

**Report of the State Board of Education
Committee on School Finance/Permanent School Fund
Thursday, April 13, 2023**

The State Board of Education Committee on Committee on School Finance/Permanent School Fund met at 2:44 p.m. on Thursday, April 13, 2023, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Tom Maynard, chair; Keven Ellis; Patricia Hardy; Aaron Kinsey; Marisa B. Perez-Diaz

Public Testimony

The Committee on School Finance/Permanent School Fund received no presentations of public testimony.

DISCUSSION ITEM

1. Report by the State Auditor’s Office on the Audit of the Permanent School Fund’s Financial Statements and Certification of the Bond Guarantee Program for the Fiscal Year Ending August 31, 2022

(Board agenda page III-1)

Holland Timmins, chief executive officer, introduced Michael Clayton, audit manager, and Amadou Ngaide, managing auditor from the State Auditor’s Office (SAO) for presentation of the annual audit of the Permanent School Fund for the year ending August 31, 2022, and for presentation of results of the Certification of the Permanent School Fund’s Bond Guarantee Program for fiscal year 2022.

Mr. Ngaide reported that the SAO issued an unmodified (“clean”) opinion on the financial statements audited for the period. He stated that the SAO conducted a review of internal controls and identified no reportable weakness or other items at the Texas Education Agency.

Mr. Ngaide also presented the results of the Certification of the Permanent School Fund’s Bond Guarantee Program for fiscal year 2022. He stated that the amount of bonds guaranteed during fiscal year 2021 was within all regulatory limits established by the Texas Education Code (§45.053(a) and (d), and §45.0531(a) and (b)), the Internal Revenue Service (Notice 2010-5 dated December 16, 2009), and the State Board of Education, and that the Fund had sufficient reserves to meet the State Board of Education’s reserve requirements for the same period.

ACTION ITEMS

2. Adoption of an Annual Report on the Status of the Bond Guarantee Program

(Board agenda page III-2)

[Consent agenda item #(2)]

Mr. Timmins presented the annual report of the Bond Guarantee Program as required by the Texas Education Code and requested that the committee adopt the report as presented.

MOTION AND VOTE: *By unanimous consent, the committee recommended that the State Board of Education adopt the annual report on the status of the Bond Guarantee Program as of August 31, 2022.*

3. Review the Processes for Consideration of Board Member Nominees for State Board Positions

(Board agenda page III-3)

[Consent agenda item #(3)]

Mark Shewmaker, director of special projects, and portfolio manager provided an overview of the process for selecting nominees to be sent to the Governor for membership on the School Land Board.

MOTION AND VOTE: *By unanimous consent, the committee recommended that the State Board of Education approve the procedure for selecting nominees to be sent to the Governor for membership on the School Land Board as presented by staff.*

The meeting of the Committee on School Finance/Permanent School Fund at 3:26 p.m.