



TEXAS OIL & GAS ASSOCIATION | SINCE 1919

FOR IMMEDIATE RELEASE

January 17, 2019

Contact: Gretchen Fox, 512-694-4326

**Oil and Natural Gas Royalties Paid to State Up 18%,
Totaling \$2.0 billion in FY 2018**

Texas Permanent School Fund is Nation's Largest Educational Endowment

AUSTIN – The Texas oil and natural gas industry paid \$2.0 billion in royalties to the State of Texas in fiscal year 2018, up 18 percent over the previous year. The majority of these royalties are used to capitalize the Permanent School Fund (PSF), which benefits the public schools of Texas, and the Permanent University Fund (PUF), which benefits public higher education in Texas.

Oil and natural gas royalties constitute the only substantive new-money capital deposited annually to the PSF and PUF, according to the Texas Oil & Gas Association (TXOGA). In addition to state royalties, the oil and natural gas industry pays billions of dollars in state and local taxes, figures that have also increased substantially. TXOGA will make its annual Economic Impact Announcement in February, detailing total state and local taxes and state royalties paid in fiscal year 2018. In fiscal year 2017, that number was \$11 billion.

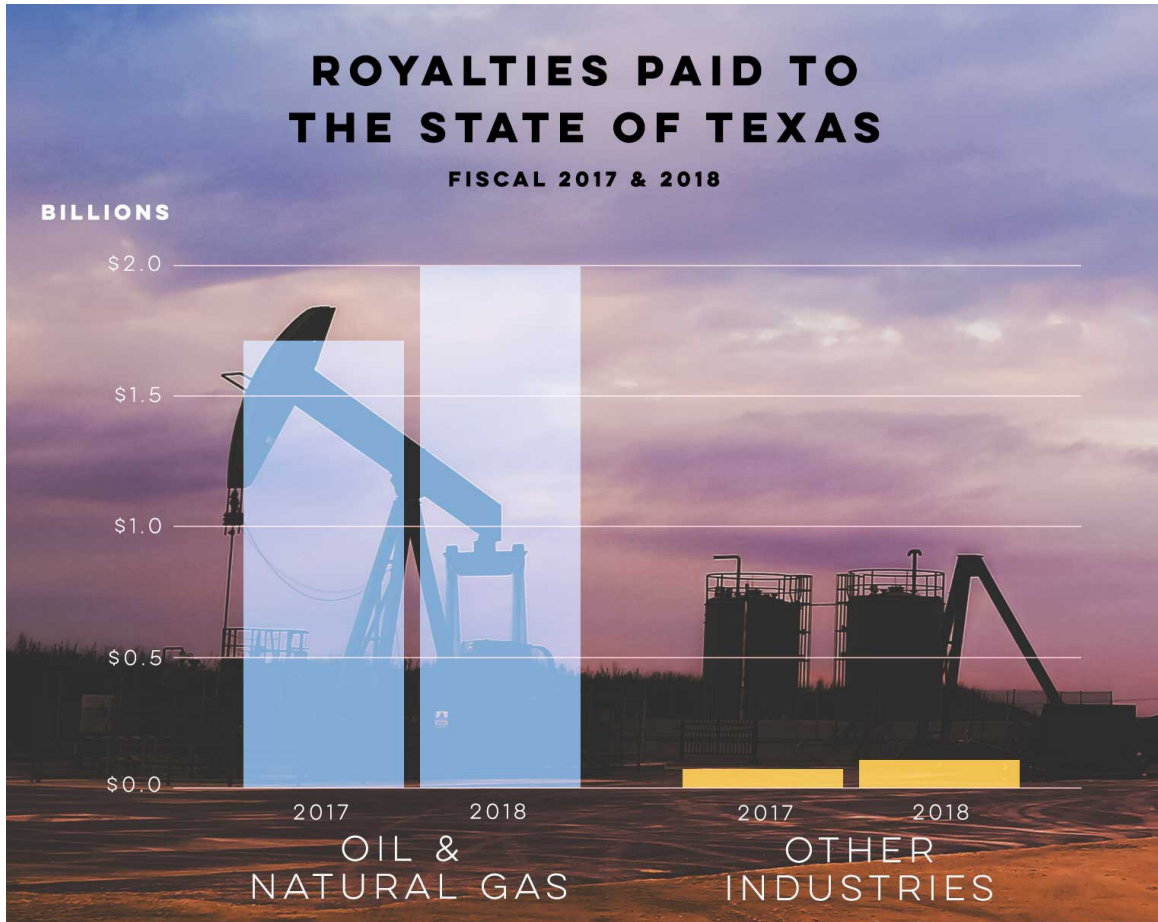
“The Texas Permanent School Fund is the largest educational endowment in the nation because of oil and natural gas royalty revenue,” said Todd Staples, president of TXOGA. “With a balance of \$41.4 billion at the end of fiscal year 2017, the PSF topped Harvard University’s endowment, worth \$39.2 billion. It is remarkable that the PSF, seldom recognized outside of Texas, leads the pack among all educational endowments – and all Texans benefit from it.”

According to the Texas Permanent School Fund’s annual report for fiscal year 2017, “a distribution is made every year from the Fund to pay a portion of educational costs in each school district within the state. During the 2017 fiscal year, the Fund distributed approximately \$1.06 billion for education.”

The impact of oil and natural gas state royalty revenue extends beyond K-12 education. As noted in a recent *Dallas Morning News* editorial, [“The Texas oil boom is a boon for Texas schools,”](#) the Permanent University Fund is among the largest university endowments in the country.

“With royalties up 18 percent in fiscal year 2018, we can only expect the balances of these important endowments to grow, providing meaningful support for our public schools and university systems,” said Staples.

Other business sectors in Texas, such as grazing and land leases, that pay royalties to the state represent just one-twentieth of the total (\$0.1 billion). “The impact of oil and natural gas royalty revenue plays an outsized role in supporting Texas students and in turn, securing our future and our economy,” said Staples.



+++