

**1. Title**

Constitutional and Legislative Restrictions on Capital Improvements

**2. Rule and Regulation**

Sec. 1 Approval by Coordinating Board. [Sections 17](#) and [18](#) of Article VII of the Texas Constitution (regarding the Permanent University Fund and the Higher Education Fund, as referenced at *Texas Education Code* [Section 62.026](#)) require approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under those Sections at institutions of the U. T. System other than The University of Texas at Austin.

1.1 Unless otherwise authorized by law, new construction and major repair and rehabilitation projects with an Education and General (E&G) project cost of \$10 million or more must be submitted to the Texas Higher Education Coordinating Board. The format for submission will be as prescribed by the Coordinating Board.

Submission will be prepared by the institution, in consultation with and assisted by System Administration's Office of Facilities Planning and Construction, if necessary, and forwarded to System Administration for review, approval, and handling of submission. It is anticipated that necessary documents will be submitted to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made after the institutional president, the Chancellor, or the Board of Regents has approved the Design Development Plans and the related cost estimate.

Sec. 2 Delegation by Board of Regents. The Texas Higher Education Coordinating Board requires a signed Board of Regents Certification form under [Coordinating Board Rule 17.21](#). The authority to execute this certification for the Board of Regents is delegated to the Executive Vice Chancellor for Business Affairs or the Associate Vice Chancellor for Facilities Planning and Construction.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

Texas Constitution Article VII, [Section 17](#) – Colleges and Universities; Appropriations and Funding

Texas Constitution Article VII, [Section 18](#) – Bonds or Notes Payable from Income or Available University Funds

*Texas Education Code* [Section 62.026](#) – Higher Education Fund

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators

**7. System Administration Office(s) Responsible for Rule**

Office of Business Affairs

**8. Dates Approved or Amended**

August 20, 2015 (effective September 1, 2015)  
Editorial amendment to Section 1.1 made December 3, 2012  
Editorial amendment to Section 1 made December 1, 2009  
August 20, 2009  
December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)