

## **BILL ANALYSIS**

C.S.H.B. 1344  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Municipal Retirement System currently has an advisory committee that was established to provide input to the board of trustees on matters related to the retirement system. This advisory committee also is charged with facilitating communication between the retirement system, its members, retirees, beneficiaries, participating municipalities, and other stakeholders. The current advisory committee was created by rule and adopted by the board of trustees of the Texas Municipal Retirement System, which allows the committee to be modified or abolished by the board at any time. A number of stakeholders believe that the advisory committee is an important communications tool for the retirement system, but there is concern that a future board of trustees might make drastic changes to the committee or abolish it outright.

C.S.H.B. 1344 establishes the advisory committee to the Texas Municipal Retirement System in state law.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1344 amends the Government Code to require the Texas Municipal Retirement System board of trustees to establish an advisory committee to provide input to the board on matters relating to the retirement system; facilitate communication between the retirement system and its members, retirees, beneficiaries, and participating municipalities; and allow stakeholders, municipal officials and policy makers, and employee organizations to share their input and perspective on issues under review by the board. The bill provides that the advisory committee consists of appointed individual and group class members and a trustee appointed by the board who serves as an ex officio, nonvoting member and presiding officer of the advisory committee. The bill requires the board of trustees of Texas Municipal Retirement System to establish the advisory committee not later than January 1, 2010.

C.S.H.B. 1344 requires the board of trustees to appoint nine individual class members to serve staggered three-year terms, prohibits an individual class member from serving more than two terms, and specifies the timing of filling expiring and vacant positions. The bill requires individual class members to be highly qualified and diverse, as determined by the board of trustees, and specifies certain diverse characteristics to be represented. The bill sets forth the eligibility requirements for service on the board as an individual class member and provides that an individual class member serves at the will of the board of trustees.

C.S.H.B. 1344 sets forth the authorized organizations from which one representative and one alternate representative each may be appointed to compose the group class membership and authorizes each organization, at its sole discretion, to nominate the representative and the alternate to serve as its group class member and to nominate a person to replace a class member

who resigns, is removed, or becomes unable to serve. The bill requires each organization to communicate its nomination to the board of trustees in writing and requires the board to appoint the nominee to the advisory committee at the next scheduled meeting after the board receives the nomination. The bill requires an alternate representative to attend an advisory committee meeting, including a joint meeting with the board of trustees, if the organization's representative is unable to attend. The bill authorizes the removal of a group class member by the board of trustees for cause or at the will of the organization that nominated the member.

C.S.H.B. 1344 requires the advisory committee to meet quarterly or at the call of the presiding officer, requires all meetings to take place at the offices of the retirement system or at a place specified by the presiding officer, and requires the presiding officer to determine the agenda for a meeting in advance. The bill provides that a quorum of the advisory committee is a majority of all of the members in attendance, excluding alternates not attending on behalf of a representative, and that a majority vote of a quorum of the advisory committee is required for action. The bill provides that each member of the individual class and each representative of an organization in the group class is entitled to one vote. The bill requires the advisory committee to participate in an annual joint meeting with the board of trustees to receive a presentation of the retirement system's most recent actuarial valuation, to review and provide input regarding potential legislative changes and issues affecting the retirement system and its participants, and to maintain communication with statewide professional organizations. The bill requires the advisory committee to report on its activities to the board of trustees at meetings with and special presentations before the board.

C.S.H.B. 1344 exempts the advisory committee to the retirement system board of trustees from provisions in the Government Code related to state agency advisory committees in general.

#### **EFFECTIVE DATE**

September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1344 removes a provision in the original specifying that an advisory committee member is not entitled to reimbursement of expenses or compensation for service on the committee.