TEXAS PERMANENT SCHOOL FUND
BOND GUARANTEE PROGRAM SUMMARY
Fiscal Year 2013
Month Ending March 31, 2013

The Texas Permanent School Fund Bond Guarantee Program, closed since March 2009, re-opened in February 2010. On December 16, 2009, the Texas Education Agency received guidance from the Internal Revenue Service (IRS) regarding requirements for reopening the Program. The following information is provided for the benefit of holders of Texas school district bonds that have been previously guaranteed by the Fund. In addition to the capacity limits established for the Program by relevant State law, the State Board of Education (SBOE) is also authorized to establish reserves of Program capacity. The most recent Program capacity reserve set by the SBOE is 5% of the permissible State limit for the Program.

Maximum Allowable For Guarantee under Federal law [1]	$	117,318,653,038
Maximum Allowable For Guarantee under State law[1]	$	76,408,966,551
MAXIMUM ALLOWABLE FOR GUARANTEE AT March, 2013		
Lower of Federal or State Maximum Allowable For Guarantee[1]	$	76,408,966,551
Less: Net Amount Guaranteed as of March 31, 2013		(53,739,316,856)
Less: Reserve of 5% of the Maximum Allowable for Guarantee [2]		(3,820,448,328)
Amount Available for Guarantee as of March 31, 2013	$	18,849,201,367
Less: New Money Issues In Process		(393,875,193)
Less: New Money Issues Approved		(229,635,000)
Net Amount Available	$	18,225,691,174

NUMBER OF ISSUES GUARANTEED		
Number of Issues as of September 1, 2012		2,634
Fiscal Year Activity:		
District Issues Guaranteed During Fiscal Year		177
District Issues Refunded or Matured		(108)
Number of Issues as of March 31, 2013		2,703

BALANCE OF BONDS GUARANTEED		
Balance as of September 1, 2012	$	53,634,455,141
Fiscal Year Activity:		
District Issues Guaranteed During Fiscal Year		4,284,289,141
District Issues Refunded or Matured		(4,179,427,426)
Balance as of March 31, 2013	$	53,739,316,856

CUMULATIVE HISTORY OF BOND GUARANTEE PROGRAM		
District Issues Guaranteed:		
Amount of Issues Guaranteed from 1985 to 08/31/12	$	103,400,123,405
Amount of Issues Guaranteed in Fiscal Year 2013		4,284,289,141
TOTAL AMOUNT OF ISSUES SINCE INCEPTION	$	107,684,412,546

[1] For State law purposes, the GLO managed assets are included in the PSF. However, prior to March 31, 2005, when a private letter ruling (the "2005 IRS Letter") was received from the Internal Revenue Service (the "IRS"), such assets were excluded by the Agency in calculating Fund values for purposes of determining the capacity of the Guarantee Program under a program capacity limitation deriving from a prior IRS private letter ruling relating to the PSF. The 2005 IRS Letter clarified that the GLO managed assets may be included in Fund values for the purpose of calculating the capacity of the Bond Guarantee Program.

Beginning in FY 2006, the Agency has included, and for future years the Agency expects to include, GLO managed assets in its reporting of the Market Value and Book Value of the Fund. On December 16, 2009, the Agency received IRS Notice 2010-5 and based on the Notice, calculated the Maximum Allowable for Guarantee to be 5 times the cost value of the Fund on that day. The limit of the guarantee utilized here is based on the State Capacity Limit determined on the basis of the cost value of the Fund multiplied by the capacity multiplier determined annually by the SBOE, but not to exceed a multiplier of five. On May 21, 2010, the SBOE authorized an increase in the capacity multiplier from 2.5 to 3.0 times cost value of the combined PSF and GLO assets. This new multiplier became effective on July 1, 2010. The SBOE changed the reserve from 8% to 5% at its March 2010 meeting. At March 31, 2013, the Market Value and the Book Value of total Fund assets were $33,324,966,830 and $25,469,655,517 respectively. In determining the Market Value of the PSF, the Texas Education Agency uses current values for Agency managed investment portfolios and cash held by the GLO. Quarterly valuations provided by the GLO are used for real assets and mineral interests managed by the GLO.

[2] Per State Board of Education regulations, codified at Texas Administration Code Title 19, Part 2, Chapter 33.65, the State Board of Education (SBOE) shall establish an amount of capacity to be held in reserve of no less than 5.0% of the fund's capacity.