

By: Miller of Comal

H.B. No. 2656

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the composition of the board of trustees of the Teacher  
3 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 persons [~~board~~]  
8 appointed or elected under this subtitle to administer the  
9 retirement system.

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

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

14 SECTION 3. Sections 825.002(a), (d), (f), and (g),  
15 Government Code, are amended to read as follows:

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

19 (d) Two trustees who are [~~The governor shall appoint one~~  
20 ~~member of the board from a slate of three~~] former members of the  
21 retirement system who have retired and are receiving benefits from  
22 the retirement system shall be elected [~~and who have been nominated~~  
23 ~~in accordance with Subsections (f) and (g)~~] by [~~the~~] persons who  
24 have retired and are receiving benefits from the retirement system.

1 The two members elected under this subsection hold office for  
2 staggered terms.

3 (f) Persons considered for nomination under Subsection  
4 (c) [~~-(d)-~~] or (e) or elected under Subsection (d) must have been  
5 nominated or elected, as appropriate, by written ballot at an  
6 election conducted under rules adopted by the board of trustees.

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

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

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

14 (3) a written ballot.

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

17 Sec. 825.003. TRUSTEES APPOINTED BY GOVERNOR FROM NOMINEES  
18 OF BOARD OF EDUCATION. The governor shall appoint one member [~~two~~  
19 ~~members~~] of the board of trustees, subject to confirmation by  
20 two-thirds of the senate, from lists of nominees submitted by the  
21 State Board of Education. The member appointed under this  
22 subsection [~~These members~~] must be a person [~~persons~~] who has  
23 [~~have~~] demonstrated financial expertise, has [~~have~~] worked in  
24 private business or industry, and has [~~have~~] broad investment  
25 experience, preferably in investment of pension funds.

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

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

4 (1) is employed by or participates in the management  
5 of a business entity or other organization receiving funds from the  
6 retirement system;

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

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

14 (b) Subsection (a) does not apply to employment by,  
15 participation in the management of, or ownership or control of an  
16 interest in a business entity or other organization on behalf of the  
17 retirement system. Subsection (a)(3) does not apply to a person who  
18 is appointed or elected [~~nominated for appointment~~] under Section  
19 825.002(c), (d), or (e).

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

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

27 (c) A person appointed or elected to the board of trustees

1 is entitled to reimbursement under Section 825.007 for the travel  
2 expenses incurred in attending the training program regardless of  
3 whether the attendance at the program occurs before or after  
4 the person qualifies for office.

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

7 (a) It is a ground for removal from the board of trustees  
8 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 applicable to the trustee;

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 trustees of the ground. The  
25 presiding officer shall then notify the governor [~~appropriate~~  
26 ~~appointing officer~~] and the attorney general that a potential  
27 ground for removal exists. If the potential ground for removal

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

5 SECTION 8. (a) This Act applies only to the appointment or  
6 election of a trustee of the board of trustees of the Teacher  
7 Retirement System of Texas that occurs on or after the effective  
8 date of this Act.

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

14 SECTION 9. This Act takes effect September 1, 2009.