

1-1 By: Rodriguez S.B. No. 1555  
1-2 (In the Senate - Filed March 10, 2011; March 23, 2011, read  
1-3 first time and referred to Committee on Higher Education;  
1-4 April 18, 2011, reported favorably by the following vote: Yeas 4,  
1-5 Nays 2; April 18, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the investment of the permanent university fund and  
1-9 other funds under the management and control of the board of regents  
1-10 of The University of Texas System.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 66.08, Education Code, is amended by  
1-13 adding Subsection (b-1) to read as follows:

1-14 (b-1) In awarding investment contracts to private  
1-15 professional investment managers or in otherwise seeking or  
1-16 acquiring private financial services in relation to its investments  
1-17 under this section, the corporation shall make a good faith effort  
1-18 to award contracts to or to seek or acquire services from qualified  
1-19 emerging fund managers.

1-20 SECTION 2. Subsection (o), Section 66.08, Education Code,  
1-21 is amended by adding Subdivisions (1-a) and (1-b) to read as  
1-22 follows:

1-23 (1-a) "Emerging fund manager" means a professional  
1-24 investment manager that manages assets of not more than \$5 billion.

1-25 (1-b) "Financial services" includes pension fund  
1-26 management, financial consulting, investment advising, brokerage  
1-27 services, hedge fund management, private equity fund management,  
1-28 and real estate investment.

1-29 SECTION 3. This Act takes effect immediately if it receives  
1-30 a vote of two-thirds of all the members elected to each house, as  
1-31 provided by Section 39, Article III, Texas Constitution. If this  
1-32 Act does not receive the vote necessary for immediate effect, this  
1-33 Act takes effect September 1, 2011.

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