

# Minutes of the Texas Permanent School Fund Corporation

## Board of Directors

September 1, 2022

The Board of Directors of the Texas Permanent School Fund (PSF) Corporation met at 9:06 a.m. on Thursday, September 1, 2022, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas.

Present: Tom Maynard, Lawrence A. Allen, Jr., Keven Ellis; Patricia Hardy; Marisa Perez-Diaz; 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, requested a roll call. It was determined that the number of board members present constituted a quorum of the board.

### **ACTION ITEM**

#### **1. Approval of Minutes, Meeting of the Board of Directors, June 16, 2022 (Discussion and Possible Action)**

**MOTION AND VOTE:** *It was moved by Mr. Wright, seconded by Mr. Allen, and carried without objection to approve the minutes from the of the June 16, 2022, meeting of the Texas Permanent School Fund Corporation (Corporation) Board, as printed.*

### **DISCUSSION ITEM**

#### **2. Discussion on PSF Corporation Ethics Policy (Discussion Only)**

Holland Timmins, chief executive officer, provided an overview of the ethics policy development process. He reported that a draft of the Corporation policy language would be presented at the November board meeting.

Mr. Timmins called on Chuck Campbell, Fiduciary Counsel, Jackson Walker LLP, to provide additional information regarding the policy development process, best practices, and legal requirements. Mr. Campbell also reviewed key components of the draft articles to include, confidentiality, conflict of interest, prohibited transactions, revolving door provision, and black-out periods.

#### **3. Discussion on Investment Policy (Discussion Only)**

Carlos Veintemillas, deputy chief investment officer and director of fixed income, introduced Katie Reissman, managing director of fixed income, and Erin Wedepohl, managing director of private equity, to present the initial draft of the Investment Policy Statement.

Ms. Reissman provided an overview of the key components of the draft policy and highlighted the differences from the current policies. Ms. Wedepohl then reviewed key roles and responsibilities

outlined in the document. The final version of the document will be presented for review at the November board meeting.

**4. Discussion on Board Committees (Discussion Only)**

Mr. Timmins gave a presentation summarizing the Corporation bylaws pertaining to board committees and established board committees at peer organizations. Staff recommendation for committee structure include Audit and Ethics, Strategic Planning and Policy, and Budget and Compensation committees.

**ACTION ITEM**

**5. Report on PSF Corporation Operations and Budget (Discussion and Possible Action)**

Mr. Timmins gave opening remarks and introduced John McGeady, director of governmental relations, to provide a presentation on the item. Mr. McGeady summarized the state budget process and how the inaugural legislative appropriations request by the PSF Corporation will fit into that process. Mr. McGeady concluded with an overview of the key items in the request.

Mr. Campbell stated his opinion that the legislative appropriation request seemed prudent and comparable in terms of appropriations flexibility to peer funds.

**MOTION AND VOTE:** *It was moved by Mr. Wright, seconded by Mr. Allen, and carried without objection to authorize the CEO to submit a Legislative Appropriations Request to the Office of the Governor - Budget Division and the Legislative Budget Board in accordance with all prescribed guidelines for Fiscal Year 2024 and Fiscal Year 2025. The chief executive officer is authorized to adjust the requested funding amounts, FTEs, rider language, or any other part of the legislative appropriations request to align with updated information.*

**DISCUSSION ITEM**

**6. Report of the CEO (Discussion Only)**

Mr. Timmins provided a recap of the upcoming statutory requirement to notify the legislature of the expectation related to distribution and the treatment of this notification during the interim period of transition. He also gave the committee an overview of the strategic vision driving each phase of the organizational transition.

The meeting of the Board of Directors of the Texas PSF Corporation adjourned at 10:38 a.m.