

By: Walle

H.B. No. 3662

A BILL TO BE ENTITLED

AN ACT

relating to the composition of the board of trustees of the Teacher Retirement System of Texas.

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

SECTION 1. Section 825.001, Government Code, is amended to read as follows:

Sec. 825.001. COMPOSITION OF BOARD OF TRUSTEES. The board of trustees is composed of 12 [~~nine~~] members.

SECTION 2. Section 825.002, Government Code, is amended by amending Subsections (a), (b), (d), and (e) and adding Subsection (e-2) to read as follows:

(a) The governor shall appoint, with the advice and consent of the senate and as provided by this section, 10 [~~seven~~] members of the board of trustees.

(b) The governor shall appoint four [~~three~~] members of the board to hold office for staggered terms, with the term of one trustee expiring on August 31 of each odd-numbered year. These members must be persons who have demonstrated financial expertise, who have worked in private business or industry, and who have broad investment experience, preferably in investment of pension funds. None of the members appointed under this subsection may be a member or annuitant of the retirement system.

(d) Subject to Subsection (e-2), the [~~The~~] governor shall appoint two members [~~one member~~] of the board from a slate of four

1 ~~[three]~~ former members of the retirement system who have retired
2 and are receiving benefits from the retirement system and who have
3 been nominated in accordance with Subsections (f) and (g) by the
4 persons who have retired and are receiving benefits from the
5 retirement system.

6 (e) Subject to Subsection (e-2), the ~~[The]~~ governor shall
7 appoint two members ~~[one member]~~ of the board from a slate of four
8 ~~[three]~~ persons who have been nominated in accordance with
9 Subsection (f) by the following groups collectively:

10 (1) members of the retirement system whose most recent
11 credited service was performed for an institution of higher
12 education;

13 (2) members of the retirement system whose most recent
14 credited service was performed for a public school district,
15 charter school, or regional education service center; and

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

18 (e-2) The governor shall ensure that at least one of the
19 members appointed under Subsection (d) or (e), as appropriate, is:

20 (1) a former member who retired from an institution of
21 higher education; or

22 (2) currently employed by an institution of higher
23 education.

24 SECTION 3. (a) As soon as practicable after the effective
25 date of this Act, the governor shall appoint an additional member to
26 the board of trustees of the Teacher Retirement System of Texas
27 under Section [825.002](#)(b), Government Code, as amended by this Act.

(b) Notwithstanding the term of six years stipulated by Section 825.004(a), Government Code, as soon as practicable after the effective date of this Act, the Teacher Retirement System of Texas shall prepare a slate of three nominees and the governor shall appoint from that slate an additional member to the board of trustees of the Teacher Retirement System of Texas under Section 825.002(d), Government Code, as amended by this Act, to serve a term that expires on a date that preserves the required staggering of terms. In making the appointment under this subsection, the governor shall ensure that the composition of the board of trustees complies with Section 825.002(e-2)(1), Government Code, as added by this Act. Subsequent board of trustee members appointed to that position shall serve the six-year term.

(c) Notwithstanding the term of six years stipulated by Section 825.004(a), Government Code, as soon as practicable after the effective date of this Act, the members of the Teacher Retirement System of Texas who are described by Sections 825.002(e)(1)-(3), Government Code, as amended by this Act, shall prepare a slate of three nominees and the governor shall appoint from that slate an additional member to the board of trustees of the Teacher Retirement System of Texas under Section 825.002(e), Government Code, as amended by this Act, to serve a term that expires on a date that preserves the required staggering of terms. In making the appointment under this subsection, the governor shall ensure that the composition of the board of trustees complies with Section 825.002(e-2)(2), Government Code, as added by this Act. Subsequent board of trustee members appointed to that position

1 shall serve the six-year term.

2 SECTION 4. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2019.