Report of the State Board of Education
Committee on School Finance/Permanent School Fund
May 19, 2009

The State Board of Education Committee on School Finance/Permanent School Fund met at 1 p.m. on Tuesday, May 19, 2009, in Room #2-195 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. All members of the committee were present, as follows:

Presiding: David Bradley, chair; Rick Agosto, vice chair; Cynthia Dunbar, Gail Lowe, Rene Nuñez

Public Testimony

This item provides an opportunity for the public to present testimony at the time the related item comes up for committee discussion or action. The procedures for registering and taking public testimony at State Board of Education committee meetings and general board meetings are provided at **http://www.tea.state.tx.us/index4.aspx?id=3958** or in the information section (yellow pages) of the agenda.

The Committee on School Finance/Permanent School Fund received no presentations of public testimony.

DISCUSSION ITEM

1. Presentation on Absolute Return Portfolios Managed for the Permanent School Fund
(Board agenda page III-15)

Mr. Bradley introduced the item.

The following four firms gave presentations by their respective representatives:

Grosvenor Capital Management, L.P.
David Richter, Managing Director, Investments
Paul A,.Meister, Managing Director, Chief Operating Officer

Mesirow Financial
Erik Barefield, Senior Vice President
Linda Jordan, Managing Director, Institutional Sales and Marketing
Brian D. Cornell, Senior Managing Director

K2 Advisors
Joe Hernandez, Managing Director, Client Service
Brian Walsh, Managing Director
David Saunders, Founding Managing Director

The meeting recessed at 3:15 and reconvened at 3:20 p.m.

Blackstone Alternative Asset Management L.P.
Mimi Gammill, CFA, Vice President
Halbert Lindquist, Senior Managing Director, Chief Investment Strategist
Steve W. Sullens, Senior Managing Director
Brian Gavin, Chief Operating Officer and Partner

The meeting of the Committee on School Finance/Permanent School Fund adjourned at 4:17 p.m.