

## **BILL ANALYSIS**

Senate Research Center  
81R35984 KFF-D

C.S.H.B. 2656  
By: Miller, Doug et al. (Duncan)  
State Affairs  
5/22/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

C.S.H.B. 2656 relates to the composition of the board of trustees of the Teacher Retirement System of Texas.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the board of trustees of the Teacher Retirement System of Texas is modified in SECTION 3 (Section 825.002, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 825.002(a) and (d), Government Code, as follows:

(a) Requires the governor to appoint, with the advice and consent of the senate and as provided by this section, eight, rather than seven, members of the board of trustees of the Teacher Retirement System of Texas (board).

(d) Requires the governor to appoint two members, rather than one member, of the board from a slate of three former members of the Teacher Retirement System of Texas (TRS) who have retired and are receiving benefits from TRS and who have been nominated in accordance with Subsections (f) (relating to requiring persons considered for certain Texas nominations to have been nominated by written ballot at an election conducted under rules adopted by the board) and (g) (relating to requiring the board, to provide for the nomination of persons for appointment under Subsection (d), to send to each retiree of TRS certain notice, information, and a written ballot) by the persons who have retired and are receiving benefits from TRS. Provides that the two members hold office for staggered terms.

SECTION 2. Amends Section 825.003, Government Code, as follows:

Sec. 825.003. TRUSTEES APPOINTED BY GOVERNOR FROM NOMINEES OF BOARD OF EDUCATION. Requires the governor to appoint one member, rather than two members, of the board, subject to confirmation by two-thirds of the senate, from lists of nominees submitted by the State Board of Education. Requires the member appointed under this subsection to be a person who has demonstrated financial expertise, has worked in private business or industry, and has broad investment experience, preferably in investment of pension funds. Makes conforming and nonsubstantive changes.

SECTION 3. Amends Sections 825.010(a) and (c), Government Code, as follows:

(a) Provides that it is a ground for removal from the board that a trustee violates a prohibition established by Section 825.002(b) or 825.0032 applicable to the trustee, among other circumstances.

(c) Requires the executive director of the board, if the executive director has knowledge that a potential ground for removal exists, to notify the presiding officer of the board of the ground. Requires the presiding officer to then notify the governor, rather than the appropriate appointing officer, and the attorney general that a potential ground for removal exists. Makes a conforming change.

SECTION 4. (a) Makes application of this Act prospective.

(b) Authorizes a person who is serving as a trustee immediately before the effective date of this Act to complete the trustee's term of office, and provides that the trustee's qualifications for serving as a trustee are governed by the law in effect immediately before the effective date of this Act until the date that trustee's term expires.

SECTION 5. Effective date: September 1, 2009.