

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1259 by Kolkhorst (Relating to hiring outside legal counsel to provide legal services to the Teacher Retirement System of Texas.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would clarify that the Teacher Retirement System (TRS) may not employ outside legal counsel, including legal counsel in the areas of ethics and fiduciary responsibilities, except as provided by Section 402.0212 of the Government Code, regardless of the source of funds used.

Additionally, if the Office of the Attorney General (OAG) denies approval of a TRS contract for legal services under Section 402.0212 of the Government Code, the OAG shall provide a reason for the denial and TRS would be able to select alternative outside legal counsel, subject to approval by the OAG in accordance with Sections 825.203 and 402.0121 of the Government Code.

The bill would take effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 323 Teacher Retirement System

LBB Staff: JOB, KJG, JRO, JGM, JW