

BILL ANALYSIS

C.S.H.B. 3747
By: McClendon
Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, the board of trustees of the Teacher Retirement System of Texas (TRS) is composed of nine members appointed by the governor to staggered six-year terms. Three trustees are directly appointed by the governor; two trustees are appointed by the governor from a list of candidates nominated by the State Board of Education; two trustees are appointed by the governor from active public school employee candidates who were nominated by employees of public school districts; one trustee is appointed by the governor from TRS retiree candidates who were nominated by TRS retirees; and the one remaining trustee is appointed by the governor from active higher education employee candidates who were nominated by employees of higher education institutions.

C.S.H.B. 3747 seeks to revise the selection of and requirements for serving as a member of the TRS board of trustees.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Teacher Retirement System of Texas in SECTION 3 of this bill.

ANALYSIS

C.S.H.B. 3747 amends the Government Code to reduce from seven to three the number of members of the board of trustees of the Teacher Retirement System of Texas (TRS) the governor is required to appoint. The bill changes the selection process for two members of the board who are TRS members and currently employed by a public school district from appointment by the governor from a slate of three nominated by members whose most recent credited service was performed for a public school district to election by such members under rules adopted by the board. The bill changes the selection process for one member of the board who is a former TRS member, retired, and receiving TRS benefits from appointment by the governor from a slate of three former members nominated by persons who have retired and are receiving TRS benefits to election by such persons under rules adopted by the board. The bill changes the selection process for one member of the board who is a TRS member and currently employed by an institution of higher education from appointment by the governor from among a slate of three nominated by members whose most recent credited service was performed for an institution of higher education to election by such members under rules adopted by the board. The bill makes related conforming changes, including a repeal of provisions of law relating to the nominating process for the slates of members from which the governor makes appointments and a redefinition of "board of trustees."

C.S.H.B. 3747 expands the information a TRS board member training program is required to provide to a person who is appointed or elected to and qualified for office as a member of the board to include information regarding the legislation that created the board of trustees; the policy-making functions of the board; the role of TRS; and the requirements of laws relating to public officials beyond conflict of interest laws. The bill specifies that information provided by

such a program regarding the budget for TRS is the current budget and that information regarding the TRS rules contain an emphasis on the rules that relate to disciplinary and investigatory authority. The bill makes additional conforming and nonsubstantive changes.

C.S.H.B. 3747 repeals Sections 825.002(f) and (g), Government Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3747 differs from the original by expanding and revising the information a training program for a member of the board of trustees of the Teacher Retirement System of Texas is required to provide to a person who is appointed or elected to and qualified for office as a member of the board, whereas the original sets out provisions related to such information.

C.S.H.B. 3747 differs from the original in nonsubstantive ways reflective of certain bill drafting conventions and by making conforming changes, clarifying changes, and technical corrections to the law.