

## **BILL ANALYSIS**

Senate Research Center  
87R840 JCG-D

S.B. 1618  
By: Bettencourt  
Finance  
4/21/2021  
As Filed

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

Interested parties have come to learn that certain investments by the Teacher Retirement System of Texas are confidential, limiting disclosure and oversight capabilities of the legislature.

S.B. 1618 seeks to provide the legislative committees that have primary oversight of the retirement systems at their request and direction the ability to receive detailed information, including confidential information.

S.B. 1618 includes the safeguard of requiring the receiving party or parties to execute a confidentiality agreement, if requested, that would keep the information confidential and stored securely.

S.B. 1618 does not seek to limit retirement system investment options. Transparency is good at all levels of government, even when it involves confidential information, especially when billions and billions of dollars are being invested on behalf of current and retired teachers in Texas.

As proposed, S.B. 1618 amends current law relating to in-depth evaluations and reports on certain investments of the Teacher Retirement System of Texas.

### **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 Subchapter C, Chapter 801, Government Code, by adding Section 801.2035, as follows:

Sec. 801.2035. IN-DEPTH EVALUATION AND LEGISLATIVE REPORT ON CERTAIN TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENTS. (a) Defines "retirement system."

(b) Requires the State Pension Review Board (PRB), on request and at the direction of the legislative committees in either or both houses of the legislature with primary jurisdiction over public retirement systems, to:

(1) conduct an in-depth evaluation of specific securities in which any assets of the Teacher Retirement System of Texas (TRS) are invested, including any interest held by TRS in a limited partnership or investment contract, that either or both committees determine appropriate for further evaluation under this section; and

(2) submit a report, including confidential information as directed, to the requesting committee or committees, as applicable, of the evaluation completed by PRB under Subdivision (1).

(c) Requires the governing body of TRS to provide the information requested under this section, including confidential information as directed, as soon as practicable after receiving the request. Requires PRB to prescribe the form and manner by which the information is required to be submitted to PRB.

(d) Provides that a disclosure of information under this section to PRB does not waive or affect the confidentiality of the information for purposes of state or federal law or waive the right to assert exceptions to required disclosure of the information in the future.

(e) Authorizes the governing body of TRS to require the individual requesting the information on behalf of PRB, the requesting legislative committee or committees, as applicable, and the members or employees of PRB and legislative committee or committees, as applicable, who will view or handle information that is received under this section and that is confidential under law to sign a confidentiality agreement that covers the agreement and requires that:

(1) the information not be disclosed outside PRB and requesting legislative committee or committees, as applicable, or within PRB and committee or committees, as applicable, for purposes other than the purpose for which it was received;

(2) the information be labeled as confidential;

(3) the information be kept securely; or

(4) the number of copies made of the information or the notes taken from the information that implicate the confidential nature of the information be controlled, with all copies or notes that are not destroyed or returned to TRS remaining confidential and subject to the confidentiality agreement.

(f) Provides that an evaluation or report prepared under this section is not subject to disclosure under Chapter 552 (Public Information).

SECTION 2. Effective date: September 1, 2021.