

BILL ANALYSIS

H.B. 648
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Pensions, Investments & Financial Services
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 the trustees are directly appointed by the governor. The governor appoints another two trustees from a slate of the three public school district active member candidates who were nominated by employees of public school districts. The State Board of Education provides a list of nominees to the governor, and the governor appoints two more from that list. TRS retirees nominate three retired member candidates, from which slate the governor appoints one, and the remaining trustee position is appointed by the governor from a slate of three higher education active member candidates who were nominated by the employees of institutions of higher education.

H.B. 648 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

It is the committee's opinion that rulemaking authority is expressly granted to the Board of Trustees of the Teacher Retirement System of Texas in SECTION 3 of this bill.

ANALYSIS

H.B. 648 amends the Government Code to reduce from seven members to three members the number of gubernatorial appointees to the Teacher Retirement System of Texas (TRS) board of trustees, not including the two gubernatorial appointees from the slate of nominees provided by the State Board of Education, and replace four former appointees with four elected members as follows. The bill replaces the two former appointees whose qualification for appointment to the board consisted of being TRS members who currently are public school district employees and who were nominated for gubernatorial appointment by TRS members whose most recent credited service was performed for a school district with two TRS members who currently are public school district employees but who are elected, rather than nominated for appointment, by those other TRS members.

H.B. 648 replaces the former appointee whose qualification for appointment to the board consisted of being a retiree receiving TRS benefits and who was nominated for appointment by other TRS retirees receiving system benefits with a retiree receiving TRS benefits but who is elected, rather than nominated for appointment, by those other TRS retirees.

H.B. 648 replaces the former appointee whose qualification for appointment to the board consisted of being a TRS member who currently is a higher education employee and who was nominated for gubernatorial appointment by TRS members whose most recent credited service was performed for an institution of higher education with a TRS member who currently is a higher education employee but who is elected, rather than nominated for appointment, by those other TRS members.

H.B. 648 extends the grounds for ineligibility for appointment to the board to apply to ineligibility for election to the board, requires an elected member to attend the same board member training required of the appointed members, entitles an elected member to the same leave with pay benefits provided appointed members, and makes an elected member subject to removal from the board on the same grounds that apply to removal of an appointed board member.

H.B. 648 requires the retirement system to adopt rules for the election of members and retired members to the board of trustees.

H.B. 648 defines "board of trustees."

H.B. 648 repeals Sections 825.002(f) and (g), Government Code, relating to the nomination of members and retired members for the board of trustees.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.