



UNIVERSITY LANDS

2.1 million acres that produce two income streams: mineral income, which comes mainly from oil and gas bonuses, rentals and royalties, and surface income such as income from grazing leases, easements, wind power generation and a commercial vineyard and winery.



Established in the Texas Constitution of 1876 through the appropriation of land.

STATE OF TEXAS CONSTITUTION



THE UNIVERSITY OF TEXAS SYSTEM

CONSTITUTIONAL USES OF AUF:

- Payment of principal and interest on PUF bonds
- support and maintenance of UT Austin
- Support and maintenance of UT System Administration



MINERAL INCOME



SURFACE INCOME



The constitution permits the UT System and Texas A&M System to each sell a limited amount of bonds (a type of borrowing) to fund construction and other capital expenses at system institutions. The bonds are secured by the AUF, which gives the systems the lowest interest rates available, saving the state money. Bond proceeds may not be used for operational expenses.



PUF income and investment assets are managed by UTIMCO, a nonprofit corporation operating under the authority of the UT System Board of Regents.



The Available University Fund is PUF surface income plus an annual distribution from the total return on PUF investments, constitutionally allocated 2/3 to UT System and 1/3 to Texas A&M System.



TEXAS A&M UNIVERSITY SYSTEM

The Texas A&M System has similar constitutional restrictions on use of AUF. Some Texas A&M institutions are not eligible for PUF bonds.

UNDERSTANDING PUF



PERMANENT UNIVERSITY FUND

UTSYSTEM.EDU/PUF

A constitutional permanent endowment that supports excellence in the The University of Texas and Texas A&M Systems.

KEY FACTS

- CONSTITUTION GIVES MANAGEMENT TO UT SYSTEM BOARD; GROWS FROM OIL AND GAS PRODUCTION AND INVESTMENT INCOME;
- SUPPORTS CONSTRUCTION AND CAPITAL EXPENSES AT INSTITUTIONS OF UT AND TAMU SYSTEMS;
- CORPUS IS NOT SPENT EXCEPT FOR EXPENSES OF MANAGING THE LAND AND THE INVESTMENT ASSETS;
- CONSTITUTION DOES NOT PERMIT UT SYSTEM TO USE AUF FOR OPERATIONAL EXPENSES AT INSTITUTIONS OTHER THAN UT AUSTIN;
- 2018 VALUE OF \$21.77 BILLION