

AN ACT

relating to the composition and appointment of the board of directors of a corporation to which the board of regents of The University of Texas System delegates investment authority for the permanent university fund or other funds under the control of the board of regents.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 66.08(d) and (e), Education Code, are amended to read as follows:

(d) The board of directors of the corporation shall have nine members, determined as follows:

(1) six [~~. The board shall appoint and remove all~~ members appointed by the board, of whom [~~of the board of directors of the corporation. At least~~] three must be members of the board and the other three must have a substantial background and expertise in investments;

(2) [~~and~~] the chancellor of The University of Texas System; and

(3) two members appointed by the board of regents of The Texas A&M University System, at least one of whom must have a substantial background and expertise in investments [~~shall be appointed as directors~~].

(e) Each appointed member of the board of directors of the corporation is subject to removal and replacement by and at the

1 pleasure of the appointing entity [~~The board shall select one or~~  
2 ~~more of the members of the board of directors of the corporation~~  
3 ~~from a list of candidates with substantial background and expertise~~  
4 ~~in investments that is submitted to the board by the board of~~  
5 ~~regents of The Texas A&M University System~~].

6 SECTION 2. (a) This section applies to the corporation  
7 described by Section 66.08, Education Code, and governs the  
8 implementation of the changes in law made by this Act to the board  
9 of directors of the corporation.

10 (b) This Act does not affect the terms of office of members  
11 of the corporation's board of directors who are serving on the  
12 effective date of this Act.

13 (c) The board of regents of The Texas A&M University System  
14 shall appoint two directors as required by Section 66.08(d)(3),  
15 Education Code, as added by this Act, as follows:

16 (1) one director on the expiration of the term of  
17 office of a director serving on the effective date of this Act who,  
18 under prior law, was appointed to that position on recommendation  
19 of that board of regents; and

20 (2) one director on the first expiration after the  
21 effective date of this Act of a term of office of any director,  
22 other than:

23 (A) the director described by Subdivision (1) of  
24 this subsection; and

25 (B) any director who also serves as a member of  
26 the board of regents of a university system, as defined by Section  
27 61.003, Education Code.

1           (d) As soon as practicable after the effective date of this  
2 Act, the board of directors of the corporation and the board of  
3 regents of The University of Texas System shall amend the bylaws of  
4 the corporation as necessary to give effect to the requirements of  
5 this Act.

6           SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2011.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2825 was passed by the House on May 10, 2011, by the following vote: Yeas 145, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2825 was passed by the Senate on May 20, 2011, by the following vote: Yeas 30, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor