

By: Miller of Comal, Herrero, Hunter, et al.

H.B. No. 2656

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. 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), (e), (f), and (g), 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 Subsection (b) ~~[this section]~~, three ~~[seven]~~ members of the board of trustees.

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

1 public school district. The two trustees [~~members~~] hold office for
2 staggered terms.

3 (d) Two trustees who are [~~The governor shall appoint one~~
4 ~~member of the board from a slate of three~~] former members of the
5 retirement system who have retired and are receiving benefits from
6 the retirement system shall be elected [~~and who have been nominated~~
7 ~~in accordance with Subsections (f) and (g)~~] by [~~the~~] persons who
8 have retired and are receiving benefits from the retirement system.
9 The two members elected under this subsection hold office for
10 staggered terms.

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

18 (f) The board of trustees shall adopt rules for the election
19 of trustees [~~Persons considered for nomination~~] under Subsections
20 [~~Subsection~~] (c), (d), and [~~or~~] (e) [~~must have been nominated by~~
21 ~~written ballot at an election conducted under rules adopted by the~~
22 ~~board of trustees~~].

23 (g) To provide for the election [~~nomination of persons for~~
24 ~~appointment~~] under Subsection (d), the board shall send to each
25 retiree of the retirement system:

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

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

3 (3) a written ballot.

4 SECTION 4. Section 825.003, Government Code, is amended to
5 read as follows:

6 Sec. 825.003. TRUSTEES APPOINTED BY GOVERNOR FROM NOMINEES
7 OF BOARD OF EDUCATION. The governor shall appoint one member [~~two~~
8 ~~members~~] of the board of trustees, subject to confirmation by
9 two-thirds of the senate, from lists of nominees submitted by the
10 State Board of Education. The member appointed under this
11 subsection [~~These members~~] must be a person [~~persons~~] who has
12 [~~have~~] demonstrated financial expertise, has [~~have~~] worked in
13 private business or industry, and has [~~have~~] broad investment
14 experience, preferably in investment of pension funds.

15 SECTION 5. Sections 825.0032(a) and (b), Government Code,
16 are amended to read as follows:

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

20 (1) is employed by or participates in the management
21 of a business entity or other organization receiving funds from the
22 retirement system;

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

26 (3) uses or receives a substantial amount of tangible
27 goods, services, or funds from the retirement system, other than

1 compensation or reimbursement authorized by law for board of
2 trustees membership, attendance, or expenses.

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

9 SECTION 6. Sections 825.0041(a) and (c), Government Code,
10 are amended to read as follows:

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

16 (c) A person appointed or elected to the board of trustees
17 is entitled to reimbursement under Section 825.007 for the travel
18 expenses incurred in attending the training program regardless of
19 whether the attendance at the program occurs before or after
20 the person qualifies for office.

21 SECTION 7. Section 825.009(a), Government Code, is amended
22 to read as follows:

23 (a) A trustee elected [~~appointed from a slate of members~~
24 ~~nominated~~] by members of the retirement system under Section
25 825.002 is entitled to leave with pay from the trustee's public
26 school employer to attend to the official business of the
27 retirement system.

1 SECTION 8. Sections 825.010(a) and (c), Government Code,
2 are amended to read as follows:

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

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

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

9 (3) violates a prohibition established by Section
10 825.002(b) or 825.0032 applicable to the trustee;

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

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

18 (c) If the executive director has knowledge that a potential
19 ground for removal exists, the executive director shall notify the
20 presiding officer of the board of trustees of the ground. The
21 presiding officer shall then notify the governor [~~appropriate~~
22 ~~appointing officer~~] and the attorney general that a potential
23 ground for removal exists. If the potential ground for removal
24 involves the presiding officer, the executive director shall notify
25 the next highest officer of the board, who shall notify the governor
26 [~~appropriate appointing officer~~] and the attorney general that a
27 potential ground for removal exists.

1 SECTION 9. (a) This Act applies only to the appointment or
2 election of a trustee of the board of trustees of the Teacher
3 Retirement System of Texas that occurs on or after the effective
4 date of this Act.

5 (b) A person who is serving as a trustee immediately before
6 the effective date of this Act may complete the trustee's term of
7 office, and the trustee's qualifications for serving as a trustee
8 are governed by the law in effect immediately before the effective
9 date of this Act until the date that trustee's term expires.

10 SECTION 10. This Act takes effect September 1, 2009.