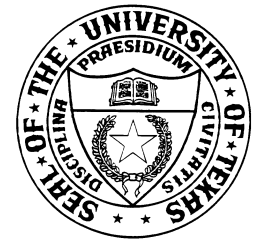

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION
ALLOCATION OF PERMANENT UNIVERSITY FUND
BOND PROCEEDS RESERVES FOR
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY STARS



FISCAL YEAR 2014

Adopted by the U. T. System Board of Regents
August 22, 2013

**The University of Texas System
Fiscal Year 2014
RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)**

Summary

	PUF Allocation			
	Library & Equipment	Repair & Rehabilitation	Faculty STARs Program	Total
Academic Institutions				
The University of Texas at Arlington	\$ 360,000	1,800,000	-	2,160,000
The University of Texas at Austin	2,604,700	1,106,136	-	3,710,836
The University of Texas at Dallas	1,000,000	1,000,000	-	2,000,000
The University of Texas at El Paso	1,750,000	360,000	-	2,110,000
The University of Texas of the Permian Basin	523,400	225,000	-	748,400
The University of Texas at San Antonio	-	2,000,000	-	2,000,000
The University of Texas at Tyler	275,000	537,000	-	812,000
Subtotal Academic Institutions	<u>6,513,100</u>	<u>7,028,136</u>	<u>-</u>	<u>13,541,236</u>
Health Institutions				
The University of Texas Southwestern Medical Center	-	1,830,000	-	1,830,000
The University of Texas Medical Branch at Galveston	1,200,000	675,000	-	1,875,000
The University of Texas Health Science Center at Houston	370,000	1,500,000	-	1,870,000
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	-	1,829,194	-	1,829,194
The University of Texas Health Science Center at Tyler	-	1,875,000	-	1,875,000
Subtotal Health Institutions	<u>2,370,000</u>	<u>8,709,194</u>	<u>-</u>	<u>11,079,194</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 San Antonio with UT Health Science Center San Antonio	2,679,570			2,679,570
Subtotal Collaborative Projects	<u>2,679,570</u>	<u>-</u>	<u>-</u>	<u>2,679,570</u>
Grand Total	<u>\$ 14,262,670</u>	<u>15,737,330</u>	<u>20,000,000</u>	<u>50,000,000</u>

The University of Texas System
Fiscal Year 2014
**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					
Shimadzu Center for Environmental, Forensic and Material Analysis			400,000	400,000	
GeoScience Renovation for Geochemistry Facility			700,000	700,000	
Classroom Computer Upgrades for Engaged Teaching and Learning	160,000	160,000			
Video Surveillance Camera Expansion	200,000	200,000			
Fine Arts Roof Replacement			400,000	400,000	
ADA Corrections to Restrooms, Handrails, Sidewalks, Building Entrances			150,000	150,000	
Building Utility Meter Additions			150,000	150,000	
TOTAL	\$ 360,000	360,000	1,800,000	1,800,000	-
The University of Texas at Austin					
Information Quest - Data Warehousing/Business Intelligence Project	293,500	293,500			
Technology/Equipment Upgrades for Dolph Briscoe Center for American History	184,200	184,200			
Ransom Center - Julia Alvarez Archive Project	512,800	400,000			
UT Austin Libraries Digital Infrastructure	500,000	500,000			
Campus Academic Building Classroom Door Locks			4,036,000	36,000	
Welch Hall Fire Alarm Upgrade	3,027,000	27,000			
Campus Emergency Communication	1,200,000	1,200,000			
Emergency Lighting			500,000	500,000	
Will C. Hogg Building - Fire Sprinklers			800,000	570,136	
TOTAL	\$ 5,717,500	2,604,700	5,336,000	1,106,136	-
The University of Texas at Dallas					
Academic Affairs Science and Engineering Equipment for Laboratories	1,000,000	1,000,000			
Energy Management System Upgrade Phase II			300,000	300,000	
Building Vertical Envelope Waterproofing			400,000	400,000	
Utility Tunnel Upgrades			300,000	300,000	
TOTAL	\$ 1,000,000	1,000,000	1,000,000	1,000,000	-
The University of Texas at El Paso					
Research and Technology Infrastructure for New Faculty	1,000,000	1,000,000			
Campus Wireless Network Infrastructure Upgrade/Growth	250,000	250,000			
Animal Husbandry Equip Purchase for the Biology Bldg. Laboratory Animal Vivarium Renovation Prj.	500,000	500,000			
Fox Fine Arts Recital Hall Refurbishment			360,000	360,000	
TOTAL	\$ 1,750,000	1,750,000	360,000	360,000	-

The University of Texas System
Fiscal Year 2014
**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					
Petroleum and Mechanical Engineering Laboratory Equipment	163,400	163,400			
Website Migration	150,000	75,000			
Library Collection	225,000	225,000			
Relocation of Campus Police Department			225,000	225,000	
Undergraduate Chemistry Laboratory Equipment Upgrade	60,000	60,000			
TOTAL	\$ 598,400	523,400	225,000	225,000	-
The University of Texas at San Antonio					
McKinney Humanities Building Capital Renewal/Safety and ADA Improvements			3,338,000	2,000,000	
TOTAL	\$ -	-	3,338,000	2,000,000	-
The University of Texas at Tyler					
ADA Upgrades			300,000	300,000	
Voice over IP Completion Phase	275,000	275,000			
Roofing Replacements and Repairs			237,000	237,000	
TOTAL	\$ 275,000	275,000	537,000	537,000	-
SUBTOTAL - ACADEMIC INSTITUTIONS					
		\$ 6,513,100		7,028,136	-

The University of Texas System
Fiscal Year 2014
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					
Expansion of Simulation Training and Education Spaces			3,567,000	1,830,000	
TOTAL	\$ -	-	<u>3,567,000</u>	<u>1,830,000</u>	<u>-</u>
The University of Texas Medical Branch at Galveston					
Information and Education Resources Enhancement	1,950,000	1,200,000			
Administration Building Exterior ADA Improvements			750,000	500,000	
Compliance with Lighting Standards in Levin Hall			900,000	175,000	
TOTAL	\$ <u>1,950,000</u>	<u>1,200,000</u>	<u>1,650,000</u>	<u>675,000</u>	<u>-</u>
The University of Texas Health Science Center at Houston					
Emergency System/Assembly Deficiency Removal/Replacement			700,000	700,000	
Upgrade Campus Shared Server Infrastructure	450,000	250,000			
Elevator Renovations			800,000	500,000	
Campus Solutions - Student and Faculty Mobile Apps			300,000	300,000	
Secure Document Collaboration Tool	200,000	120,000			
TOTAL	\$ <u>650,000</u>	<u>370,000</u>	<u>1,800,000</u>	<u>1,500,000</u>	<u>-</u>
The University of Texas Health Science Center at San Antonio					
Fire and Life Safety Initiative			1,000,000	1,000,000	
Information Technology Infrastructure - Refresh and Overbuild	750,000	700,000			
Library Collection	600,000	100,000			
TOTAL	\$ <u>1,350,000</u>	<u>800,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
The University of Texas M. D. Anderson Cancer Center					
Smithville Campus Wildfire Risk Mitigation			2,700,000	1,000,000	
Smithville Water, Waste and Fire Underground Piping Replacement			2,200,000	829,194	
TOTAL	\$ -	-	<u>4,900,000</u>	<u>1,829,194</u>	<u>-</u>
The University of Texas Health Science Center at Tyler					
Campus Faculty/Staff Organization			1,875,000	1,875,000	
TOTAL	\$ -	-	<u>1,875,000</u>	<u>1,875,000</u>	<u>-</u>
SUBTOTAL - HEALTH INSTITUTIONS					
		\$ <u>2,370,000</u>		<u>8,709,194</u>	<u>-</u>

The University of Texas System
Fiscal Year 2014
**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			10,000,000
Faculty STARS Program - Academic Institutions					10,000,000
Faculty STARS Program - Health Institutions					20,000,000
TOTAL	\$ 2,700,000	2,700,000	-	-	20,000,000
 SUBTOTAL - U. T. SYSTEM ADMINISTRATION		\$ 2,700,000		-	20,000,000
COLLABORATIVE PROJECT					
UT San Antonio with UT Health Science Center at San Antonio					
Enhancements of Infrastructure for Research in Medical/Env Genomics and Computational Biology	2,679,570	2,679,570			
TOTAL	\$ 2,679,570	2,679,570	-	-	-
 SUBTOTAL - COLLABORATIVE PROJECT		\$ 2,679,570		-	-
 TOTAL - U. T. SYSTEM		\$ 14,262,670		15,737,330	20,000,000

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, 2014

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, 2014

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:

- recruit senior faculty with national prominence; and
- 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
- 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.