

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 23, 2015**

**TO:** Honorable Dan Flynn, Chair, House Committee on Pensions

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB3897** by Kuempel (Relating to contributions to, benefits from, membership in, and the administration of systems and programs administered by the Teacher Retirement System of Texas.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code and the Insurance Code to make certain conforming changes related to Internal Revenue Code provisions applicable to the Teacher Retirement System of Texas (TRS). The bill would make certain other clarifying and administrative changes relating to the disclosure and audit of member records, correction of reporting errors in finance and service credit, post-retirement benefit options, transfer of assets, and limitations on purchase of non-qualified service credit. The bill would allow the TRS board of trustees to accept gifts, and makes certain changes relating to the open meetings law applicable to the TRS board. The bill would exempt TRS from certain state requirements related to staff working out-of-state, management to staff ratio, travel, compensation, and sick leave if the board of trustees determines an exemption is necessary for the performance of fiduciary duties. The bill would make other non-substantive changes pertaining to Education Code and Insurance Code provisions relating to TRS. The bill would take effect on September 1, 2015.

According to the State Pension Review Board, the bill would not have an actuarial impact on TRS because it does not propose to change the benefit structure, funding or obligations of the system. According to the Texas Higher Education Coordinating Board (THECB), the bill would result in minimal costs to THECB due to a provision related to estimating appropriations for the Optional Retirement Program. However, this analysis assumes the cost could be absorbed in the agency's available resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System, 304 Comptroller of Public Accounts, 701 Central Education Agency, 781 Higher Education Coordinating Board

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