

**Minutes of the Texas Permanent School Fund Corporation
Board of Directors
April 7, 2022**

The Board of Directors of the Texas Permanent School Fund (PSF) Corporation met at 9:08 a.m. on Thursday, April 7, 2022, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Tom Maynard, Lawrence A. Allen, Jr., Keven Ellis; Patricia Hardy; Marisa Perez-Diaz; Mark Havens; Todd Williams; Brad Wright

Public Testimony

The Board of Directors received no presentations of public testimony.

Tom Maynard, Chair of the Texas Permanent School Fund Corporation Board of Directors, conducted a roll call. It was determined that the number of board members present constituted a quorum of the board

ACTION ITEMS

1. Approval of Minutes, Meeting of the Board of Directors, January 25, 2022 (Discussion and Possible Action)

MOTION AND VOTE: *It was moved by Mr. Allen and seconded by Ms. Hardy and carried without objection to approve the minutes from the of the January 25, 2022, meeting of the Texas Permanent School Fund Corporation (Corporation) Board, as printed.*

2. Election of Officers of the Board of Directors (Discussion and Possible Action)

Mr. Maynard introduced this item and reviewed the provisions of SB 1232 providing authority to elect officers of the board of directors from its members, to include a Chair, Vice-Chair, and Secretary.

NOMINATION: Mr. Allen nominated Mr. Maynard for Chair of the Texas Permanent School Fund Corporation Board of Directors.

MOTION AND VOTE: *It was moved by Mr. Allen and seconded by Ms. Hardy and carried without objection to close nominations for the Chair of the Texas Permanent School Fund Corporation Board of Directors.*

MOTION AND VOTE: *It was moved by Mr. Allen and seconded by Ms. Hardy and carried without objection to elect Mr. Maynard as Chair of the Texas Permanent School Fund Corporation Board of Directors.*

NOMINATION: Ms. Hardy nominated Mr. Allen for Vice-Chair of the Texas Permanent School Fund Corporation Board of Directors.

NOMINATION: Dr. Ellis nominated Mr. Wright for Vice-Chair of the Texas Permanent School Fund Corporation Board of Directors.

MOTION AND VOTE: *It was moved by Ms. Hardy, seconded by Dr. Ellis, and carried without objection to close nominations for the Vice-Chair of the Texas Permanent School Fund Corporation Board of Directors.*

MOTION AND VOTE: *It was moved by Ms. Hardy to elect Mr. Allen as Vice Chair of the Texas Permanent School Fund Corporation Board of Directors. The motion failed.*

MOTION AND VOTE: *It was moved by Dr. Ellis and, seconded by Ms. Perez, to elect Mr. Wright as Vice-Chair of the Texas Permanent School Fund Corporation Board of Directors. The motion carried.*

NOMINATION: Dr. Ellis nominated Mr. Allen for Secretary of the Texas Permanent School Fund Corporation Board of Directors.

MOTION AND VOTE: *It was moved by Dr. Ellis and seconded by Ms. Hardy and carried without objection to close nominations for the Secretary of the Texas Permanent School Fund Corporation Board of Directors.*

MOTION AND VOTE: *It was moved by Dr. Ellis and seconded by Ms. Hardy and carried without objection to elect Mr. Allen as Secretary of the Texas Permanent School Fund Corporation Board of Directors.*

3. Consideration of Policy for Hiring the Chief Executive Officer (Discussion and Possible Action)

Holland Timmins, interim chief executive officer, introduced Chuck Campbell, Fiduciary Counsel, Jackson Walker LLP, to provide an overview of the Policy for Hiring the Chief Executive Officer.

MOTION AND VOTE: *It was moved by Mr. Wright, seconded by Mr. Allen, and carried without objection to approve the Policy for Hiring the Chief Executive Officer, as printed.*

4. Process for and Selection of Chief Executive Officer of the Corporation (Discussion and Possible Action)

Mr. Maynard called on Mr. Campbell to review the process for selecting the chief executive officer and highlight the distinction between the policy for hiring the chief executive officer.

The Board of Directors of the Texas Permanent School Fund Corporation entered into executive session at 9:23 a.m. pursuant Texas Government Code §551.072 to discuss the process for the selection of the chief executive officer. Board of Directors entered into open session at 10:00 a.m. No action was taken in closed session.

MOTION AND VOTE: *It was moved by Mr. Wright and seconded by Ms. Hardy and carried without objection to approve the process for hiring the Chief Executive Officer as solely the review of the existing Interim Chief Executive Officer for reasons presented and discussed.*

MOTION AND VOTE: *It was moved by Mr. Wright and seconded by Ms. Hardy and carried without objection to approve the selection of Holland Timmins as chief executive office of the Corporation.*

DISCUSSION ITEM

5. Update on and Possible Approval of Facilities (Discussion and Possible Action)

The Board of Directors of the Texas Permanent School Fund Corporation entered into executive session at 9:58 a.m. pursuant Texas Government Code §551.072 to discuss the possible approval of facilities. Board of Directors entered into open session at 10:37 a.m. No action was taken in closed session.

6. Review of Actions Required by Statute by the PSF Corporation (Discussion and Possible Action)

John Grubenman, chief of staff and director of private markets, provided an update on the action items required by Senate Bill 1232 and the estimated period for implementing each action item regarding governance, management, budget, investment, and distribution.

7. Review of Asset Allocation Process (Discussion Only)

Mr. Timmins, chief executive officer, briefly discussed the asset allocation process for the State Board of Education (SBOE) then introduced Rhett Humphreys, partner at NEPC who provided an overview of their role in the process, including coordination with Texas Education Agency PSF staff.

Keith Stronkowsky, senior consultant at NEPC, explained how NEPC prepares its capital market outlook and assumptions and collaborates with staff to develop and ultimately provide a recommended asset class mix to the SBOE for consideration on a biennial basis. Mr. Stronkowsky discussed the asset allocations of the SBOE investments, the School Land Board / General Land Office investments, and all investments combined as of August 31, 2021.

8. Review of the Core Fixed Income Asset Class for the Permanent School Fund (Discussion Only)

Carlos Veintemillas deputy executive administrator and director of fixed income gave an update on the fixed income team and investment process then introduced Katie Reissman, managing director of fixed income. Ms. Reissman provided an overview of the core fixed income portfolio positioning and investment performance.

9. Report of the Interim CEO (Discussion Only)

No report was provided.

The meeting of the Board of Directors of the Texas PSF Corporation adjourned at 11:26 a.m.