



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”.

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

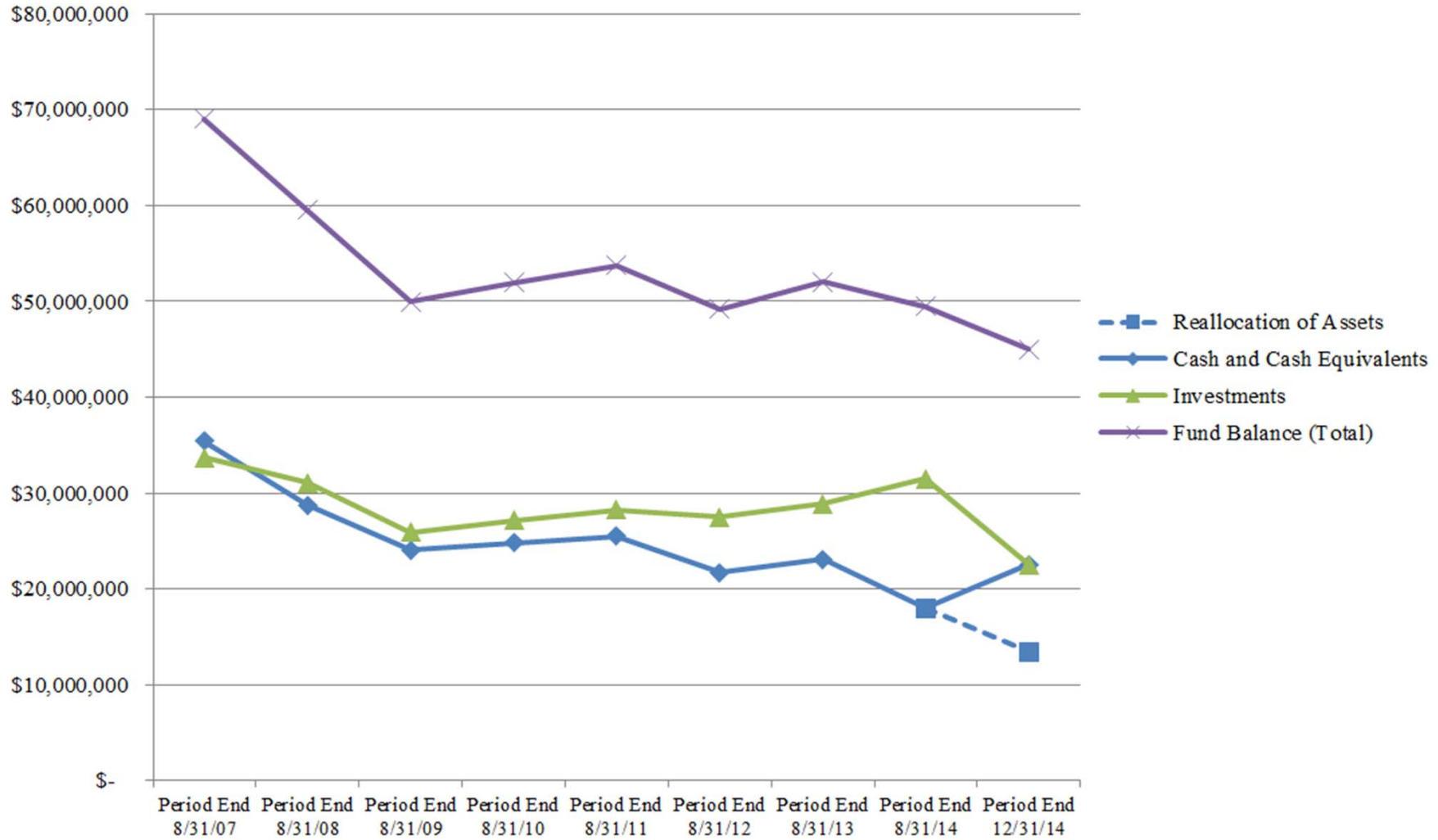
- \$12 million of the research project funds will be set aside in the LTIF until such time as appropriate research projects are identified. This will generate approximately \$540,000 annually for use by CASNR.

Medical Liability Self-Insurance Plan



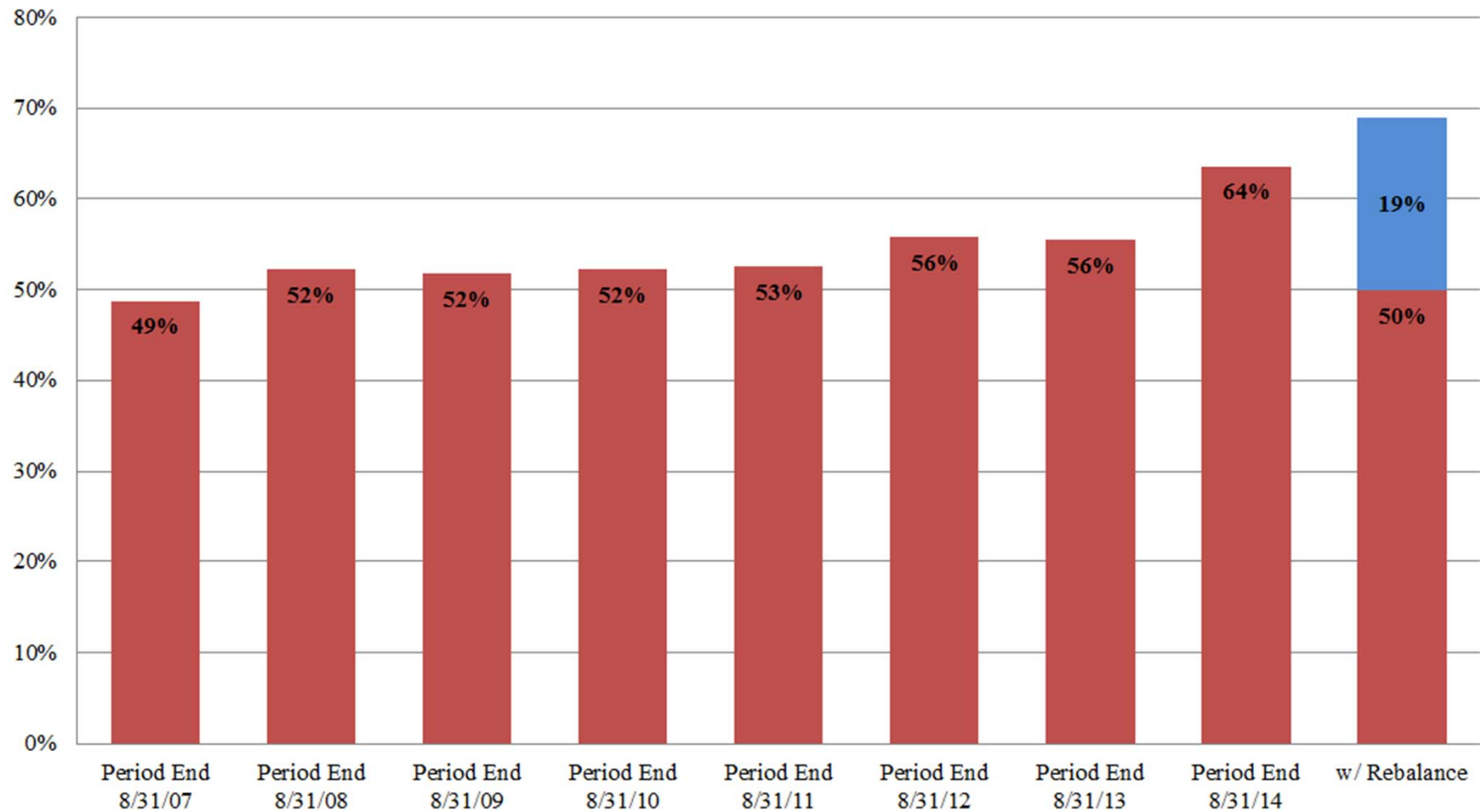
- In August 2014, the actuary found the Medical Liability Self-Insurance Plan (Plan) to be in sound financial condition. That is, the Plan had sufficient funding to retire the likely liabilities of the Plan through August 31, 2014 and an adequate contingent reserve and capital base to absorb the expected 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.

Reallocation Proposed





% in Long Term Investment Fund





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