

By: Bonnen, Capriglione, Burns, et al.

H.J.R. No. 2

A JOINT RESOLUTION

1 proposing a constitutional amendment limiting the contribution  
2 rate of the members of the Teacher Retirement System of Texas,  
3 authorizing the legislature to provide cost-of-living adjustments  
4 or other benefit enhancements to eligible annuitants of the system,  
5 and providing a one-time transfer of funds for benefit enhancements  
6 and for contributions and actuarially determined payments to  
7 eliminate the unfunded actuarial liabilities of the system.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 SECTION 1. Section 67(b)(3), Article XVI, Texas  
10 Constitution, is amended to read as follows:

11 (3) The amount contributed by a person participating  
12 in the Employees Retirement System of Texas or the Teacher  
13 Retirement System of Texas shall be established by the legislature  
14 but may not be less than six percent of current compensation nor for  
15 a person participating in the Teacher Retirement System of Texas  
16 more than nine percent of current compensation. The amount  
17 contributed by the state may not be less than six percent nor more  
18 than 10 percent of the aggregate compensation paid to individuals  
19 participating in the system. In an emergency, as determined by the  
20 governor, the legislature may appropriate such additional sums as  
21 are actuarially determined to be required to fund benefits  
22 authorized by law.

23 SECTION 2. Article XVI, Texas Constitution, is amended by  
24 adding Section 67-a to read as follows:

1       Sec. 67-a. (a) Only as authorized by this section, the  
2 legislature by general law may provide one or more cost-of-living  
3 adjustments or supplemental payments as benefit enhancements to  
4 annuitants of the Teacher Retirement System of Texas who are  
5 eligible for the enhancements, as determined by that law.

6       (b) The legislature may provide a benefit enhancement as  
7 described by this section and, as necessary, direct the comptroller  
8 of public accounts to transfer funds to the Teacher Retirement  
9 System of Texas for the payment of the benefit enhancement only if:

10           (1) the retirement system is actuarially sound, as  
11 determined by general law; and

12           (2) except as provided by Subsection (c) of this  
13 section and subject to Subsection (d) of this section, the  
14 legislature appropriates money in an amount sufficient to fully pay  
15 for the benefit enhancement, as determined by the board of trustees  
16 of the retirement system.

17       (c) Subsection (b)(2) of this section does not apply to a  
18 continuing cost-of-living adjustment that is:

19           (1) authorized by general law; and

20           (2) payable only:

21                   (A) if the return on the investment of the assets  
22 of the Teacher Retirement System of Texas meets or exceeds a minimum  
23 threshold prescribed by general law; and

24                   (B) out of the return.

25       (d) In determining the amount that is sufficient to fully  
26 pay for the benefit enhancement under Subsection (b)(2) of this  
27 section, the board of trustees of the Teacher Retirement System of

1 Texas shall reduce that amount by the amount by which the actuarial  
2 value of the system's assets exceeds the actuarial accrued  
3 liability of the system.

4 SECTION 3. The following temporary provision is added to  
5 the Texas Constitution:

6 TEMPORARY PROVISION. (a) This temporary provision applies  
7 to the constitutional amendment proposed by the 88th Legislature,  
8 Regular Session, 2023, authorizing the legislature to provide  
9 cost-of-living adjustments or other benefit enhancements to  
10 eligible annuitants of the Teacher Retirement System of Texas and  
11 providing a one-time transfer of funds for contributions,  
12 actuarially determined payments, and benefit enhancements.

13 (b) As soon as practicable after the effective date of the  
14 amendment to which this temporary provision applies, the  
15 comptroller of public accounts shall transfer \$1.9 billion from the  
16 general revenue fund to the trust fund of the Teacher Retirement  
17 System of Texas. Money transferred to the trust fund under this  
18 temporary provision may be spent by the system only for the purposes  
19 of providing contributions, actuarially determined payments, and  
20 benefit enhancements to the system's annuitants, as provided by  
21 general law. The transfer made under this temporary provision is  
22 not an appropriation of state tax revenues for the purposes of  
23 Section 22, Article VIII, of this constitution.

24 (c) This temporary provision expires January 1, 2056.

25 SECTION 4. This proposed constitutional amendment shall be  
26 submitted to the voters at an election to be held November 7, 2023.  
27 The ballot shall be printed to permit voting for or against the

1 proposition: "The constitutional amendment authorizing the  
2 legislature to provide cost-of-living adjustments or other benefit  
3 enhancements to eligible annuitants of the Teacher Retirement  
4 System of Texas and providing a one-time transfer of \$1.9 billion to  
5 the retirement system for benefit enhancements and for  
6 contributions and actuarially determined payments to eliminate the  
7 unfunded accrued actuarial liabilities of the retirement system."