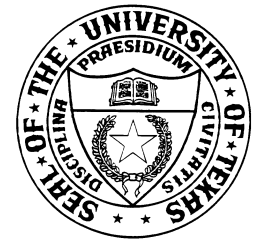

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION
ALLOCATION OF PERMANENT UNIVERSITY FUND
BOND PROCEEDS RESERVES FOR
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY STARS



FISCAL YEAR 2013

Adopted by the U. T. System Board of Regents
August 23, 2012

**The University of Texas System
Fiscal Year 2013
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	\$ 500,000	1,500,000	-	2,000,000
The University of Texas at Austin	1,000,000	2,600,000	-	3,600,000
The University of Texas at Dallas	600,000	1,400,000	-	2,000,000
The University of Texas at El Paso	1,350,000	685,000	-	2,035,000
The University of Texas of the Permian Basin	684,200	-	-	684,200
The University of Texas at San Antonio	-	2,000,000	-	2,000,000
The University of Texas at Tyler	-	770,800	-	770,800
Subtotal Academic Institutions	<u>4,134,200</u>	<u>8,955,800</u>	<u>-</u>	<u>13,090,000</u>
Health Institutions				
The University of Texas Southwestern Medical Center	-	1,773,250	-	1,773,250
The University of Texas Medical Branch at Galveston	1,386,750	450,000	-	1,836,750
The University of Texas Health Science Center at Houston	-	1,800,000	-	1,800,000
The University of Texas Health Science Center at San Antonio	800,000	1,000,000	-	1,800,000
The University of Texas M. D. Anderson Cancer Center	400,000	1,350,000	-	1,750,000
The University of Texas Health Science Center at Tyler	-	1,750,000	-	1,750,000
Subtotal Health Institutions	<u>2,586,750</u>	<u>8,123,250</u>	<u>-</u>	<u>10,710,000</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>-</u>	<u>20,000,000</u>	<u>22,700,000</u>
Collaborative Projects				
UT Health Science Center - Tyler with UT Tyler	-	3,500,000	-	3,500,000
Subtotal Collaborative Projects	<u>-</u>	<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
Grand Total	\$ 9,420,950	20,579,050	20,000,000	50,000,000

**The University of Texas System
Fiscal Year 2013
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 and Life Safety Corrections			1,250,000	1,250,000	
Classroom Technology Enhancements	2,701,276	500,000			
ADA (TAS) Compliance Improvements			250,000	250,000	
TOTAL	\$ 2,701,276	500,000	1,500,000	1,500,000	-
The University of Texas at Austin					
Information Quest - Data Warehousing/Business Intelligence Project	325,000	225,000			
University Intrusion Detection Infrastructure Upgrade	275,000	275,000			
Harry Ransom Center's Exterior Maintenance Project			400,000	400,000	
Perry-Castaneda Library Fire Alarm System			625,000	550,000	
Campus Emergency Lighting			500,000	450,000	
Libraries Digital Infrastructure	500,000	500,000			
Campus Emergency Communications			1,100,000	1,000,000	
Pickle Research Campus State Fire Marshall Compliance Issues			225,000	200,000	
TOTAL	\$ 1,100,000	1,000,000	2,850,000	2,600,000	-
The University of Texas at Dallas					
Central Energy Plant Cooling Towers Replacement Phase I			500,000	500,000	
Academic Affairs Scientific and Engineering Equipment for Labs 13-1	600,000	600,000			
Jonsson Building Roof Replacement			1,000,000	900,000	
TOTAL	\$ 600,000	600,000	1,500,000	1,400,000	-
The University of Texas at El Paso					
Research and Technology Infrastructure for New Faculty	1,000,000	1,000,000			
Increasing Access and Mobility for Students Via Adopting Mobility Solutions	241,000	100,000			
High Performance Computing Research Storage	500,000	250,000			
Roof Refurbish - Fox Fine Arts Building			160,000	160,000	
Fire Protection System Replacements			350,000	350,000	
Exterior Lighting Project			250,000	175,000	
TOTAL	\$ 1,741,000	1,350,000	760,000	685,000	-

The University of Texas System
Fiscal Year 2013
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 of the Permian Basin					
Library Collection	230,000	230,000			
Technology Refresh and Upgrades	304,200	304,200			
Biology and Kinesiology Department Equipment	199,000	35,000			
Nursing Program Simulation Equipment	115,000	115,000			
TOTAL	\$ 848,200	684,200	-	-	-
The University of Texas at San Antonio					
McKinney Humanities Building Safety and Renewal			1,800,000	1,300,000	
Thermal Energy Plant Chiller 2 Replacement			4,000,000	700,000	
TOTAL	\$ -	-	5,800,000	2,000,000	-
The University of Texas at Tyler					
IT - Telecommunications - VoIP Conversion Phase III			478,750	478,750	
Chiller Plant Energy Optimization and Repair			394,600	292,050	
TOTAL	\$ -	-	873,350	770,800	-
SUBTOTAL - ACADEMICS		\$ 4,134,200		8,955,800	-

**The University of Texas System
Fiscal Year 2013
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 - Internal Medicine			4,000,000	1,324,250	
Fire Safety Renovations			846,900	449,000	
TOTAL	\$ -	-	4,846,900	1,773,250	-
The University of Texas Medical Branch at Galveston					
Information and Education Resources Enhancement	1,730,000	1,200,000			
Library Educational Computing Equipment	186,750	186,750			
Old Red Student Study Space			500,000	450,000	
TOTAL	\$ 1,916,750	1,386,750	500,000	450,000	-
The University of Texas Health Science Center at Houston					
Fire and Life Safety Compliance			2,300,000	1,800,000	
TOTAL	\$ -	-	2,300,000	1,800,000	-
The University of Texas Health Science Center at San Antonio					
Facilities Infrastructure			1,000,000	1,000,000	
Library Collection	600,000	600,000			
Technology Infrastructure	1,000,000	200,000			
TOTAL	\$ 1,600,000	800,000	1,000,000	1,000,000	-
The University of Texas M. D. Anderson Cancer Center					
Library Collection Enhancements	500,000	400,000			
Bastrop Keeling Campus Wildfire Risk Mitigation			1,600,000	800,000	
Smithville Campus Wildfire Risk Mitigation			3,650,000	550,000	
TOTAL	\$ 500,000	400,000	5,250,000	1,350,000	-
The University of Texas Health Science Center at Tyler					
Radiology Alterations and Additions			2,500,000	1,750,000	
TOTAL	\$ -	-	2,500,000	1,750,000	-
SUBTOTAL - HEALTHS		\$ 2,586,750		8,123,250	-

The University of Texas System
Fiscal Year 2013
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	\$ <u>2,700,000</u>	<u>2,700,000</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>
 SUBTOTAL - U. T. SYSTEM ADMINISTRATION		\$ <u>2,700,000</u>		<u>-</u>	<u>20,000,000</u>
COLLABORATIVE PROJECTS					
UT Health Science Center - Tyler with UT Tyler					
Vivarium Alterations and Additions			3,500,000	3,500,000	
TOTAL	\$ <u>-</u>	<u>-</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
 SUBTOTAL - COLLABORATIVE PROJECTS		\$ <u>-</u>		<u>3,500,000</u>	<u>-</u>
 TOTAL - U. T. SYSTEM		\$ <u>9,420,950</u>		<u>20,579,050</u>	<u>20,000,000</u>

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

For Fiscal Year Ending August 31, 2013

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 funded 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 Consent Agenda
 - 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 (no Consent Agenda approval required)
 - 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 Systemwide 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 Systemwide reallocation.
3. Notwithstanding the limitations adopted at the time LERR, Faculty STARS, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, Faculty 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)
AND SIMILAR FUNDED PROGRAMS

For Fiscal Year Ending August 31, 2013

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILAR FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U. T. System 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, Faculty STARS, and similar funded programs.

B. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARS, or other similar funded programs 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, Faculty STARS, or similar funded programs, 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, Faculty STARS, or similar funded program 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 systemwide, or between and among U. T. institutions and System Administration, is eligible for LERR, Faculty STARs, or similar 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, Faculty STARs, or similar 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, Faculty STARs, or similar funded programs 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 *UTS 142.13 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, Faculty STARs, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, Faculty STARs, or similar 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, Faculty STARS, or similar program 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, Faculty STARS, or similar program funds.

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

Article VII, Section 18 (d) of the *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, Faculty STARS, and similar 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.