
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 ENDING AUGUST 31, 2008

Adopted by the U. T. System Board of Regents
August 23, 2007

**The University of Texas System
Fiscal Year 2008
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	\$ -	2,150,000	-	2,150,000
University of Texas at Austin	1,042,000	2,600,000	-	3,642,000
University of Texas at Dallas	1,500,000	725,000	-	2,225,000
University of Texas at El Paso	1,540,000	765,000	-	2,305,000
University of Texas of the Permian Basin	669,000	210,000	-	879,000
University of Texas at San Antonio	-	2,237,000	-	2,237,000
University of Texas at Tyler	-	800,000	-	800,000
Subtotal Academic Institutions	<u>4,751,000</u>	<u>9,487,000</u>	<u>-</u>	<u>14,238,000</u>
Health Institutions				
University of Texas Southwestern Medical Center at Dallas	-	1,900,000	-	1,900,000
University of Texas Medical Branch at Galveston	2,000,000	-	-	2,000,000
University of Texas Health Science Center at Houston	1,445,000	475,000	-	1,920,000
University of Texas Health Science Center at San Antonio	1,450,300	500,000	-	1,950,300
University of Texas M. D. Anderson Cancer Center	1,900,000	-	-	1,900,000
University of Texas Health Center at Tyler	-	2,000,000	-	2,000,000
Subtotal Health Institutions	<u>6,795,300</u>	<u>4,875,000</u>	<u>-</u>	<u>11,670,300</u>
University of Texas System Administration				
UT System Academic Library Collection Enhancement Program	2,600,000	-	-	2,600,000
North Texas Student Information System Pilot Project Supplement	3,500,000	-	-	3,500,000
Faculty STARS Program - Academic Institutions	-	-	10,000,000	10,000,000
Subtotal System Administration	<u>6,100,000</u>	<u>-</u>	<u>10,000,000</u>	<u>16,100,000</u>
Collaborative Projects				
University of Texas at El Paso	991,700	-	-	991,700
University of Texas Health Science Center at San Antonio	-	500,000	-	500,000
Subtotal Collaborative Projects	<u>991,700</u>	<u>500,000</u>	<u>-</u>	<u>1,491,700</u>
Grand Total	\$ <u>18,638,000</u>	<u>14,862,000</u>	<u>10,000,000</u>	<u>43,500,000</u>

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Fiscal Year 2008
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					
Science Hall Educational and Research Spaces	\$ -	-	950,000	650,000	-
Medical Imaging Laboratories	-	-	517,000	250,000	-
Nano-Fab Building - Research Labs	-	-	450,000	450,000	-
Fire and Life Safety Infrastructure Improvements	-	-	800,000	800,000	-
TOTAL	\$ -	-	2,717,000	2,150,000	-
University of Texas at Austin					
Information Quest (IQ) Data Warehousing Project	\$ 342,000	292,000	-	-	-
Libraries Digital Infrastructure	500,000	500,000	-	-	-
1616 Guadalupe Fire and Life Safety	-	-	1,000,000	1,000,000	-
Archives Preservation and Access (Center for American History)	250,000	250,000	-	-	-
Campus-State Fire Marshal Report Finding-Requirements	-	-	250,000	250,000	-
Health Institutions	-	-	200,000	200,000	-
Campus Mass Notification - Fire Alarm Upgrades	-	-	500,000	500,000	-
Main Office Building Fire Safety	-	-	250,000	250,000	-
Townes Hall Fire Safety	-	-	500,000	400,000	-
TOTAL	\$ 1,092,000	1,042,000	2,700,000	2,600,000	-
University of Texas at Dallas					
Equipment for Teaching and Research in Biology and Chemistry	\$ 1,300,000	1,300,000	-	-	-
McDermott Library Roof Repairs	-	-	725,000	725,000	-
New Emergency Generator for Central Energy Plant	200,000	200,000	-	-	-
TOTAL	\$ 1,500,000	1,500,000	725,000	725,000	-

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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 El Paso					
Start-up for New Faculty	\$ 750,000	750,000	-	-	-
Relocation of the Tutoring and Learning Center	-	-	350,000	350,000	-
SIM Center	100,000	100,000	-	-	-
Technology Infrastructure Upgrade	500,000	500,000	-	-	-
Communication Department - Computer and Video Equipment Laboratory	90,000	90,000	-	-	-
Physical Activity in the Golden Age and Kinesiology Research	183,182	100,000	-	-	-
Roof Repairs at Fox Fine Arts Complex and College of Liberal Arts Bldg.	-	-	260,000	260,000	-
Replace Single Bottom Jacks in Elevators	-	-	155,000	155,000	-
TOTAL	\$ 1,623,182	1,540,000	765,000	765,000	-
University of Texas of the Permian Basin					
Information Security Enhancements	\$ 159,000	159,000	-	-	-
Library Collections	235,000	235,000	-	-	-
Personal Computer and Information Technology Refresh	275,000	275,000	-	-	-
CEED HVAC Repair and/or Replacement	-	-	280,000	210,000	-
TOTAL	\$ 669,000	669,000	280,000	210,000	-
University of Texas at San Antonio					
Fire and Life Safety Improvements	\$ -	-	747,000	747,000	-
Fire Alarm Improvements	-	-	700,000	700,000	-
ADA Improvements	-	-	340,000	340,000	-
Emergency Generator Replacements	-	-	450,000	450,000	-
TOTAL	\$ -	-	2,237,000	2,237,000	-
University of Texas at Tyler					
Safety, Security, and Terrorism Prevention	\$ -	-	650,000	650,000	-
Campus Infrastructure - Repair and Rehabilitation	-	-	600,000	150,000	-
TOTAL	\$ -	-	1,250,000	800,000	-
SUBTOTAL - ACADEMICS		\$ 4,751,000		9,487,000	-

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Fiscal Year 2008
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
HEALTH INSTITUTIONS					
University of Texas Southwestern Medical Center at Dallas					
Renovation of Laboratory and Office Space	\$ -	-	6,000,000	1,900,000	-
TOTAL	\$ -	-	6,000,000	1,900,000	-
University of Texas Medical Branch at Galveston					
Information/Education Resources Enhancement	\$ 2,422,518	2,000,000	-	-	-
TOTAL	\$ 2,422,518	2,000,000	-	-	-
University of Texas Health Science Center at Houston					
Operations Center Building Fire Sprinkler System Replacement	\$ -	-	475,000	475,000	-
Replace Streaming Media Server, Videoconferencing, and Collaboration Systems	245,000	245,000	-	-	-
Implementation of Records Management Module of Documentum	145,000	145,000	-	-	-
Email Archiving	500,000	200,000	-	-	-
Disaster Recovery Project for Clinical Technology Systems (Phase I)	540,000	485,000	-	-	-
AV and Videoconferencing Equipment	370,000	370,000	-	-	-
TOTAL	\$ 1,800,000	1,445,000	475,000	475,000	-
University of Texas Health Science Center at San Antonio					
Library Enhancement	\$ 710,000	710,000	-	-	-
Fire, Life, and Safety Mission Critical Issues	-	-	1,000,000	500,000	-
Information Technology Infrastructure Upgrades	1,900,000	740,300	-	-	-
TOTAL	\$ 2,610,000	1,450,300	1,000,000	500,000	-
University of Texas M. D. Anderson Cancer Center					
Emergency Radio System (Multi-Channel, Multi-Agency)	\$ 4,000,000	1,600,000	-	-	-
Animal Research Security Upgrade	1,200,000	300,000	-	-	-
TOTAL	\$ 5,200,000	1,900,000	-	-	-
University of Texas Health Center at Tyler					
Campus Complex Renovation (Phase II)	\$ -	-	8,000,000	2,000,000	-
TOTAL	\$ -	-	8,000,000	2,000,000	-
SUBTOTAL - HEALTHS		\$ 6,795,300		4,875,000	-

**The University of Texas System
Fiscal Year 2008
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					
UT System Academic Library Collection Enhancement Program	\$ 3,000,000	2,600,000	-	-	-
North Texas Student Information System Pilot Project Supplement	3,500,000	3,500,000	-	-	-
Faculty STARs Program - Academic Institutions					10,000,000
TOTAL	\$ 6,500,000	6,100,000	-	-	10,000,000
SUBTOTAL - U. T. SYSTEM ADMINISTRATION		\$ 6,100,000		-	10,000,000
COLLABORATIVE PROJECTS					
University of Texas at El Paso					
U. T. El Paso and U. T. M. D. Anderson Cancer Center: Direct Digital Manufacturing of Custom Patient-Specific Titanium and Cobalt-Chrome Medical Implants	\$ 991,700	991,700	-	-	-
TOTAL	\$ 991,700	991,700	-	-	-
University of Texas Health Science Center at San Antonio					
U. T. Health Science Center at San Antonio and U. T. San Antonio Marmoset Aging Center	\$ -	-	700,000	500,000	-
TOTAL	\$ -	-	700,000	500,000	-
SUBTOTAL - COLLABORATIVE PROJECTS		\$ 991,700		500,000	-
TOTAL - U. T. SYSTEM		\$ 18,638,000		14,862,000	10,000,000

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, 2008

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 (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, 2008

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.