

By: Davis of Dallas

H.B. No. 648

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

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

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

18 (c) Members of the retirement system whose most recent
19 credited service was performed for a public school district [~~The~~
20 ~~governor~~] shall elect under rules adopted by the board [~~appoint~~]
21 two members of the board who must be [~~from a slate of three~~] members
22 of the retirement system and [~~who are~~] currently employed by a
23 public school district [~~and who have been nominated in accordance~~
24 ~~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. Sections 825.0041(a) and (c), Government Code,
15 are amended to read as follows:

16 (a) A person who is appointed or elected to and qualifies
17 for office as a member of the board of trustees may not vote,
18 deliberate, or be counted as a member in attendance at a meeting of
19 the board until the person completes a training program that
20 complies with this section.

21 (c) A person appointed or elected to the board of trustees
22 is entitled to reimbursement under Section 825.007 for the travel
23 expenses incurred in attending the training program regardless of
24 whether the attendance at the program occurs before or after
25 the person qualifies for office.

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

1 (a) A trustee elected [~~appointed from a slate of members~~
2 ~~nominated by members of the retirement system~~] under Section
3 825.002 is entitled to leave with pay from the trustee's public
4 school employer to attend to the official business of the
5 retirement system.

6 SECTION 7. Sections 825.010(a) and (c), Government Code,
7 are amended to read as follows:

8 (a) It is a ground for removal from the board that a trustee:

9 (1) does not have at the time of taking office the
10 qualifications required for the trustee's position;

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

13 (3) violates a prohibition established by Section
14 825.002(b) or 825.0032;

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

18 (5) is absent from more than half of the regularly
19 scheduled board meetings that the person is eligible to attend
20 during a calendar year without an excuse approved by a majority vote
21 of the board.

22 (c) If the executive director has knowledge that a potential
23 ground for removal exists, the executive director shall notify the
24 presiding officer of the board of the ground. The presiding officer
25 shall then notify the appropriate appointing officer, if any, and
26 the attorney general that a potential ground for removal exists. If
27 the potential ground for removal involves the presiding officer,

1 the executive director shall notify the next highest officer of the
2 board, who shall notify the appropriate appointing officer, if any,
3 and the attorney general that a potential ground for removal
4 exists.

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, 2009.