

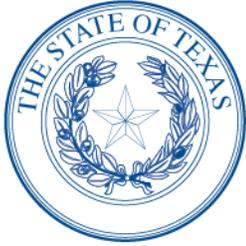
State Board of Education

1701 North Congress Avenue

Austin, Texas 78701-1494

(512) 463-9007

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Permanent School Fund hits record high value

AUSTIN - The Permanent School Fund, the second largest educational endowment in the country, reached a record high value in 2013 and posted the highest return of any major state of Texas investment fund for the fiscal year.

Created by the state in 1854 with a \$2 million investment, the endowment topped \$29 billion in market value by the end of December.

In fiscal year 2013, which ended Aug. 31, the fund earned a return of 10.16 percent. That was the highest return earned by any major state of Texas investment fund. As a result of recent strong returns, the Permanent School Fund was also the best performing major state fund over a three-year period ending on Aug. 31, 2013, with a return of 11.07 percent.

“Last year was a golden year for the Permanent School Fund,” said Pat Hardy, chair of the State Board of Education’s Committee on School Finance/Permanent School Fund. “The board’s careful and prudent investment of the fund’s increasingly diverse portfolio resulted in top-of-the-line returns and that’s great news for our public schools,” she said.

The fund helps Texas schools and the state’s citizens in two ways. A distribution from the fund is made every year to help pay a portion of education costs in each school district. During the 2012-2013 biennium, the fund distributed more than \$2 billion to the schools. Since 1960, it has distributed more than \$23 billion to the schools.

The fund also provides a guarantee for bonds issued by local school districts and this important support will soon be extended to charter schools. As a result of the fund maintaining the AAA bond rating through the global financial crisis, qualified districts are able to pay lower interest rates when issuing bonds.

At the end of 2013, the fund’s assets guaranteed \$55.2 billion in school district bonds, providing a cost savings to 810 public school districts.

