

By: Vo

H.B. No. 1094

A BILL TO BE ENTITLED

AN ACT

relating to the composition 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 persons ~~[board]~~ appointed or elected under this subtitle to administer the retirement system.

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

Sec. 825.002. APPOINTMENT AND ELECTION OF TRUSTEES ~~[APPOINTED BY GOVERNOR]~~. (a) The governor shall appoint, with the advice and consent of the senate ~~[and as provided by this section]~~, ~~[seven members of the board of trustees]~~.

~~[(b) The governor shall appoint]~~ three trustees ~~[members]~~ of the board of trustees to hold office for staggered terms, with the term of one trustee expiring on August 31 of each odd-numbered year. These trustees ~~[members]~~ must be persons who have demonstrated financial expertise, who have worked in private business or industry, and who have broad investment experience, preferably in investment of pension funds. None of the trustees ~~[members]~~ appointed under this subsection may be a member or annuitant of the retirement system.

1        (b) Two trustees who are [~~(c) The governor shall appoint~~  
2 ~~two members of the board from a slate of three]~~ members of the  
3 retirement system and who are currently employed by a public school  
4 district shall be elected [~~and who have been nominated in~~  
5 ~~accordance with Subsection (f)]~~ by the members of the retirement  
6 system whose most recent credited service was performed for a  
7 public school district. The two trustees [~~members~~] hold office for  
8 staggered terms.

9        (c) One trustee who is a [~~(d) The governor shall appoint one~~  
10 ~~member of the board from a slate of three]~~ former member [~~members~~]  
11 of the retirement system, has [~~who have~~] retired, and is [~~are~~]  
12 receiving benefits from the retirement system shall be elected [~~and~~  
13 ~~who have been nominated in accordance with Subsections (f) and (g)]~~  
14 by [~~the~~] persons who have retired and are receiving benefits from  
15 the retirement system.

16        (d) One trustee who is a member [~~(e) The governor shall~~  
17 ~~appoint one member from a slate of three members]~~ of the retirement  
18 system and who is [~~are currently~~] employed by an institution of  
19 higher education shall be elected [~~and who have been nominated in~~  
20 ~~accordance with Subsection (f)]~~ by the members of the retirement  
21 system whose most recent credited service was performed for an  
22 institution of higher education.

23        (e) The board of trustees shall adopt rules for the election  
24 of trustees described [~~(f) Persons considered for nomination]~~  
25 under Subsection (b), (c), or (d) [~~, or (e) must have been nominated~~  
26 ~~by written ballot at an election conducted under rules adopted by~~  
27 ~~the board of trustees]~~.

1        (f) [~~(g)~~] To provide for the election [~~nomination~~ of  
2 ~~persons for appointment~~] under Subsection (c) [~~(d)~~], the board of of  
3 trustees shall send to each retiree of the retirement system:

4            (1) notice of the deadline for filing as a candidate  
5 for election [~~nomination~~];

6            (2) information on procedures to follow in filing as a  
7 candidate; and

8            (3) a [~~written~~] ballot.

9        SECTION 3. Sections 825.0032(a) and (b), Government Code,  
10 are amended to read as follows:

11        (a) Except as provided by Subsection (b), a person is not  
12 eligible for appointment or election to the board of trustees if the  
13 person or the person's spouse:

14            (1) is employed by or participates in the management  
15 of a business entity or other organization receiving funds from the  
16 retirement system;

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

20            (3) uses or receives a substantial amount of tangible  
21 goods, services, or funds from the retirement system, other than  
22 compensation or reimbursement authorized by law for board of  
23 trustees membership, attendance, or expenses.

24        (b) Subsection (a) does not apply to employment by,  
25 participation in the management of, or ownership or control of an  
26 interest in a business entity or other organization on behalf of the  
27 retirement system. Subsection (a)(3) does not apply to a person who

1 is elected [~~nominated for appointment~~] under Section 825.002(b)  
2 [~~825.002(c)~~], (c), or (d) [~~, or (e)~~].

3 SECTION 4. Sections 825.0041(a) and (c), Government Code,  
4 are amended to read as follows:

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

10 (c) A person appointed or elected to the board of trustees  
11 is entitled to reimbursement under Section 825.007 for the travel  
12 expenses incurred in attending the training program regardless of  
13 whether the attendance at the program occurs before or after  
14 the person qualifies for office.

15 SECTION 5. Section 825.009(a), Government Code, is amended  
16 to read as follows:

17 (a) A trustee elected [~~appointed from a slate of members~~  
18 ~~nominated~~] by members of the retirement system under Section  
19 825.002 is entitled to leave with pay from the trustee's public  
20 school employer to attend to the official business of the  
21 retirement system.

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

24 (a) It is a ground for removal from the board of trustees  
25 that a trustee:

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

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

3           (3) violates a prohibition established by Section  
4 825.002(a) [~~825.002(b)~~] or 825.0032 applicable to the trustee;

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

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

12          (c) If the executive director has knowledge that a potential  
13 ground for removal exists, the executive director shall notify the  
14 presiding officer of the board of trustees of the ground. The  
15 presiding officer shall then notify the governor [~~appropriate~~  
16 ~~appointing officer~~] and the attorney general that a potential  
17 ground for removal exists. If the potential ground for removal  
18 involves the presiding officer, the executive director shall notify  
19 the next highest officer of the board, who shall notify the governor  
20 [~~appropriate appointing officer~~] and the attorney general that a  
21 potential ground for removal exists.

22          SECTION 7. (a) This Act applies only to the appointment or  
23 election of a trustee of the board of trustees of the Teacher  
24 Retirement System of Texas that occurs on or after the effective  
25 date of this Act.

26          (b) A person who is serving as a trustee immediately before  
27 the effective date of this Act may complete the trustee's term of

1 office, and the trustee's qualifications for serving as a trustee  
2 are governed by the law in effect immediately before the effective  
3 date of this Act until the date that trustee's term expires.

4 SECTION 8. This Act takes effect January 1, 2010.