
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 2010

Adopted by the U. T. System Board of Regents
August 20, 2009

**The University of Texas System
Fiscal Year 2010
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)**

Summary

	PUF Allocation			Total
	Library & Equipment	Repair & Rehabilitation	Faculty STARs Program	
Academic Institutions				
University of Texas at Arlington	\$ -	1,250,000	-	1,250,000
University of Texas at Austin	2,080,000	1,295,000	-	3,375,000
University of Texas at Dallas	400,000	850,000	-	1,250,000
University of Texas at El Paso	750,000	500,000	-	1,250,000
University of Texas of the Permian Basin	235,000	283,000	-	518,000
University of Texas at San Antonio	-	1,250,000	-	1,250,000
University of Texas at Tyler	267,700	239,300	-	507,000
Subtotal Academic Institutions	<u>3,732,700</u>	<u>5,667,300</u>	<u>-</u>	<u>9,400,000</u>
Health Institutions				
University of Texas Southwestern Medical Center at Dallas	-	1,260,000	-	1,260,000
University of Texas Medical Branch at Galveston	1,300,000	-	-	1,300,000
University of Texas Health Science Center at Houston	-	1,260,000	-	1,260,000
University of Texas Health Science Center at San Antonio	1,000,000	260,000	-	1,260,000
University of Texas M. D. Anderson Cancer Center	700,000	560,000	-	1,260,000
University of Texas Health Science Center at Tyler	-	1,260,000	-	1,260,000
Subtotal Health Institutions	<u>3,000,000</u>	<u>4,600,000</u>	<u>-</u>	<u>7,600,000</u>
University of Texas System Administration				
Library Collection Enhancement Program	2,000,000	-	-	2,000,000
Faculty STARs Program	-	-	30,000,000	30,000,000
University of Texas Health Science Center - Houston School of Public Health, Austin Campus	-	1,000,000	-	1,000,000
Subtotal System Administration	<u>2,000,000</u>	<u>1,000,000</u>	<u>30,000,000</u>	<u>33,000,000</u>
Grand Total	<u>\$ 8,732,700</u>	<u>11,267,300</u>	<u>30,000,000</u>	<u>50,000,000</u>

The University of Texas System
Fiscal Year 2010
**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
ACADEMIC INSTITUTIONS					
University of Texas at Arlington					
Ransom Hall Renovation- Phase I University College	-	-	2,000,000	1,000,000	-
High Priority Fire & Life Safety Corrections	-	-	1,100,000	250,000	-
TOTAL	\$ -	-	3,100,000	1,250,000	-
University of Texas at Austin					
Imaging Research Center	2,770,000	1,000,000	-	-	-
Harry Ransom Center Cold Storage Vault Project	500,000	500,000	-	-	-
Information Quest Data Warehousing/Business Intelligence Project	80,000	80,000	-	-	-
Digital Libraries	500,000	500,000	-	-	-
Ernest Cockrell Jr. Hall Fire & Life Safety	-	-	910,000	475,000	-
Burdine Hall Fire & Life Safety	-	-	275,000	275,000	-
Music Recital Hall Fire & Life Safety	-	-	545,000	545,000	-
TOTAL	\$ 3,850,000	2,080,000	1,730,000	1,295,000	-
University of Texas at Dallas					
Repair Steam & Chilled Water Lines to Hoblitzelle Hall & Conf. Ctr.	-	-	850,000	850,000	-
Engineering & Scientific Lab Equipment for Assistant Professors	500,000	400,000	-	-	-
TOTAL	\$ 500,000	400,000	850,000	850,000	-
University of Texas at El Paso					
Research & Technology Infrastructure for New Faculty	1,000,000	750,000	-	-	-
Theatre Arts Costume Shop & Equipment	-	-	316,900	300,000	-
Upgrade Library HVAC System, Phase II	-	-	325,000	200,000	-
TOTAL	\$ 1,000,000	750,000	641,900	500,000	-
University of Texas of the Permian Basin					
Library Collections	235,000	235,000	-	-	-
Swimming Pool Enclosure	-	-	1,275,000	283,000	-
TOTAL	\$ 235,000	235,000	1,275,000	283,000	-
University of Texas at San Antonio					
Fire & Life Safety	-	-	500,000	500,000	-
Science Building Laboratory & Office Renovation	-	-	850,000	750,000	-
TOTAL	\$ -	-	1,350,000	1,250,000	-

The University of Texas System
Fiscal Year 2010
**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
University of Texas at Tyler					
Collection Enhancement (Print & Digital Collections)	100,000	100,000	-	-	-
Library Repair & Rehabilitation	-	-	120,000	120,000	-
Waterproofing Three Buildings	-	-	100,000	100,000	-
Outdoor Warning System Upgrade	25,000	25,000	-	-	-
Alternative Power Patrol Vehicles	25,000	25,000	-	-	-
Video Surveillance Upgrade	50,000	50,000	-	-	-
Video Cameras for Patrol Vehicles	10,000	10,000	-	-	-
Video System DVR Repair	22,000	22,000	-	-	-
CCS Server Room Cooling	-	-	19,300	19,300	-
Emergency Generators Core Network, Data Center, & Telecom Svcs	70,000	35,700	-	-	-
TOTAL	\$ 302,000	267,700	239,300	239,300	-
SUBTOTAL - ACADEMICS		\$ 3,732,700		5,667,300	-
HEALTH INSTITUTIONS					
University of Texas Southwestern Medical Center at Dallas					
Renovation of Lab & Office Space	-	-	2,000,000	1,260,000	-
TOTAL	\$ -	-	2,000,000	1,260,000	-
University of Texas Medical Branch at Galveston					
Information & Education Resources Enhancement	2,369,572	1,300,000	-	-	-
TOTAL	\$ 2,369,572	1,300,000	-	-	-
University of Texas Health Science Center at Houston					
School of Public Health Flood Protection	-	-	2,000,000	1,260,000	-
TOTAL	\$ -	-	2,000,000	1,260,000	-
University of Texas Health Science Center at San Antonio					
PeopleSoft	1,338,000	1,000,000	-	-	-
Dental School Clinic Renovation	-	-	700,000	260,000	-
TOTAL	\$ 1,338,000	1,000,000	700,000	260,000	-
University of Texas M. D. Anderson Cancer Center					
Library Collection Enhancements	855,000	700,000	-	-	-
Renovate Potable Water Storage & Transfers	-	-	1,140,000	560,000	-
TOTAL	\$ 855,000	700,000	1,140,000	560,000	-
University of Texas Health Science Center at Tyler					
Campus Critical Areas Interior Renovation	-	-	1,995,000	1,260,000	-
TOTAL	\$ -	-	1,995,000	1,260,000	-
SUBTOTAL - HEALTHS		\$ 3,000,000		4,600,000	-

The University of Texas System
Fiscal Year 2010
**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
SYSTEM ADMINISTRATION					
University of Texas System Administration					
Library Collection Enhancement Program	2,800,000	2,000,000	-	-	-
Faculty STARs Program	-	-	-	-	30,000,000
University of Texas Health Science Center - Houston School of Public Health, Austin Campus	-	-	1,000,000	1,000,000	-
TOTAL	\$ 2,800,000	2,000,000	1,000,000	1,000,000	30,000,000
 SUBTOTAL - U. T. SYSTEM ADMINISTRATION		\$ 2,000,000		1,000,000	30,000,000
 TOTAL - U. T. SYSTEM		\$ 8,732,700		11,267,300	30,000,000

THE UNIVERSITY OF TEXAS SYSTEM
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS)
BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2010

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 within approved dollar limits as outlined in *UTS 168 Capital Expenditure Policy*. This includes expenditures for Faculty STARS or similar special 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 U. T. System Board of Regents' *Rules and Regulations* for the governance of The University of Texas System.

B. BUDGET AMENDMENTS

1. ITEMS REQUIRING APPROVAL OF THE U. T. SYSTEM ADMINISTRATION AND SUBSEQUENT APPROVAL BY THE U. T. SYSTEM BOARD OF REGENTS THROUGH THE DOCKET
 - a. Substitute Library and Equipment purchases that are not on the approved list.
 - b. Funding for new Repair and Rehabilitation projects that are not on the approved list.
2. ITEMS REQUIRING APPROVAL OF U. T. SYSTEM ADMINISTRATION (NON-DOCKET)
 - a. Transfers of appropriated funds between approved Library and Equipment items.
 - b. Transfers of appropriated funds between Repair and Rehabilitation items.
 - c. Transfers of funds for approved Library and Equipment purchases to fund approved Repair and Rehabilitation projects and vice versa.
 - d. All transfers of funds are subject to the requirements of the *Capital Expenditure Policy* (UTS 168).

C. OTHER CONSIDERATIONS

1. All Library and Equipment or Repair and Rehabilitation appropriations not expended or obligated by contract/ purchase order within six months after the close of the fiscal year for which is was allocated is to lapse and be made available for future System-wide reallocation unless specific authorization to extend the obligation of funds is given by the Associate Vice Chancellor – Controller and Chief Budget Officer on recommendation of the institutional president and the appropriate executive vice chancellor. Such specific authorization will extend the obligation of funds for no more than 12 additional months from the time the extension is granted.
2. All Faculty STARS or similar program appropriations not expended or obligated by contract/ purchase order within eighteen months after the date of award by the appropriate executive vice chancellor are to be available for future System-wide reallocation unless specific authorization to continue obligating the funds is given by the Associate Vice Chancellor – Controller and Chief Budget Officer on recommendation of the institutional president and the appropriate executive vice chancellor. Such specific authorization will extend the obligation of funds for no more than 12 additional months from the time the extension is granted.

THE UNIVERSITY OF TEXAS SYSTEM

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

For Fiscal Year Ending August 31, 2010

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR OR STARS

Article VII, Section 18 (b) of the Texas Constitution authorizes the Board of Regents to issue bonds and notes secured by the U. T. System's interest in the Available 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 and Faculty STARS Programs.

B. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR or STARS program funds is the same as eligibility for PUF bond proceeds as set forth in the Constitution. Eligible entities include U. T. System Administration, all U. T. academic institutions except for U. T. Pan American and U. T. Brownsville, and all U. T. health institutions.

C. 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 or STARS 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 or STARS eligibility should be directed to the U. T. System Administration Office of the Controller.

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 system-wide, or between and among U. T. institutions and System Administration, is eligible for LERR or STARs 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) may be included in the acquisition cost only if the purchase of such warranty or similar feature is required in connection with the purchase of the related capital equipment and the cost of such warranty or similar feature is included in the net invoice price. The cost of warranties and similar service features that are purchased at the election of the purchasing entity or that are identified separately in a different invoice or on a different line-item of the equipment purchase invoice are considered operating expenses and therefore are not eligible for LERR or STARs program funds.

Software

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR or STARs. This principle applies whether the salaries are paid to employees of the institution or to outside parties. 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 and therefore eligible for LERR or STARs program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR or STARs program funds unless the costs are part of the initial cost of the software.

Costs for software licenses that will be permanently owned are eligible for LERR or STARs funds. Leased or licensed software that requires the payment of an annual fee and that will not be owned when the license expires is not eligible for LERR or STARs.

Employee Training and Travel Costs

In some instances, non-recurring costs to train employees to operate new equipment (including software) may be capitalized. In order to determine whether travel and training costs may be capitalized and should be included in the acquisition cost for capital equipment, consideration should be given to whether:

- licensed personnel are required to operate the equipment;
- the equipment poses a danger to public safety;
- training will yield long term benefits to the institution;
- the equipment has been recently introduced and represents the first use of its kind by the institution; and
- the equipment is constructed specifically for the institution or is purchased off the shelf.

For capital equipment constructed specifically for the institution, initial training costs to operate the equipment may be capitalized. For capital equipment purchased off-the-shelf, employee-training costs may be capitalized if they are extraordinary, one-time costs and are expected to yield long-term benefits.

Routine training not attributable to equipment acquisition cannot be capitalized and therefore is not eligible for LERR or STARs.

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.

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, with the exception of library salaries.

Prohibition for Student Housing, Athletics, and Auxiliary Enterprises

The Constitution prohibits the use of PUF bond proceeds, and therefore the use of LERR or STARs program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

D. SPECIAL PROGRAM FUNDING

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 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. STARs funds are available for laboratory renovation and equipment purchases; however, faculty salaries cannot be paid from STARs funds.

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

- to recruit senior faculty with national prominence; and
- to 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
- to 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.

Additional information regarding the STARs program is available from the Office of Academic Affairs.