

BILL ANALYSIS

H.B. 1689
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Pensions & Investments
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, the Teacher Retirement System (TRS) Board of Trustees is composed of nine trustees who are appointed to staggered terms of six years. Three of these trustees are directly appointed by the governor, two trustees are appointed by the governor from the three public school district active member candidates that were nominated by employees of public school districts, the State Board of Education provides a list to the governor from which two trustees are appointed, TRS retirees nominate three retired member candidates from which the governor appoints one, and the remaining trustee position is appointed by the governor from the three higher education active member candidates that were nominated by the employees of institutions of higher education.

This bill modifies the appointment process for the TRS Board of Trustees to provide for direct election of some of the members of the board by TRS members and retirees.

RULEMAKING AUTHORITY

This bill grants additional rulemaking authority to the TRS Board of Trustees in Sections 825.002(c), (d), and (e), Government Code (in SECTION 3 of the bill).

ANALYSIS

This bill amends the Government Code to allow the governor to appoint, with advice and consent of the senate, three members of the board of trustees. Members of the retirement system who most recently worked for a public school district may elect two members of the board, who must be members of the retirement system and currently employed by a public district. These two members hold office for staggered terms. Persons who have retired and are receiving benefits from the retirement system shall elect, under the rules adopted by the board, one member of the board who must be a former member of the retirement system. Members of the retirement system, whose most recent service was in higher education, are to elect one member who must be a member of the retirement system and employed by an institution of higher education. The remaining two members will be chosen by the governor, from a list of nominees submitted by the State Board of Education, as previously prescribed in the Code.

The bill also makes conforming changes regarding the election of board members rather than their nomination to the board.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.