

BILL ANALYSIS

Senate Research Center
80R8293 SGA-D

H.B. 2358
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Teacher Retirement System (TRS) provides retirement, disability retirement, and death benefits for public school and certain higher education employees in Texas. If employees receive salaries based on federal or private sources (including grants), their employers will remit certain employer contributions to TRS for retirement and health care purposes. Current statute provides for TRS to deposit those employer contributions directly into the state's general revenue fund. To complete the circle, the legislature appropriates an amount equal to those federal or private source employer contributions from general revenue to TRS. Unfortunately, this process causes the state appropriations bill to reflect higher-than-necessary expenditures in general revenue.

H.B. 2358 requires specific employer contributions be deposited in certain TRS accounts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 825.406(b), Government Code, to require the employer, when an employer receives money for state contributions from an application made in accordance with Subsection (a) (relating to an application for certain governmental money), to immediately send the money to the retirement system for deposit in the state contribution account, rather than the general revenue fund of the state treasury.

SECTION 2. Amends Section 825.407(g), Government Code, to require the retirement system to deposit, rather than submit, all money it receives under this section (Collection of Contributions from Noneducational and General Funds) in the state contribution account, rather than the general revenue fund.

SECTION 3. Amends Section 1575.252, Insurance Code, to make a conforming change.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2007.