

The Permanent University Fund

ENDOWMENT PROVIDES CRITICAL FUNDING SUPPORT FOR TWO FLAGSHIP UNIVERSITIES

It is unlikely that even the founders of Texas could have envisioned how their investment, the creation of an endowment aptly named the Permanent University Fund, would today still play such a vital role in providing critical support for the state's two largest university systems.

That initial visionary investment was made in 1839, when Republic of Texas President Mirabeau Lamar authorized the establishment of an endowment for two colleges to be created. Although these institutions (eventually Texas A&M University and the University of Texas at Austin) were not even formed yet, this investment planted the seed that led to their preeminent place among the nation's top institutions of higher education. In 1871, after statehood and the Civil War, the Texas Legislature created the Agricultural and Mechanical College of Texas. But 1876 proved to be the pivotal year for Texas A&M, not only because the first classes were conducted then, but also because the Constitution of 1876 established the Permanent University Fund, supporting both Texas A&M and the yet-to-be-organized University of Texas at Austin.

WHAT IS THE PUF?

The PUF is an endowment created by the Texas Constitution for the purpose of supporting certain institutions in the Texas A&M University and University of Texas systems. The income earned from proceeds of investments of the PUF is referred to as the Available University Fund, as authorized in Article VII, Section 18 of the Texas Constitution.

Many Aggies and Longhorns know how vital the PUF has been, and still is today, for both institutions to maintain excellence in higher education and continue serving the citizens of Texas. However, even the most "in-the-know" Aggie or Longhorn might not know the history and lore associated with this important endowment, including politics, intrigue and even a nun's blessing.

In 1883, after the constitution established the PUF seven



PHOTO BY PATRICK DANIELCZYK '03

years earlier, the Legislature added 1 million acres to the PUF that were turned over to the state from the Texas and Pacific Railway, lands considered "too worthless to survey" at the time. In 1921, Catholic nuns who had invested in the Texan Oil Co. requested that oilmen drilling on university lands sprinkle specially blessed rose petals from the top of an oil derrick before drilling commenced—the land theretofore had been frustratingly unproductive. "I proclaim thee Santa Rita No. 1," an investor proclaimed, invoking St. Rita, saint of impossible causes. The gusher came in and Texas was changed forever.

The allocation of PUF proceeds between Texas A&M University and the University of Texas at Austin has varied and was not set in law until the early 1930s. The current PUF arrangement occurred with voter approval of constitutional amendments in 1984 that also created a similar state endowment for non-PUF eligible institutions.

These are just a few of the pivotal chapters in the history of the PUF. Not just one act, but a series of acts and constitutional amendments, from the Republic of Texas to the late 20th century, helped shape and define the PUF as we know it today.

Even with its vast land holdings and proceeds from subsequent oil discovery, from the very beginning to today, the demands of Texans for higher education have challenged the PUF and AUF to provide sufficient resources for PUF-eligible institutions to meet their constitutional charges.

HOW IS THE PUF USED TODAY?

Today, more than 19 institutions and agencies throughout the Texas A&M and UT systems benefit from the PUF—primarily through capital support. The only universities eligible

to receive outlays from the Available University Fund for purposes other than capital-related expenditures are Texas A&M University, UT-Austin and Prairie View A&M University. The Texas A&M and UT systems' offices are also eligible.

The \$17 billion PUF endowment is supported from the proceeds of 2.1 million acres of land, located in 24 counties in Texas, and investment earnings. For Texas A&M University, this equates to more than \$95 million for its most recent annual AUF allocation.

It is often stated that the AUF helps support excellence at Texas A&M, and there are tangible ways this occurs. Today, the AUF enables Texas A&M to recruit, attract and retain national and international faculty leaders. These leaders bring to campus an unparalleled wealth of expertise, research funding, and teaching to impart to students and bolster the existing body of knowledge among Texas A&M's current, stellar faculty.

EXAMPLES OF IMPACT

Dr. Ivan Rusyn, professor in the Department of Veterinary Integrative Biosciences in the College of Veterinary Medicine and Biomedical Sciences, grew up in Ukraine and lived near the Chernobyl Nuclear Power Plant during the catastrophic nuclear accident. During this time, he became interested in toxicology and the impacts of chemical exposure on the environment and human health.

Rusyn chose to come to Texas A&M not just because of a startup package that enabled him to purchase state-of-the-art equipment and attract top-flight graduate students to his research program, but also because of the university's strategic vision and willingness to invest the necessary resources to once again achieve preeminence in the field of toxicology. These advantages would not have been possible without funding from the AUF.

Since his arrival to campus just two years ago, he has brought in over \$10 million in external federal research funding from the U.S. Environmental Protection Agency, the National Science Foundation and the National Institutes of Health.

Working directly with and in cooperation with industry, Rusyn's aim is to use his expertise and advances in toxicology research to better understand key unresolved points of environmental exposure to chemicals, using science (rather than uninformed assumptions) to define what dose levels of a certain chemical are toxic, and ultimately lead to more accurate and precise regulation.

Another example of AUF funds supporting excellence at Texas A&M was in the successful recruitment of Dr. Bonnie J. Dunbar to the Texas A&M College of Engineering in January 2016. Dunbar is a Texas A&M Engineering Experiment Station Distinguished Research Professor in the Department of Aerospace Engineering. She also has a joint appointment as the director of the TEES Institute of Engineering Education and Innovation. Dunbar is a retired NASA astronaut, engineer, and educator and member of the National Academy of Engineering. She has been awarded the NASA Space Flight



Texas A&M Advocacy Network

A PROGRAM OF
The Association of Former Students



The Texas A&M Advocacy Network is a programming effort housed by The Association of Former Students at Texas A&M University. The program exists to promote the interests and welfare of Texas A&M University by serving as an avenue for former students and friends of the university to engage key stakeholders on issues impacting Texas A&M. The Texas A&M Advocacy Network will also highlight former students of Texas A&M who are making positive contributions in their community through government service. If you would like to sign up as an advocate or get more information on how to get involved with the Texas A&M Advocacy Network, please visit AggieNetwork.com/advocacy.

Medal five times, the NASA Exceptional Leadership Medal and the NASA Distinguished Service Medal.

Dunbar worked for 27 years at NASA, first as a flight controller, then as a mission specialist astronaut, logging five shuttle flights and more than 50 days in space. After retiring from NASA, she became president and CEO of The Museum of Flight in Seattle, where she expanded K-12 educational offerings. She also has consulted in aerospace and STEM education as the president of Dunbar International, and is an internationally known public speaker. Dunbar was inducted into the Royal Society of Edinburgh, and in 2013 was elected into the Astronaut Hall of Fame. She has devoted her life to furthering engineering, engineering education, and the pursuit of human space exploration. As IEEEI director, she will lead the institute in engineering education research to advance the practice in pre-kindergarten through professional education.

These are just two recent examples of how the PUF and AUF, as they have repeatedly proved in the past 100 years, continue to provide the critical resources necessary for Texas A&M to achieve academic and research excellence by investing in the recruitment and retention of national and international faculty leaders. Although Texas continues to face challenges in state funding as it did when the founders of Texas first created the PUF, time has proven their visionary investment was a prudent one and that today, just as it was in 1839, continued support for the PUF is vital to the state of Texas and its citizens, and to Texas A&M University.