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# THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

## ALLOCATION OF PERMANENT UNIVERSITY FUND BOND PROCEEDS RESERVES FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION



FISCAL YEAR ENDING AUGUST 31, 2007

Adopted by the U. T. System Board of Regents  
August 10, 2006

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**The University of Texas System  
Fiscal Year 2007  
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**

**Summary**

	<b>PUF Allocation</b>			
	<b>Library &amp; Equipment</b>	<b>Repair &amp; Rehabilitation</b>	<b>Faculty STARS Program</b>	<b>Total</b>
<b>Academic Institutions</b>				
University of Texas at Arlington	\$ 1,200,000	1,000,000	-	2,200,000
University of Texas at Austin	695,000	3,000,000	-	3,695,000
University of Texas at Dallas	900,000	1,300,000	-	2,200,000
University of Texas at El Paso	1,250,000	1,090,000	-	2,340,000
University of Texas of the Permian Basin	745,000	65,000	-	810,000
University of Texas at San Antonio	-	2,200,000	-	2,200,000
University of Texas at Tyler	-	800,000	-	800,000
Subtotal Academic Institutions	<u>4,790,000</u>	<u>9,455,000</u>	<u>-</u>	<u>14,245,000</u>
<b>Health Institutions</b>				
University of Texas Southwestern Medical Center at Dallas	-	1,890,000	-	1,890,000
University of Texas Medical Branch at Galveston	1,000,000	1,000,000	-	2,000,000
University of Texas Health Science Center at Houston	601,000	1,275,000	-	1,876,000
University of Texas Health Science Center at San Antonio	600,000	1,500,000	-	2,100,000
University of Texas M. D. Anderson Cancer Center	-	1,889,000	-	1,889,000
University of Texas Health Center at Tyler	-	1,900,000	-	1,900,000
Subtotal Health Institutions	<u>2,201,000</u>	<u>9,454,000</u>	<u>-</u>	<u>11,655,000</u>
<b>University of Texas System Administration</b>				
UT System Academic Library Collection Enhancement Program	2,600,000	-	-	2,600,000
Faculty STARS Program - Academic Institutions	-	-	20,000,000	20,000,000
Network Telecommunications Upgrade	3,160,000	-	-	3,160,000
System-Wide Oracle Infrastructure Licensing Update	1,045,000	-	-	1,045,000
ITS-Network Operations Center (NOC)	750,000	-	-	750,000
Subtotal System Administration	<u>7,555,000</u>	<u>-</u>	<u>20,000,000</u>	<u>27,555,000</u>
<b>Collaborative Projects</b>				
University of Texas at El Paso	1,000,000	-	-	1,000,000
University of Texas Southwestern Medical Center at Dallas	500,000	-	-	500,000
Subtotal Collaborative Projects	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
<b>Grand Total</b>	<b>\$ <u>16,046,000</u></b>	<b><u>18,909,000</u></b>	<b><u>20,000,000</u></b>	<b><u>54,955,000</u></b>

**The University of Texas System  
Fiscal Year 2007  
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
<b>ACADEMIC INSTITUTIONS</b>					
<b>University of Texas at Arlington</b>					
Fire and Life Safety Infrastructure Improvements	\$ -	-	1,000,000	1,000,000	-
Art Electronic Studio	200,000	200,000	-	-	-
Engineering Instructional Laboratory Equipment	500,000	500,000	-	-	-
College of Science Instructional Laboratory Equipment	500,000	500,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,200,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>
<b>University of Texas at Austin</b>					
Information Quest (IQ) Data Warehousing Project	\$ 315,000	145,000	-	-	-
Libraries Digital Infrastructure	500,000	500,000	-	-	-
Harry Ransom Center Fire Safety	-	-	750,000	650,000	-
Performing Arts Center and MRH Fire Safety	-	-	800,000	700,000	-
Space Survey Software Purchase	50,000	50,000	-	-	-
Communication Building A Fire Safety	-	-	800,000	700,000	-
Fire Water Distribution System Extension	-	-	600,000	550,000	-
Music Building Recital Hall Fire Safety	-	-	400,000	400,000	-
<b>TOTAL</b>	<b>\$ 865,000</b>	<b>695,000</b>	<b>3,350,000</b>	<b>3,000,000</b>	<b>-</b>
<b>University of Texas at Dallas</b>					
Roof Repair - Green Center, ECSN, and Pedestrian Bridges	\$ -	-	500,000	500,000	-
Repair Air Handling Units - McDermott	-	-	500,000	500,000	-
Teleconference Equipment for Distance Education with UTSWM	900,000	900,000	-	-	-
Renovation of Old Physical Plant for University Police	-	-	400,000	300,000	-
<b>TOTAL</b>	<b>\$ 900,000</b>	<b>900,000</b>	<b>1,400,000</b>	<b>1,300,000</b>	<b>-</b>

**The University of Texas System  
Fiscal Year 2007  
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION**

<b>INSTITUTION/NAME OF PROJECT</b>	<b>LIBRARY AND EQUIPMENT</b>		<b>REPAIR AND REHABILITATION</b>		<b>FACULTY STARS</b>
	<b>TOTAL PROJECT COST</b>	<b>PUF ALLOCATED</b>	<b>TOTAL PROJECT COST</b>	<b>PUF ALLOCATED</b>	<b>PUF ALLOCATED</b>
<b>University of Texas at El Paso</b>					
Start-Up for New Faculty	\$ 750,000	750,000	-	-	-
Replace Exterior Sealants at Various Buildings	-	-	150,000	150,000	-
Library Electronic Resources	500,000	500,000	-	-	-
Replace/Repair Elevator Components	-	-	180,000	180,000	-
Upgrading of Center for Transportation Infrastructure Systems (CTIS)	-	-	1,176,000	560,000	-
Life Safety Egress and Stairwell Improvements - Miners Hall, Hudspeth Hall & Union Bldg.	-	-	200,000	200,000	-
<b>TOTAL</b>	<b>\$ 1,250,000</b>	<b>1,250,000</b>	<b>1,706,000</b>	<b>1,090,000</b>	<b>-</b>
<b>University of Texas of the Permian Basin</b>					
Library Collections	\$ 220,000	220,000	-	-	-
Personal Computer Replacement and Security Upgrades	325,000	325,000	-	-	-
Petroleum Technology and Pre-engineering	1,250,000	200,000	-	-	-
South Campus Natural Gas and Plumbing Renewal	-	-	80,000	65,000	-
<b>TOTAL</b>	<b>\$ 1,795,000</b>	<b>745,000</b>	<b>80,000</b>	<b>65,000</b>	<b>-</b>
<b>University of Texas at San Antonio</b>					
Thermal Energy Plant Refurbishment	\$ -	-	1,000,000	1,000,000	-
Various Campus Safety Items and ADA Facility Upgrades	-	-	1,200,000	1,200,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>-</b>
<b>University of Texas at Tyler</b>					
Campus Environment - Health and Safety	\$ -	-	900,000	800,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>900,000</b>	<b>800,000</b>	<b>-</b>
<b>SUBTOTAL - ACADEMICS</b>		<b>\$ 4,790,000</b>		<b>9,455,000</b>	<b>-</b>

**The University of Texas System  
Fiscal Year 2007  
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
<b>HEALTH INSTITUTIONS</b>					
<b>University of Texas Southwestern Medical Center at Dallas</b>					
Campus-Wide Fire Suppression	\$ -	-	7,300,000	1,890,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>7,300,000</b>	<b>1,890,000</b>	<b>-</b>
<b>University of Texas Medical Branch at Galveston</b>					
Information/Education Resources Enhancements	\$ 3,408,580	1,000,000	-	-	-
Fire Sprinkler System for Clinical Sciences Building	-	-	2,150,000	1,000,000	-
<b>TOTAL</b>	<b>\$ 3,408,580</b>	<b>1,000,000</b>	<b>2,150,000</b>	<b>1,000,000</b>	<b>-</b>
<b>University of Texas Health Science Center at Houston</b>					
Protection and Centralization of Digital Research Data	500,000	476,000	-	-	-
Firewall Replacement	125,000	125,000	-	-	-
RAS Completion of Fire Sprinkler Protection	-	-	400,000	400,000	-
University Center Tower Completion of Fire Sprinkler Protection	-	-	400,000	400,000	-
Operations Center Building Fire Sprinkler System Replacement	-	-	475,000	475,000	-
<b>TOTAL</b>	<b>\$ 625,000</b>	<b>601,000</b>	<b>1,275,000</b>	<b>1,275,000</b>	<b>-</b>
<b>University of Texas Health Science Center at San Antonio</b>					
Fire, Life & Safety Mission Critical Issues	-	-	4,000,000	1,500,000	-
Library Enhancement	1,352,672	600,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,352,672</b>	<b>600,000</b>	<b>4,000,000</b>	<b>1,500,000</b>	<b>-</b>
<b>University of Texas M. D. Anderson Cancer Center</b>					
Remove Accessibility Barriers	\$ -	-	2,000,000	1,600,000	-
Emergency Communication System Upgrade	-	-	389,000	289,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>2,389,000</b>	<b>1,889,000</b>	<b>-</b>
<b>University of Texas Health Center at Tyler</b>					
Architectural and MEP Repair and Renovation Phase II	\$ -	-	3,710,000	1,900,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>3,710,000</b>	<b>1,900,000</b>	<b>-</b>
<b>SUBTOTAL - HEALTHS</b>		<b>\$ 2,201,000</b>		<b>9,454,000</b>	<b>-</b>

**The University of Texas System  
Fiscal Year 2007  
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		FACULTY STARS
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	PUF ALLOCATED
<b>SYSTEM ADMINISTRATION</b>					
<b>University of Texas System Administration</b>					
UT System Academic Library Collection Enhancement Program	\$ 3,000,000	2,600,000	-	-	-
Faculty STARS Program - Academic Institutions	-	-	-	-	20,000,000
Network Telecommunications Upgrade	3,160,000	3,160,000	-	-	-
System-Wide Oracle Infrastructure Licensing Update	1,045,000	1,045,000	-	-	-
ITS - Network Operations Center (NOC)	1,500,000	750,000	-	-	-
<b>TOTAL</b>	<b>\$ 8,705,000</b>	<b>7,555,000</b>	<b>-</b>	<b>-</b>	<b>20,000,000</b>
SUBTOTAL - U. T. SYSTEM		\$ 14,546,000		18,909,000	20,000,000
<b>COLLABORATIVE PROJECTS</b>					
<b>University of Texas at El Paso</b>					
U. T. El Paso & U. T. Medical Branch - Joint Program: Proteomics-DNA Work Station for Infectious Disease Surveillance on the US-Mexico Border	\$ 1,000,000	1,000,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>University of Texas Southwestern Medical Center at Dallas</b>					
U. T. Dallas & U. T. Arlington - Joint Program: Metroplex Comprehensive Medical Imaging Center	\$ 7,600,000	500,000	-	-	-
<b>TOTAL</b>	<b>\$ 7,600,000</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
SUBTOTAL - COLLABORATIVE PROJECTS		\$ 1,500,000		-	-
TOTAL U. T. SYSTEM		\$ 16,046,000		18,909,000	20,000,000

THE UNIVERSITY OF TEXAS SYSTEM

LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION  
BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2007

**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. 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.

## **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 Fiscal Year 2007 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 president and the appropriate executive vice chancellor.
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 president and the appropriate executive vice chancellor.

**THE UNIVERSITY OF TEXAS SYSTEM**

**EXPENDITURE GUIDELINES – PERMANENT UNIVERSITY FUND BOND PROCEEDS  
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION  
INCLUDING SPECIAL PROGRAM FUNDING**

For Fiscal Year Ending August 31, 2007

**A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**

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 Library, Equipment, Repair, and Rehabilitation (LERR) Program.

**B. ELIGIBILITY FOR LERR PROGRAM FUNDS**

Eligibility for LERR 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 LERR PROGRAM FUNDS**

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR 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 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 program funds.

### **Software**

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR. 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 program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR 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 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.

## **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.

## **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 program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

## **D. SPECIAL PROGRAM FUNDING**

### **Faculty STARS Program**

The Faculty STARS (Science and Technology Acquisition and Retention) Program funded by LERR 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 through LERR, the same guidelines apply and each item must have a useful life of more than one year. LERR funds are available for laboratory renovation and equipment purchases; however, faculty salaries cannot be paid from LERR 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 or Health Affairs.