

By: McClendon

H.B. No. 1474

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the selection of and requirements for serving as a  
3 member of the board of trustees of the Teacher Retirement System of  
4 Texas.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 821.001(5), Government Code, is amended  
7 to read as follows:

8 (5) "Board of trustees" means the board appointed or  
9 elected under this subtitle to administer the 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), (c), (d), (e), and (e-1),  
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, three [~~seven~~] members  
18 of the board of trustees.

19 (c) Members of the retirement system whose most recent  
20 credited service was performed for a public school district [~~The~~  
21 ~~governor~~] shall elect under rules adopted by the board [~~appoint~~]  
22 two members of the board, who must be [~~from a slate of three~~]  
23 members of the retirement system and be [~~who are~~] currently  
24 employed by a public school district [~~and who have been nominated in~~]

1 ~~accordance with Subsection (f) by the members of the retirement~~  
2 ~~system whose most recent credited service was performed for a~~  
3 ~~public school district].~~ The two members hold office for staggered  
4 terms.

5 (d) Persons who have retired and are receiving benefits from  
6 the retirement system [~~The governor~~] shall elect under rules  
7 adopted by the board [~~appoint~~] one member of the board, who must be  
8 a [~~from a slate of three~~] former member [~~members~~] of the retirement  
9 system who is [~~have~~] retired and [~~are~~] receiving benefits from the  
10 retirement system [~~and who have been nominated in accordance with~~  
11 ~~Subsections (f) and (g) by the persons who have retired and are~~  
12 ~~receiving benefits from the retirement system]~~].

13 (e) Subject to Subsection (e-1), the following groups  
14 collectively [~~The governor~~] shall elect under rules adopted by the  
15 board [~~appoint~~] one at-large member of the board [~~from a slate of~~  
16 ~~three persons who have been nominated in accordance with Subsection~~  
17 ~~(f) by the following groups collectively]~~]:

18 (1) members of the retirement system whose most recent  
19 credited service was performed for an institution of higher  
20 education;

21 (2) members of the retirement system whose most recent  
22 credited service was performed for a public school district; and

23 (3) persons who have retired and are receiving  
24 benefits from the retirement system.

25 (e-1) A person may be elected [~~nominated for appointment~~] to  
26 the member at-large position of the board under Subsection (e) if  
27 the otherwise eligible person is:

1           (1) a member of the retirement system who is currently  
2 employed by an institution of higher education;

3           (2) a member of the retirement system who is currently  
4 employed by a public school district; or

5           (3) a former member of the retirement system who has  
6 retired and is receiving benefits from the system.

7           SECTION 4. Sections 825.0032(a) and (b), Government Code,  
8 are amended to read as follows:

9           (a) Except as provided by Subsection (b), a person is not  
10 eligible for appointment or election to the board if the person or  
11 the person's spouse:

12           (1) is employed by or participates in the management  
13 of a business entity or other organization receiving funds from the  
14 retirement system;

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

18           (3) uses or receives a substantial amount of tangible  
19 goods, services, or funds from the retirement system, other than  
20 compensation or reimbursement authorized by law for board  
21 membership, attendance, or expenses.

22           (b) Subsection (a) does not apply to employment by,  
23 participation in the management of, or ownership or control of an  
24 interest in a business entity or other organization on behalf of the  
25 retirement system. Subsection (a)(3) does not apply to a person who  
26 is elected [~~nominated for appointment~~] under Section 825.002(c),  
27 (d), or (e).

1 SECTION 5. Section 825.0041, Government Code, is amended to  
2 read as follows:

3 Sec. 825.0041. BOARD MEMBER TRAINING. (a) A person who is  
4 appointed or elected to and qualifies for office as a member of the  
5 board of trustees may not vote, deliberate, or be counted as a  
6 member in attendance at a meeting of the board until the person  
7 completes a training program that complies with this section.

8 (b) A training program must provide the person with  
9 information regarding:

10 (1) the legislation that created the retirement system  
11 and the board of trustees;

12 (2) the policy-making functions of the board;

13 (3) the [~~system's~~] programs operated by the retirement  
14 system;

15 (4) the role and[~~7~~] functions of the retirement  
16 system;

17 (5) the[~~7~~] rules of the retirement system, with an  
18 emphasis on the rules that relate to disciplinary and investigatory  
19 authority;

20 (6) the current[~~7~~ and] budget for the retirement  
21 system;

22 (7) [~~(2)~~] the results of the most recent formal audit  
23 of the retirement system;

24 (8) [~~(3)~~] the requirements of the:

25 (A) [~~laws relating to~~] open meetings law,  
26 Chapter 551;

27 (B) public information law, Chapter 552; and

1                   (C) [~~public information~~] administrative  
2 procedure law, Chapter 2001;

3                   (9) the requirements of the conflict [~~and conflicts~~]  
4 of interest laws and other laws relating to public officials; and

5                   (10) [~~4~~] any applicable ethics policies adopted by  
6 the retirement system or the Texas Ethics Commission.

7           (c) A person appointed or elected to the board of trustees  
8 is entitled to reimbursement under Section 825.007 for the travel  
9 expenses incurred in attending the training program regardless of  
10 whether the attendance at the program occurs before or after the  
11 person qualifies for office.

12           SECTION 6. Section 825.009(a), Government Code, is amended  
13 to read as follows:

14           (a) A trustee elected [~~appointed from a slate of members~~  
15 ~~nominated by members of the retirement system~~] under Section  
16 825.002 is entitled to leave with pay from the trustee's public  
17 school employer to attend to the official business of the  
18 retirement system.

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

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

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

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

27                   (3) violates a prohibition established by Section

1 825.002(b) or 825.0032 applicable to the trustee;

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

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

9 (c) If the executive director has knowledge that a potential  
10 ground for removal exists, the executive director shall notify the  
11 presiding officer of the board of trustees of the ground. The  
12 presiding officer shall then notify the governor, if the trustee  
13 was appointed by the governor, and the attorney general that a  
14 potential ground for removal exists. If the potential ground for  
15 removal involves the presiding officer, the executive director  
16 shall notify the next highest officer of the board, who shall notify  
17 the governor, if the trustee was appointed by the governor, and the  
18 attorney general that a potential ground for removal exists.

19 SECTION 8. Sections 825.002(f), (g), and (h), Government  
20 Code, are repealed.

21 SECTION 9. (a) Section 825.002, Government Code, as  
22 amended by this Act, applies only to the appointment or election of  
23 a member of the board of trustees of the Teacher Retirement System  
24 of Texas that occurs on or after the effective date of this Act.

25 (b) The change in the manner of appointing or electing  
26 members of the board does not affect the appointment of members  
27 serving on the board before the effective date of this Act.

1           SECTION 10. This Act takes effect immediately if it  
2 receives a vote of two-thirds of all the members elected to each  
3 house, as provided by Section 39, Article III, Texas Constitution.  
4 If this Act does not receive the vote necessary for immediate  
5 effect, this Act takes effect September 1, 2013.