

## BILL ANALYSIS

C.S.H.B. 3573  
By: Alonzo  
Pensions  
Committee Report (Substituted)

### BACKGROUND AND PURPOSE

Interested parties note that only active members of the Employees Retirement System of Texas (ERS) are eligible to serve on the ERS board of trustees. These parties assert that ERS retirees should have direct representation on the board because they are directly and immediately affected by actions of the ERS board, including actions regarding health care coverage and its cost and regarding recommendations to the legislature concerning the amount of pension payments. C.S.H.B. 3573 seeks to provide for the proper representation of retirees on the ERS board of trustees.

### CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### ANALYSIS

C.S.H.B. 3573 amends the Government Code to include a retiree of the Employees Retirement System of Texas (ERS) among the persons eligible to serve as an elected member of the ERS board of trustees. The bill limits to one member the number of elected board members who may be a retiree.

### EFFECTIVE DATE

September 1, 2015.

### COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3573 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 815.001, Government Code, is amended to read as follows:  
Sec. 815.001. COMPOSITION OF BOARD OF TRUSTEES. The board of

#### HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

trustees is composed of seven [~~six~~] members.

SECTION 2. Section 815.003, Government Code, is amended by amending Subsections (a) through (d) and adding Subsection (b-1) to read as follows:

(a) Four [~~Three~~] members of the board of trustees are nominated and elected by members of the retirement system and retirees under rules adopted by the board.

(b) Three elected members [~~To be eligible to serve as an elected member~~] of the board [~~, a person~~] must be members [~~a member~~] of the retirement system and must hold positions [~~a position~~] that:

- (1) are [~~is~~] included in the employee class of membership; and
- (2) are [~~is~~] not with an agency or department with which another trustee holds a position.

(b-1) One elected member must be a retiree.

(c) Elected trustees hold office for staggered terms of six years, with the term of one or two trustees, as appropriate, [~~trustee~~] expiring on August 31 of each odd-numbered year.

(d) The board shall hold elections for the members and retirees to nominate and elect the appropriate number of trustees [~~a trustee~~] before August 31 of each odd-numbered year. The board shall make ballots available to members of the retirement system and retirees and all votes must be cast on those ballots.

SECTION 3. The changes in law made by this Act apply only to an election of a member of the board of trustees of the Employees Retirement System of Texas that occurs on or after the effective date of this Act. At the first election that occurs on or after the effective date of this Act, members of the retirement system and retirees shall elect:

- (1) a retiree of the Employees Retirement

SECTION 1. Section 815.003, Government Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Subject to Subsection (b-1), to [~~To~~] be eligible to serve as an elected member of the board, a person must be:

(1) a member of the retirement system and must hold a position that:

(A) [~~(1)~~] is included in the employee class of membership; and

(B) [~~(2)~~] is not with an agency or department with which another trustee holds a position; or

(2) a retiree.

(b-1) Only one elected member of the board may be a retiree.

SECTION 2. The changes in law made by this Act apply only to an election of a member of the board of trustees of the Employees Retirement System of Texas that occurs on or after the effective date of this Act.

System of Texas as required by Section 815.003(b-1), Government Code, as added by this Act; and

(2) a member to fill the expiring elected position.

SECTION 4. This Act takes effect September 1, 2015.

SECTION 3. Same as introduced version.