
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 2012

Adopted by the U. T. System Board of Regents
August 25, 2011

**The University of Texas System
Fiscal Year 2012
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				
The University of Texas at Arlington	\$ -	1,748,000	-	1,748,000
The University of Texas at Austin	1,225,500	2,430,000	-	3,655,500
The University of Texas at Dallas	900,000	800,000	-	1,700,000
The University of Texas at El Paso	1,000,000	925,000	-	1,925,000
The University of Texas of the Permian Basin	285,000	400,000	-	685,000
The University of Texas at San Antonio	-	1,766,540	-	1,766,540
The University of Texas at Tyler	369,940	415,020	-	784,960
Subtotal Academic Institutions	<u>3,780,440</u>	<u>8,484,560</u>	-	<u>12,265,000</u>
Health Institutions				
The University of Texas Southwestern Medical Center	-	1,649,400	-	1,649,400
The University of Texas Medical Branch at Galveston	1,280,600	430,000	-	1,710,600
The University of Texas Health Science Center at Houston	-	1,700,000	-	1,700,000
The University of Texas Health Science Center at San Antonio	675,000	1,000,000	-	1,675,000
The University of Texas M. D. Anderson Cancer Center	-	1,650,000	-	1,650,000
The University of Texas Health Science Center at Tyler	-	1,650,000	-	1,650,000
Subtotal Health Institutions	<u>1,955,600</u>	<u>8,079,400</u>	-	<u>10,035,000</u>
The University of Texas System Administration				
Academic Library Collection Enhancement Program	2,700,000	-	-	2,700,000
Faculty STARs Program - Academic Institutions	-	-	10,000,000	10,000,000
Faculty STARs Program - Health Institutions	-	-	10,000,000	10,000,000
Subtotal System Administration	<u>2,700,000</u>	-	<u>20,000,000</u>	<u>22,700,000</u>

The University of Texas System
Fiscal Year 2012
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS)

Summary (Continued)

Collaborative Projects

UT El Paso/UT Health Science Center - Houston	599,000	-	-	599,000
UT Health Science Center - Tyler/UT Tyler	-	1,500,000	-	1,500,000
UT San Antonio/UT Health Science Center - San Antonio	1,401,000	-	-	1,401,000
UT Southwestern Medical Center/UT Dallas	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Subtotal Collaborative Projects	<u>3,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>5,000,000</u>
Grand Total	\$ <u>11,936,040</u>	<u>18,063,960</u>	<u>20,000,000</u>	<u>50,000,000</u>

**The University of Texas System
Fiscal Year 2012
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					
The University of Texas at Arlington					
High Priority Fire & Life Safety Corrections			1,300,000	1,300,000	
ADA/TAS Compliance: Fine Arts, Library, Woolf Hall and GeoScience Building			448,000	448,000	
TOTAL	\$ -	-	1,748,000	1,748,000	-
The University of Texas at Austin					
Harry Ransom Center - John M. Coetzee Archive	1,500,000	400,000			
Briscoe Center for American History - Infrastructure and Digitization of Texas and American History Special Collections	575,500	325,500			
Libraries Digital Infrastructure	500,000	500,000			
Perry-Castaneda Library Fire and Life Safety			1,200,000	1,080,000	
Townes Hall Fire and Life Safety			1,000,000	900,000	
Homer Rainey Hall Fire and Life Safety			250,000	225,000	
Parlin Hall Fire and Life Safety			250,000	225,000	
TOTAL	\$ 2,575,500	1,225,500	2,700,000	2,430,000	-
The University of Texas at Dallas					
Roof Repairs Founders North and North Office Buildings			600,000	600,000	
Academic Affairs Scientific and Engineering Equipment for Labs 12-1	500,000	500,000			
IT Fiber Network Upgrade - Engineering Building	400,000	400,000			
Energy Management System Upgrade and Building Submetering Phase I			200,000	200,000	
TOTAL	\$ 900,000	900,000	800,000	800,000	-
The University of Texas at El Paso					
Research and Technology Infrastructure for New Faculty	1,000,000	1,000,000			
Paso Del Norte Research and Business Development Complex - Phase III			2,150,000	650,000	
Photovoltaic Array - Facilities Services Complex			1,047,446	175,000	
Jack C. Vowell Building Roof Replacement			100,000	100,000	
TOTAL	\$ 1,000,000	1,000,000	3,297,446	925,000	-
The University of Texas of the Permian Basin					
J. Conrad Dunagan Library Collection	235,000	235,000			
Intrusion Detection/Response Appliance Update/Replacement	50,000	50,000			
Critical Space Remediation - Campus Demarc Room			250,000	250,000	
Maintenance, Repair and Replacement of HVAC Components			150,000	150,000	
TOTAL	\$ 285,000	285,000	400,000	400,000	-
The University of Texas at San Antonio					
Science Building HVAC Rehabilitation			1,200,000	1,200,000	
John Peace Library - Restrooms Renovation and Expansion			650,000	566,540	
TOTAL	\$ -	-	1,850,000	1,766,540	-

The University of Texas System
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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
The University of Texas at Tyler					
Library Collections Enhancement	100,000	100,000			
Correction of State Fire Marshal Inspection Findings			112,500	112,500	
Voice Over IP Conversion to Replace PBX	151,700	151,700			
Information Security	33,240	33,240			
Student Business Service Check Printer	10,000	10,000			
Video Surveillance IP Conversion Phase II	75,000	75,000			
Safety and Erosion Repairs of Lower Lake Dam			307,635	302,520	
TOTAL	\$ 369,940	369,940	420,135	415,020	-
SUBTOTAL - ACADEMICS		\$ 3,780,440		8,484,560	-

The University of Texas System
Fiscal Year 2012
**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					
The University of Texas Southwestern Medical Center					
Renovation of Lab and Office Space - Hoblitzelle			2,148,800	1,074,400	
Renovation of Lab and Office Space - Moss			1,851,200	575,000	
TOTAL	\$ -	-	4,000,000	1,649,400	-
The University of Texas Medical Branch at Galveston					
Information and Education Resources Enhancement-Library Acquisitions	1,366,360	836,360			
Information and Education Resources Enhancement-Classroom Equipment	1,306,804	444,240			
McCullough Sprinkler System			1,000,000	430,000	
TOTAL	\$ 2,673,164	1,280,600	1,000,000	430,000	-
The University of Texas Health Science Center at Houston					
Fire and Life Safety Compliance Mitigation Plan			2,970,000	1,700,000	
TOTAL	\$ -	-	2,970,000	1,700,000	-
The University of Texas Health Science Center at San Antonio					
Facilities Infrastructure - SOM Air Handler			1,000,000	1,000,000	
Technology Infrastructure	1,000,000	675,000			
TOTAL	\$ 1,000,000	675,000	1,000,000	1,000,000	-
The University of Texas M. D. Anderson Cancer Center					
Smithville Research Lab 2 Code Compliance and Infrastructure Upgrades			1,800,000	1,650,000	
TOTAL	\$ -	-	1,800,000	1,650,000	-
The University of Texas Health Science Center at Tyler					
Replacement of Air Handler Units			2,200,000	1,650,000	
TOTAL	\$ -	-	2,200,000	1,650,000	-
SUBTOTAL - HEALTHS		\$ 1,955,600		8,079,400	-

The University of Texas System
Fiscal Year 2012
**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					
The University of Texas System Administration					
Academic Library Collection Enhancement Program	2,700,000	2,700,000			
Faculty STARs Program - Academic Institutions					10,000,000
Faculty STARs Program - Health Institutions					10,000,000
TOTAL	\$ 2,700,000	2,700,000	-	-	20,000,000
 SUBTOTAL - U. T. SYSTEM ADMINISTRATION		\$ 2,700,000		-	20,000,000
COLLABORATIVE PROJECTS					
UT El Paso with UT Health Science Center - Houston					
High Content Drug Screening Instrumentation to Support Efforts	599,000	599,000			
UT Health Science Center - Tyler with UT Tyler					
University Health Clinic Renovation			1,500,000	1,500,000	
UT San Antonio with UT Health Science Center - San Antonio					
Core Facility Instrumentation for San Antonio Center for Drug Discovery and Innovation	3,426,313	1,401,000			
UT Southwestern Medical Center with UT Dallas					
Advanced Imaging Research Center - 3T Magnet and Cyclotron	3,761,262	1,500,000			
TOTAL	\$ 7,786,575	3,500,000	1,500,000	1,500,000	-
 SUBTOTAL - COLLABORATIVE PROJECTS		\$ 3,500,000		1,500,000	-
 TOTAL - U. T. SYSTEM		\$ 11,936,040		18,063,960	20,000,000

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, 2012

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 *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. 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 must be expended within 36 months from the date of the award or the appropriation will lapse and be made available for future System-wide reallocation.
2. All Faculty 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 System-wide reallocation.
3. Notwithstanding the limitations adopted at the time Library and Equipment, Repair and Rehabilitation, STARS, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized Library and Equipment, Repair and Rehabilitation, STARS and similar funding.

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, 2012

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 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 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) are not eligible for LERR or STARs program funds as these are considered operating expenses.

Software

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR or STARs 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 UTS142.13 *Accounting and Financial Reporting for Intangible Assets* at http://www.utsystem.edu/bor/procedures/policy/policies/uts142_13.html. 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 or STARs program funds.

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

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.

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 Offices of Academic and Health Affairs.