

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 3, 2019**

**TO:** Honorable Jim Murphy, Chair, House Committee on Pensions, Investments & Financial Services

**FROM:** John McGeady, Assistant Director     Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB2469** by Gutierrez (Relating to retirement benefits for certain peace officers who are members of the Teacher Retirement System of Texas.), **As Introduced**

**No significant fiscal implication to the State is anticipated, as this analysis assumes existing statutory provisions would prevent the bill's provisions from taking effect.**

The bill would amend the Government Code to reduce retirement eligibility requirements related to age and years of service credit and increase annuities payable by the Teacher Retirement System (TRS) for certain members who serve as peace officers at school districts or institutions of higher education. The bill would also establish new disability retirement benefits for certain peace officers. For service rendered after September 1, 2020, the bill would increase the required TRS member contribution rate for peace officers to 9.5 percent of annual compensation and establish an additional employer contribution equal to 1.0 percent of peace officer annual compensation.

Current law prohibits the establishment of a new benefit payable from Teacher Retirement System Trust Account Fund 960 unless the amortization period required to pay off the fund's actuarially accrued unfunded liability would be less than 31 years after the creation of the benefit. TRS assumes the amortization period following enactment of the bill would be 109 years. Therefore, this analysis assume the provisions of the bill would not take effect.

**Local Government Impact**

If the provisions of the bill were to take effect, school districts and community colleges that employ peace officers would contribute 1.0 percent of annual compensation for those members. Based on information provided by TRS, this analysis assumes payroll for peace officers described by the bill in fiscal year 2020 would total \$119.7 million for public education employers and \$13.4 million for community college employers statewide, increasing each year by 4.1 percent and 5.6 percent, respectively, due to projected payroll growth. The resulting contributions from public education employers would total \$1.2 million in fiscal year 2020, \$1.2 million in fiscal year 2021, increasing to \$1.4 million in fiscal year 2024 on a statewide basis. Contributions from community colleges would be estimated to total \$0.1 million in fiscal year 2020, \$0.1 in fiscal year 2021, increasing to \$0.2 million in fiscal year 2024 on a statewide basis.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** WP, CMa, AM, ASa