

1-1 By: Miller of Comal, et al. H.B. No. 2656  
1-2 (Senate Sponsor - Duncan)  
1-3 (In the Senate - Received from the House May 12, 2009;  
1-4 May 13, 2009, read first time and referred to Committee on State  
1-5 Affairs; May 23, 2009, reported adversely, with favorable  
1-6 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-7 May 23, 2009, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 2656 By: Duncan

1-9 A BILL TO BE ENTITLED  
1-10 AN ACT

1-11 relating to the composition of the board of trustees of the Teacher  
1-12 Retirement System of Texas.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Sections 825.002(a) and (d), Government Code,  
1-15 are amended to read as follows:

1-16 (a) The governor shall appoint, with the advice and consent  
1-17 of the senate and as provided by this section, eight ~~seven~~ members  
1-18 of the board of trustees.

1-19 (d) The governor shall appoint two members ~~one member~~ of  
1-20 the board from a slate of three former members of the retirement  
1-21 system who have retired and are receiving benefits from the  
1-22 retirement system and who have been nominated in accordance with  
1-23 Subsections (f) and (g) by the persons who have retired and are  
1-24 receiving benefits from the retirement system. The two members  
1-25 hold office for staggered terms.

1-26 SECTION 2. Section 825.003, Government Code, is amended to  
1-27 read as follows:

1-28 Sec. 825.003. TRUSTEES APPOINTED BY GOVERNOR FROM NOMINEES  
1-29 OF BOARD OF EDUCATION. The governor shall appoint one member ~~two~~  
1-30 ~~members~~ of the board of trustees, subject to confirmation by  
1-31 two-thirds of the senate, from lists of nominees submitted by the  
1-32 State Board of Education. The member appointed under this  
1-33 subsection ~~These members~~ must be a person ~~persons~~ who has  
1-34 ~~have~~ demonstrated financial expertise, has ~~have~~ worked in  
1-35 private business or industry, and has ~~have~~ broad investment  
1-36 experience, preferably in investment of pension funds.

1-37 SECTION 3. Sections 825.010(a) and (c), Government Code,  
1-38 are amended to read as follows:

1-39 (a) It is a ground for removal from the board of trustees  
1-40 that a trustee:

1-41 (1) does not have at the time of taking office the  
1-42 qualifications required for the trustee's position;

1-43 (2) does not maintain during service on the board the  
1-44 qualifications required for the trustee's position;

1-45 (3) violates a prohibition established by Section  
1-46 825.002(b) or 825.0032 applicable to the trustee;

1-47 (4) cannot because of illness or disability discharge  
1-48 the trustee's duties for a substantial part of the term for which  
1-49 the trustee is appointed; or

1-50 (5) is absent from more than half of the regularly  
1-51 scheduled board meetings that the person is eligible to attend  
1-52 during a calendar year without an excuse approved by a majority vote  
1-53 of the board.

1-54 (c) If the executive director has knowledge that a potential  
1-55 ground for removal exists, the executive director shall notify the  
1-56 presiding officer of the board of trustees of the ground. The  
1-57 presiding officer shall then notify the governor ~~appropriate~~  
1-58 ~~appointing officer~~ and the attorney general that a potential  
1-59 ground for removal exists. If the potential ground for removal  
1-60 involves the presiding officer, the executive director shall notify  
1-61 the next highest officer of the board, who shall notify the governor  
1-62 ~~appropriate appointing officer~~ and the attorney general that a  
1-63 potential ground for removal exists.

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

2-4 (b) A person who is serving as a trustee immediately before  
2-5 the effective date of this Act may complete the trustee's term of  
2-6 office, and the trustee's qualifications for serving as a trustee  
2-7 are governed by the law in effect immediately before the effective  
2-8 date of this Act until the date that trustee's term expires.

2-9 SECTION 5. This Act takes effect September 1, 2009.

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