

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. Sections 825.002(a) and (d), 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 this section, eight [~~seven~~] members of the board of trustees.

(d) The governor shall appoint two members [~~one member~~] of the board from a slate of three former members of the retirement system who have retired and are receiving benefits from the retirement system and who have been nominated in accordance with Subsections (f) and (g) by the persons who have retired and are receiving benefits from the retirement system. The two members hold office for staggered terms.

SECTION 2. Section 825.003, Government Code, is amended to read as follows:

Sec. 825.003. TRUSTEES APPOINTED BY GOVERNOR FROM NOMINEES OF BOARD OF EDUCATION. The governor shall appoint one member [~~two members~~] of the board of trustees, subject to confirmation by two-thirds of the senate, from lists of nominees submitted by the State Board of Education. The member appointed under this section [~~These members~~] must be a person [~~persons~~] who has [~~have~~]

1 demonstrated financial expertise, has [~~have~~] worked in private
2 business or industry, and has [~~have~~] broad investment experience,
3 preferably in investment of pension funds.

4 SECTION 3. Sections 825.010(a) and (c), Government Code,
5 are amended to read as follows:

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

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

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

12 (3) violates a prohibition established by Section
13 825.002(b) or 825.0032 applicable to the trustee;

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

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

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

1 the next highest officer of the board, who shall notify the governor
2 [~~appropriate appointing officer~~] and the attorney general that a
3 potential ground for removal exists.

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

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

12 SECTION 5. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 2656 was passed by the House on May 11, 2009, by the following vote: Yeas 147, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2656 on May 29, 2009, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2656 was passed by the Senate, with amendments, on May 26, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor