

By: Otto

H.B. No. 2825

A BILL TO BE ENTITLED

AN ACT

relating to the investment management of the permanent university fund.

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

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

(d) The board of directors of the corporation shall have nine members. The board shall appoint and remove seven ~~[all]~~ members of the board of directors of the corporation. At least three members of the board and the chancellor of The University of Texas System shall be appointed as directors by the board. The board of regents of The Texas A&M University System shall appoint and remove two members of the board of directors of the corporation.

(e) A vote of 80 percent of the board of directors of the corporation is required for:

(1) hiring and firing the chief executive officer of the corporation;

(2) approval of the corporation's annual budget;

(3) awarding executive compensation, including bonuses;

(4) changes to the corporation's asset allocation; and

(5) changes to the investment policies of the corporation ~~[The board shall select one or more of the members of the board of directors of the corporation from a list of candidates~~

1 ~~with substantial background and expertise in investments that is~~  
2 ~~submitted to the board by the board of regents of The Texas A&M~~  
3 ~~University System].~~

4         SECTION 2. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2011.