

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 27, 2005

TO: Honorable Craig Eiland, Chair, House Committee on Pensions & Investments

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

IN RE: HB2568 by Eiland (Relating to certain retired school employees and the powers and duties of the Teacher Retirement System of Texas.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would make numerous clarifying amendments to statutes related to the Teacher Retirement System (TRS).

The bill would make several changes to TRS statutes to grant similar or greater independence as statutes related to the Employees Retirement System (ERS). Among these changes is a provision that would grant exclusive control of all assets held in trust and all operations funded by trust assets to the TRS board of trustees. Since the 2000-01 biennium, TRS administrative functions have been funded with trust assets that have been appropriated through the General Appropriations Act.

The bill would exempt TRS from several provisions governing state agencies' requirements regarding the use of services or functions of the State Office of Risk Management, the Texas Building and Procurement Commission, the Department of Information Resources, and the State Office of Administrative Hearings, as well as other requirements related to contracting. These provisions are similar to provisions under which ERS operates. The bill would allow the agency to self-insure as a fiduciary and as regards liability.

TRS anticipates no significant fiscal or actuarial impact associated with the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 701 Central Education Agency

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