

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 19, 2005

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB3125 by Eiland (Relating to a retired employee's eligibility for participation in the optional retirement program and the regulation of investment advisors in that program.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code as it relates to a retired employee's eligibility for participation in the optional retirement system. The bill would also place limitations on the payments of fees to investment advisors for participants of the Optional Retirement Program. Advisors would have to be registered with a currently authorized vendor, and institutions of higher education could determine their own policies and procedures that advisors must follow.

The bill would take effect September 1, 2005.

Local Government Impact

The bill would allow institutions of higher education to contribute to the optional retirement system (ORP) on behalf of employees who retire and subsequently return to work in positions that are eligible for participation in ORP. As such, there may be a local impact to the degree institutions elect to make such contributions.

Source Agencies: 323 Teacher Retirement System, 781 Higher Education Coordinating Board

LBB Staff: JOB, SR, RT, JAW