

1. Title

Capital Improvement Program

2. Rule and Regulation

- Sec. 1 Biennial Presentation. The University of Texas System Administration will prepare a Capital Improvement Program (CIP) biennially to be presented to the Board of Regents following completion of each regular session of the Texas Legislature.
- Sec. 2 Contents of Program. The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from institution and System-wide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, as well as for the future development and preservation of the physical plant of the campuses.
- Sec. 3 Off-Cycle Requests. Candidate projects will routinely be added to the CIP during the biennial update. For emerging critical or urgent new Major Projects, the institutional president may submit an "off-cycle" request for inclusion via the Board of Regents' agenda. Requests to add to or modify the CIP will be reviewed in accordance with the processes adopted in the CIP.
- Sec. 4 Preliminary Cost Expenditures for Capital Projects. Adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 3% of the anticipated preliminary project cost to develop the formal Facility Program document, select the project architect, and develop preliminary project plans. Requests to expend funds in excess of the amount equal to the 3% but not more than 10% of the anticipated preliminary project cost shall be reviewed and approved by the Executive Vice Chancellor for Business Affairs. These funds will be provided by the institution initially but will be reimbursed to the institution from applicable project funds after design development approval and appropriation of project funds by the Board of Regents.
- Sec. 5 Institutional Management. Adoption of the CIP includes authorization of institutional management of Major Projects so designated in the CIP. "Off-cycle" requests for institutional

management shall be reviewed and approved by the Chancellor. Projects approved for institutional management will be included in the amended CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Series 80404 of the Regents' *Rules and Regulations* for the full amount stipulated in the CIP. Funding other than debt financing will be appropriated at the time of authorization of institutional management.

Sec. 6 Capital Budget. The CIP will include the Capital Budget, a two-year detailed expenditure allocation of source(s) of funds.

6.1 Approval of the Capital Budget authorizes and appropriates funding amounts and sources for identified major repair and rehabilitation projects that are not architecturally or historically significant. Authorization of these projects and appropriation of these funds allows these projects to be presented to the Chancellor for approval of design development plans, authorization for expenditure of funds, and implementation of the projects by the administrative staff without returning to the Board of Regents for further approvals.

6.2 The Board of Regents will approve the design development plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant.

Sec. 7 Feasibility and Planning Studies. For projects included in the CIP and identified as feasibility studies or planning studies, adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds for the full amount stipulated in the CIP. These funds will be provided by the institution initially but will be reimbursed to the institution from future CIP funds allocated for projects related to the studies after design development approval and appropriation of project funds by the Board of Regents.

3. Definitions

Major projects – Any project that meets one or more of the following criteria: 1) new construction with a value of at least \$1 million, 2) repair and rehabilitation projects with a value of at least \$2 million, 3) any project determined by the Board to be architecturally or historically significant, 4)

any project that is debt financed (RFS, TRB, PUF) regardless of dollar value except those projects appropriated through the LERR budget, and
5) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

4. Relevant Federal and State Statutes

None

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

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu