

---

---

**THE UNIVERSITY OF TEXAS  
SYSTEM ADMINISTRATION**

**ALLOCATION OF PERMANENT UNIVERSITY FUND  
BOND PROCEEDS RESERVES FOR  
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION  
AND FACULTY STARS**



**FISCAL YEAR 2022**

Adopted by the U. T. System Board of Regents  
August 19, 2021

---

---



# The University of Texas System

Fiscal Year 2022

## RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

### Summary

PUF Allocation					
	Library Books & Materials	Capital Equipment	Repair & Rehabilitation	Faculty STARs Program	Total
<b>Academic Institutions</b>					
The University of Texas at Arlington	\$ -	468,000	1,367,720	-	1,835,720
The University of Texas at Austin	-	2,300,000	-	-	2,300,000
The University of Texas at Dallas	-	800,000	1,100,000	-	1,900,000
The University of Texas at El Paso	-	-	1,770,000	-	1,770,000
The University of Texas Permian Basin	150,000	519,876	1,251,871	-	1,921,747
The University of Texas Rio Grande Valley	-	-	2,459,533	-	2,459,533
The University of Texas at San Antonio	-	-	2,000,000	-	2,000,000
The University of Texas at Tyler	-	500,000	1,263,000	-	1,763,000
Subtotal Academic Institutions	<u>150,000</u>	<u>4,587,876</u>	<u>11,212,124</u>	<u>-</u>	<u>15,950,000</u>
<b>Health Institutions</b>					
The University of Texas Southwestern Medical Center	-	-	2,300,000	-	2,300,000
The University of Texas Medical Branch at Galveston	1,200,000	-	1,200,000	-	2,400,000
The University of Texas Health Science Center at Houston	-	110,000	2,000,000	-	2,110,000
The University of Texas Health Science Center at San Antonio	700,000	1,000,000	649,332	-	2,349,332
The University of Texas M. D. Anderson Cancer Center	-	-	1,950,000	-	1,950,000
The University of Texas Health Science Center at Tyler	-	-	1,940,668	-	1,940,668
Subtotal Health Institutions	<u>1,900,000</u>	<u>1,110,000</u>	<u>10,040,000</u>	<u>-</u>	<u>13,050,000</u>
<b>The University of Texas System Administration</b>					
Academic Library Collection Enhancement Program	5,000,000	-	-	-	5,000,000
Dense Wave Division Multiplexing Equipment Refresh	-	1,000,000	-	-	1,000,000
Faculty STARs Program - Academic Institutions	-	-	-	17,500,000	17,500,000
Faculty STARs Program - Health Institutions	-	-	-	17,500,000	17,500,000
Subtotal System Administration	<u>5,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>35,000,000</u>	<u>41,000,000</u>
<b>Grand Total</b>	<b>\$ <u>7,050,000</u></b>	<b><u>6,697,876</u></b>	<b><u>21,252,124</u></b>	<b><u>35,000,000</u></b>	<b><u>70,000,000</u></b>

# The University of Texas System

Fiscal Year 2022

## RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials PUF ALLOCATION	Capital Equipment PUF ALLOCATION	Repair and/or Rehabilitation PUF ALLOCATION	Faculty STARs PUF ALLOCATION
<b>ACADEMIC INSTITUTIONS</b>					
<b>The University of Texas at Arlington</b>					
Texas Hall - Orchestra Shell, Stage, Acoustical Improvements	1,440,000			1,200,000	
The College of Architecture, Planning, and Public Affairs Furniture for Design Studios	122,720			122,720	
Swift Center - Student Engagement Space	50,000			45,000	
Replacement of Backup Generator for Central Library	475,000		75,000		
Student Seating, Technology, Teaching, and Learning Space for Central Library	449,500		223,000		
Earth and Environmental Sciences Building - Room 244 Remodeling Project	49,000		44,000		
Department of Earth and Environmental Sciences Research and Educational Vehicle	35,000		30,000		
Library Security Gates	136,050		96,000		
<b>TOTAL</b>	<b>\$ 2,757,270</b>	<b>-</b>	<b>468,000</b>	<b>1,367,720</b>	<b>-</b>
<b>The University of Texas at Austin</b>					
Facilities Planning and Management Capital Equipment Beyond Useful Life Phase II	2,300,000		2,300,000		
<b>TOTAL</b>	<b>\$ 2,300,000</b>	<b>-</b>	<b>2,300,000</b>	<b>-</b>	<b>-</b>
<b>The University of Texas at Dallas</b>					
Academic Affairs Science and Engineering Laboratory Equipment	800,000		800,000		
Roofs and Building Envelope - Various Buildings	1,100,000			1,100,000	
<b>TOTAL</b>	<b>\$ 1,900,000</b>	<b>-</b>	<b>800,000</b>	<b>1,100,000</b>	<b>-</b>
<b>The University of Texas at El Paso</b>					
Research and Technology Infrastructure for New Faculty	1,000,000			1,000,000	
Fox Fine Arts Center - Domestic Water Line Pipe Replacements	420,000			420,000	
Satellite Plant Cooling Tower Phase I	350,000			350,000	
<b>TOTAL</b>	<b>\$ 1,770,000</b>	<b>-</b>	<b>-</b>	<b>1,770,000</b>	<b>-</b>
<b>The University of Texas Permian Basin</b>					
Elevator Replacement	400,000			400,000	
Completion of Large Science and Technology Lecture Shell	250,000			250,000	
Automatic External Defibrillator and CPR Training Equipment	109,000		109,000		
Library Books, Furnishing, and Equipment	150,000	150,000			
Music Department Pianos and Marimba	410,876		410,876		
Axon In-Car Video and Computer Replacement	335,000			335,000	
Replacing Equipment for Visual Arts Studio and Equipment for Student High Impact Practices	305,436			266,871	
<b>TOTAL</b>	<b>\$ 1,960,312</b>	<b>150,000</b>	<b>519,876</b>	<b>1,251,871</b>	<b>-</b>

## The University of Texas System

Fiscal Year 2022

### RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials PUF ALLOCATION	Capital Equipment PUF ALLOCATION	Repair and/or Rehabilitation PUF ALLOCATION	Faculty STARs PUF ALLOCATION
<b>The University of Texas Rio Grande Valley</b>					
Deferred Maintenance Upgrades and Repairs	2,459,533			2,459,533	-
TOTAL	\$ 2,459,533	-	-	2,459,533	-
<b>The University of Texas at San Antonio</b>					
Renovation of the One Stop Enrollment Center	2,000,000			2,000,000	-
TOTAL	\$ 2,000,000	-	-	2,000,000	-
<b>The University of Texas at Tyler</b>					
Muntz Library, Infrastructure, and Envelope Phase II	843,000			843,000	
Muntz Library, Furnishings and Renovations	420,000			420,000	
Campus Network Security Firewalls and Demilitarized Zone	500,000		500,000		
TOTAL	\$ 1,763,000	-	500,000	1,263,000	-
SUBTOTAL - ACADEMIC INSTITUTIONS		150,000	4,587,876	11,212,124	-

## The University of Texas System

Fiscal Year 2022

### RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials PUF ALLOCATION	Capital Equipment PUF ALLOCATION	Repair and/or Rehabilitation PUF ALLOCATION	Faculty STARs PUF ALLOCATION
<b>HEALTH INSTITUTIONS</b>					
<b>The University of Texas Southwestern Medical Center</b>					
South Campus Anatomy Lab	5,713,330			2,300,000	
TOTAL	\$ 5,713,330	-	-	2,300,000	-
<b>The University of Texas Medical Branch at Galveston</b>					
Perpetual Information and Educational Resources	3,114,000	1,200,000			
Levin Hall Fire and Life Safety	1,700,000			1,200,000	
TOTAL	\$ 4,814,000	1,200,000	-	1,200,000	-
<b>The University of Texas Health Science Center at Houston</b>					
Datacenter Uninterruptible Power Supply Replacements	110,000		110,000		
Medical School Building Fire Alarm Device Replacement	1,500,000			1,500,000	
School of Dentistry Library Student Space Rehabilitation	350,000			350,000	
School of Nursing Fire Alarm Panel and Field Device Replacement	150,000			150,000	
TOTAL	\$ 2,110,000	-	110,000	2,000,000	-
<b>The University of Texas Health Science Center at San Antonio</b>					
Perpetual Digital Journals and Databases	700,000	700,000			
Technology Refresh and Expansion	1,250,000		1,000,000		
Lab Animal Research Facility Renovation Phase III	3,600,000			649,332	
TOTAL	\$ 5,550,000	700,000	1,000,000	649,332	-
<b>The University of Texas M. D. Anderson Cancer Center</b>					
Chilled Water Feed from Central Loop	400,000			200,000	
South Campus Research Building 1 Environmental Room Upgrades	1,200,000			600,000	
Data Center Modifications for Research High Performance Computing Cluster	1,000,000			500,000	
Clinical Research Building Energy Savings Project	1,300,000			650,000	
TOTAL	\$ 3,900,000	-	-	1,950,000	-
<b>The University of Texas Health Science Center at Tyler</b>					
North Tyler Resident Teaching Clinic Build-out	1,940,668			1,940,668	
TOTAL	\$ 1,940,668	-	-	1,940,668	-
SUBTOTAL - HEALTH INSTITUTIONS		1,900,000	1,110,000	10,040,000	-

## The University of Texas System

Fiscal Year 2022

### RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials PUF ALLOCATION	Capital Equipment PUF ALLOCATION	Repair and/or Rehabilitation PUF ALLOCATION	Faculty STARs PUF ALLOCATION
<b>SYSTEM ADMINISTRATION</b>					
<b>The University of Texas System Administration</b>					
Academic Library Collection Enhancement Program	5,000,000	5,000,000			-
Dense Wave Division Multiplexing Equipment Refresh	1,500,000		1,000,000		
Faculty STARs Program - Academic Institutions	-	-	-	-	17,500,000
Faculty STARs Program - Health Institutions	-	-	-	-	17,500,000
<b>TOTAL</b>	<b>\$ 6,500,000</b>	<b>5,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>35,000,000</b>
 SUBTOTAL - U. T. SYSTEM ADMINISTRATION		<u>5,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>35,000,000</u>
 TOTAL - U. T. SYSTEM		<u>7,050,000</u>	<u>6,697,876</u>	<u>21,252,124</u>	<u>35,000,000</u>

# THE UNIVERSITY OF TEXAS SYSTEM

## PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2022

### A. INITIAL BUDGET

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
2. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U. T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the Constitution of the State of Texas and the U. T. System Board of Regents' Rules and Regulations for the governance of The University of Texas System.

### B. BUDGET AMENDMENTS

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
  - a. Substitute Library or Equipment purchases in excess of \$1 million that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects in excess of \$1 million that are not on the approved list.



2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Substitute Library or Equipment purchases of \$1 million or less that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects of \$1 million or less that are not on the approved list.
  - c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.
  - d. Transfer of STARs funding between the Faculty STARs program and the Rising STARs program.

## C. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award or the appropriation will lapse and be made available for future Systemwide reallocation.
2. All STARs or similar program appropriations must be expended within 36 months from the time the faculty member arrives on campus or the appropriation will lapse and be made available for future Systemwide reallocation.
3. Notwithstanding the limitations adopted at the time LERR, STARs, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARs and similar funding.
4. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARs funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Major Projects are defined by Regents' *Rule 80301*.

# THE UNIVERSITY OF TEXAS SYSTEM

## PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES

For Fiscal Year Ending August 31, 2022

### A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILAR FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U. T. System Board of Regents to issue bonds and notes secured by the U. T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, with or without permanent improvements;
- constructing and equipping buildings or other permanent improvements;
- major repair and rehabilitation of buildings and other permanent improvements;
- acquiring capital equipment; and
- acquiring library books and library materials.

It is for the last three purposes noted above that the U. T. System Board of Regents has established the LERR, STARS (including Faculty and Rising STARS), and similar funded programs.

### B. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARS and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS 181 Policy for Post Bond Issuance Federal Tax Compliance*, U. T. institutions shall maintain invoice documentation for 35 years for any capital expenditures funded with tax-exempt proceeds.

### C. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARS, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the *Constitution*.

## **D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS**

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARs, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARs, or similar funded program eligibility should be directed to the U. T. System Administration Office of Budget and Planning.

### ***Repair and Rehabilitation of Buildings or Other Permanent Improvements***

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

### ***Acquisition of Capital Equipment***

Capital equipment is generally regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software, that will be used Systemwide, or between and among U. T. institutions and System Administration, is eligible for LERR, STARs, or similar program funds.

### ***Warranties and Similar Service Features***

The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARs, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a Laptop purchase is not allowed.

## **Software**

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage. This principle applies whether the salaries are paid to employees of the institution or to outside parties. See *UTS 142.13 Accounting and Financial Reporting for Intangible Assets* at <https://www.utsystem.edu/sites/policy-library/policies/uts-14213-accounting-and-financial-reporting-intangible-assets>. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARS, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARS, or similar program funds as these are considered operating expense.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARS, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARS, or similar program funds.

## **Employee Training and Travel Costs**

Employee training and travel costs are not eligible for LERR or STARS program funds as these are considered operating expenses.

## **Operating Expenses**

Consumables, which generally include those items that have an expected useful life of less than one year, are not eligible for LERR or STARS program funds as these are considered operating expenses. Some examples include, but are not limited to: chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARS program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

## ***Acquisition of Library Books and Library Materials***

The acquisition of library books and library materials is eligible for LERR. A library book is generally defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information

essential to the learning process or enhance the quality of university library programs. A purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction and other like costs required to put these assets in place, except for library salaries.

### ***Prohibition for Student Housing, Athletics, and Auxiliary Enterprises***

Article VII, Section 18 (d) of the *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARs, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

## **E. SPECIAL PROGRAM FUNDING**

Allocations of STARs funding by the Board of Regents are for the Faculty STARs program. With appropriate approvals those funds can be redirected to the Rising STARs program.

### **Faculty STARs Program**

The Faculty STARs program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARs program is funded in the same manner as LERR, the same guidelines apply and each item must have a useful life of more than one year. Faculty STARs funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARs funds.

There are three related program goals that form the basis of the Faculty STARs program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

### **Rising STARs Program**

The Rising STARs program makes up to \$300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e. assistant, associate or full professor. Rising STARs funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARs.