

By: Davis of Dallas

H.B. No. 1689

A BILL TO BE ENTITLED

AN ACT

relating to the selection of certain members of the board of trustees of the Teacher Retirement System of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 821.001(5), Government Code, is amended to read as follows:

(5) "Board of trustees" means the board appointed or elected under this subtitle to administer the retirement system.

SECTION 2. The heading to Section 825.002, Government Code, is amended to read as follows:

Sec. 825.002. APPOINTMENT AND ELECTION OF TRUSTEES [~~APPOINTED BY GOVERNOR~~].

SECTION 3. Sections 825.002(a), (c), (d), and (e), Government Code, are amended to read as follows:

(a) The governor shall appoint, with the advice and consent of the senate and as provided by this section, three [~~seven~~] members of the board of trustees.

(c) Members of the retirement system whose most recent credited service was performed for a public school district [~~The governor~~] shall elect under rules adopted by the board [~~appoint~~] two members of the board who must be [~~from a slate of three~~] members of the retirement system and [~~who are~~] currently employed by a public school district [~~and who have been nominated in accordance with Subsection (f) by the members of the retirement system whose~~]

1 ~~most recent credited service was performed for a public school~~
2 ~~district]~~. The two members hold office for staggered terms.

3 (d) Persons who have retired and are receiving benefits from
4 the retirement system [~~The governor~~] shall elect under rules
5 adopted by the board [~~appoint~~] one member of the board who must be a
6 [from a slate of three] former member [~~members~~] of the retirement
7 system who is [~~have~~] retired and [~~are~~] receiving benefits from the
8 retirement system [~~and who have been nominated in accordance with~~
9 ~~Subsections (f) and (g) by the persons who have retired and are~~
10 ~~receiving benefits from the retirement system]~~.

11 (e) Members of the retirement system whose most recent
12 credited service was performed for an institution of higher
13 education [~~The governor~~] shall elect under rules adopted by the
14 board [~~appoint~~] one member who must be a member [~~from a slate of~~
15 ~~three members~~] of the retirement system and [~~who are~~] currently
16 employed by an institution of higher education [~~and who have been~~
17 ~~nominated in accordance with Subsection (f) by the members of the~~
18 ~~retirement system whose most recent credited service was performed~~
19 ~~for an institution of higher education]~~.

20 SECTION 4. Sections 825.0032(a) and (b), Government Code,
21 are amended to read as follows:

22 (a) Except as provided by Subsection (b), a person is not
23 eligible for appointment or election to the board if the person or
24 the person's spouse:

25 (1) is employed by or participates in the management
26 of a business entity or other organization receiving funds from the
27 retirement system;

1 (2) owns or controls, directly or indirectly, more
2 than a 10 percent interest in a business entity or other
3 organization receiving funds from the retirement system; or

4 (3) uses or receives a substantial amount of tangible
5 goods, services, or funds from the retirement system, other than
6 compensation or reimbursement authorized by law for board
7 membership, attendance, or expenses.

8 (b) Subsection (a) does not apply to employment by,
9 participation in the management of, or ownership or control of an
10 interest in a business entity or other organization on behalf of the
11 retirement system. Subsection (a)(3) does not apply to a person who
12 is elected [~~nominated for appointment~~] under Section 825.002(c),
13 (d), or (e).

14 SECTION 5. Section 825.0041(b), Government Code, is amended
15 to read as follows:

16 (b) A training program established under this section shall
17 provide information to the member regarding:

18 (1) the enabling legislation that created the
19 retirement system and its policy-making body to which the member is
20 appointed or elected to serve;

21 (2) the programs operated by the system;

22 (3) the role and functions of the system;

23 (4) the rules of the system with an emphasis on the
24 rules that relate to disciplinary and investigatory authority;

25 (5) the current budget for the system;

26 (6) the results of the most recent formal audit of the
27 system;

1 (7) the requirements of the:

2 (A) open meetings law, Chapter 551;

3 (B) open records law, Chapter 552; and

4 (C) administrative procedure law, Chapter 2001;

5 (8) the requirements of the conflict of interest laws
6 and other laws relating to public officials; and

7 (9) any applicable ethics policies adopted by the
8 system or the Texas Ethics Commission.

9 SECTION 6. Section 825.009(a), Government Code, is amended
10 to read as follows:

11 (a) A trustee elected [~~appointed from a slate of members~~
12 ~~nominated by members of the retirement system~~] under Section
13 825.002 is entitled to leave with pay from the trustee's public
14 school employer to attend to the official business of the
15 retirement system.

16 SECTION 7. Section 825.010(a), Government Code, is amended
17 to read as follows:

18 (a) It is a ground for removal from the board if a trustee:

19 (1) does not have at the time of appointment or
20 election the qualifications required for the trustee's position;

21 (2) does not maintain during service on the board the
22 qualifications required for the trustee's position;

23 (3) violates a prohibition established by Section
24 825.002(b) or 825.0032;

25 (4) cannot because of illness or disability discharge
26 the trustee's duties for a substantial part of the term for which
27 the trustee is appointed or elected; or

1 (5) is absent from more than one-third of the
2 regularly scheduled board meetings that the person is eligible to
3 attend during a calendar year unless the absence is excused by
4 majority vote of the board.

5 SECTION 8. Sections 825.002(f) and (g), Government Code,
6 are repealed.

7 SECTION 9. (a) Section 825.002, Government Code, as amended
8 by this Act, applies only to the appointment or election of a member
9 of the board of trustees of the Teacher Retirement System of Texas
10 that occurs on or after the effective date of this Act.

11 (b) The change in the manner of appointing or electing
12 members of the board does not affect the appointment of members
13 serving on the board before the effective date of this Act.

14 SECTION 10. This Act takes effect immediately if it
15 receives a vote of two-thirds of all the members elected to each
16 house, as provided by Section 39, Article III, Texas Constitution.
17 If this Act does not receive the vote necessary for immediate
18 effect, this Act takes effect September 1, 2007.