

UNIVERSITY OF MINNESOTA

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Office of the Senior Vice President
for Finance and Operations

301 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455

October 28, 2024

The Honorable Omar Fateh, Chair

Higher Education Committee
3219 Minnesota Senate Building
Saint Paul, Minnesota 55155

The Honorable Foug Hawj, Chair

Environment, Climate, and Legacy Committee
3231 Minnesota Senate Building
Saint Paul, Minnesota 55155

The Honorable Zach Duckworth, Ranking Member

Higher Education Committee
2229 Minnesota Senate Building
Saint Paul, Minnesota 55155

The Honorable Justin Eichorn, Ranking Member

Environment, Climate, and Legacy Committee
2235 Minnesota Senate Building
Saint Paul, Minnesota 55155

The Honorable Gene Pelowski, Chair

Higher Education Finance & Policy Committee
5th Floor, State Office Building
Saint Paul, Minnesota 55155

The Honorable Rick Hansen, Chair

Environment & Natural Res. Finance & Policy Committee
5th Floor, State Office Building
Saint Paul, Minnesota 55155

The Honorable Marion Rarick, Ranking Member

Higher Education Finance & Policy Committee
2nd Floor, State Office Building
Saint Paul, Minnesota 55155

The Honorable Josh Heintzeman, Ranking Member

Environment & Natural Res. Finance & Policy Committee
2nd Floor, State Office Building
Saint Paul, Minnesota 55155

Dear Chairs and Ranking Members:

Minnesota Statute 137.022, subdivision 4(d) requires the University of Minnesota to submit a report on the Permanent University Fund (PUF) to both the education and environment and natural resources committees of the Minnesota Legislature:

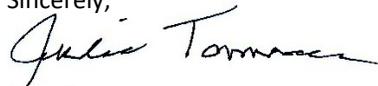
The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

Pursuant to this requirement, the University of Minnesota respectfully submits the report for Fiscal Years (FYs) 2023 and 2024 for your review.

As additional context, Minnesota Statute 137.022 dedicates revenue credited to the PUF to four accounts: The Endowed Chair, Mineral Research, Scholarship, and Mesabi Range. Investment management of this fund is under the jurisdiction of the University of Minnesota Board of Regents. Fund income is statutorily appropriated to the University annually. Distributions are based on a rolling average as all University endowment accounts utilize a rolling average for distributions.

If there are any questions with the attached report, please contact me at SVPFO@UMN.EDU

Sincerely,



Julie Tonneson

University of Minnesota
Interim Senior Vice President for Finance and Operations



Permanent University Fund, Biennial Report

Fiscal Years 2023 and 2024

Pursuant to Minnesota Statute 137.022, subdivision 4(d)

Per the requirements in Minnesota Statute 3.197, the cost to prepare this report was approximately \$500

Prepared by Koryn Zewers, University of Minnesota Budget Office, September 2024

Market Value & Distributions

The total value of the Permanent University Fund (PUF) as of June 30, 2024, was \$883,839,091, up from \$881,046,300 on June 30, 2023. These market values include PUF funds held in departmental chair accounts supporting identified PUF endowed chairs; funds held centrally to support new allocations for PUF chairs; and funds within the Endowed Mineral Research, Endowed Scholarship, and Mesabi Range Accounts. Minnesota Statute 137.022, subdivision 4(d) requires the University of Minnesota to submit the following report:

The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

The table below provides specific information on the Endowed Scholarship and Mineral Research Accounts for Fiscal Years (FY) 2023 and 2024.

	FY 2023	FY 2024
Total Market Value		
Endowed Mineral Research Account	\$103,892,385	\$104,082,294
Endowed Scholarship Account	\$161,769,208	\$162,626,964
Income Distribution		
Endowed Mineral Research Account	\$3,920,308	\$4,203,090
Endowed Scholarship Account	\$6,104,251	\$6,561,731
<i>UM Crookston Scholarships</i>	\$213,649	\$216,537
<i>UM Duluth Scholarships</i>	\$1,361,248	\$1,423,896
<i>UM Morris Scholarships</i>	\$183,128	\$170,605
<i>UM Rochester Scholarships</i>	\$103,772	\$104,988
<i>UM Twin Cities Scholarships</i>	\$4,242,454	\$4,645,706

Per State Statute, distributions from the Scholarship account are made to each campus based on the enrollment of Minnesota residents on each campus. Each campus utilizes this funding to provide scholarships

to students who are Minnesota residents. Students from any part of the state are eligible. Initially one-year awards, many are now four-year commitments. Each campus has discretion in determining the award amount and structure.

Mineral Research Account Use

Per M.S. 137.022, subdivision 4(d), the University is also required to report on the use of the Mineral Research Account funds. These funds are allocated to the Natural Resources Research Institute (NRRI) for mineral and mineral-related research at the Duluth and Coleraine facilities and totaled \$3,920,308 in FY 2023 and \$4,203,090 in FY 2024. For FY 2023, NRRI's spending of the Mineral Research Account funds can be classified as follows: 55 percent on research personnel, 5 percent on equipment, and 40 percent on other operating costs. In fiscal year 2024, NRRI's spending included 51 percent on research personnel, 7 percent on equipment, and 42 percent on other operating costs.