

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 11, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2825 by Otto (Relating to the investment management of the permanent university fund.),
As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend Section 66.08, Education Code, changing the composition of the board of directors with which the Board of Regents of The University of Texas System (BOR) contracts for investment management services. This legislation requires a vote of 80 percent of the board of directors 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) making changes to the corporation's asset allocation; and (5) changes to the investment policies of the corporation.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, KK, RT