

Revising selection of the Teacher Retirement System board

HB 2656 by D. Miller (Duncan)

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DIGEST: HB 2656 would have revised the selection by the governor of the Teacher Retirement System (TRS) board of trustees. Instead of appointing one member from a slate of three TRS retirees nominated by the retirees, the governor would have appointed two retiree members from the nominated slate. Instead of appointing two members with demonstrated financial expertise and broad investment experience, preferably in pension fund investment, from a list of nominees submitted by the State Board of Education (SBOE), the governor would have appointed one member from the SBOE list. The board would have remained at nine members. The two retired members would have held office for staggered terms.

This change would have applied only to the appointment or election of a trustee of the TRS board that occurred on or after the bill's effective date. Sitting board members would have completed their terms of office.

GOVERNOR'S REASON FOR VETO:

“House Bill No. 2656 decreases the number of Teacher Retirement System (TRS) board members with financial expertise, an inappropriate adjustment in these uncertain economic times.

“The TRS board is responsible for developing the investment policy and making other pension investment decisions on behalf of Texas teachers whose retirement security rests almost entirely with TRS. Because the majority of Texas school districts do not participate in Social Security, many teachers rely on their pension benefits as their sole source of retirement income. The significance and ramifications of the board's decisions on the futures of those who steward our children's education make it imprudent to dilute the board's financial expertise with House Bill No. 2656.”

RESPONSE: **Rep. Doug Miller**, the bill's author, was unavailable for comment.

Sen. Robert Duncan, the Senate sponsor, had no comment on the veto.

NOTES: The HRO analysis of HB 2656 appeared in Part One of the May 8 *Daily Floor Report*.