot of fun. We actually get a few chances to have some fun while in medical school.

"It's not all fun. We have been working really hard. For a school who is new, we are doing well on our board scores. I'm not sure if you are familiar but between our second and third year we take an examination called Step 1. It's arguably the most important text we take in our life. It helps get your foot in the door for your specialty and the more competitive the specialty the higher score you'll need. This year we scored above the national average by five points—235 puts you in a pretty nice spot for most of the residencies and of course our students are doing very well with that. Step 2 is taken between your third and fourth year and we are still scoring above the national average. So, this is great news for us and my class. I'll hunker down into my study case here next semester because I'll be taking it next summer. Our class is looking to increase that number and increase that difference from the national average. A lot of that has to do with our admissions process. This year we had 3,693 Texas applicants through the TMDSAS. They have interviewed 437 applicants with a mean GPA of 3.8 and an MCAT of 30. So far the offers they have accepted—they have a pre-match period and the mean GPA is 3.8 and the MCAT is 31.

"I'd also like to thank Dr. Marjorie Jenkins. I too like her lost my mother last December at the age of 53 to breast cancer. What she is doing at the Institute would have helped prevent her death. It could have helped if she had an earlier diagnosis. What they are doing is great and I must commend her and everyone else involved with the work there. I am thankful for that and for being a part of a system that is producing something like that.

"In light of the holidays, we would like to provide some T-shirts from the medical student-run free clinic.

"That concludes my report."