

1-1 By: Flynn, et al. (Senate Sponsor - Huffman) H.B. No. 2974
 1-2 (In the Senate - Received from the House May 13, 2015;
 1-3 May 13, 2015, read first time and referred to Committee on State
 1-4 Affairs; May 22, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
 1-6 May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 2974 By: Huffman

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the systems and programs administered by the Teacher
 1-22 Retirement System of Texas.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 821.001(4) and (6), Government Code,
 1-25 are amended to read as follows:

1-26 (4) "Annual compensation" means the compensation to a
 1-27 member of the retirement system for service during a 12-month
 1-28 period determined by the retirement system [~~school year~~] that is
 1-29 reportable and subject to contributions as provided by Section
 1-30 822.201.

1-31 (6) "Employee" means a person who is employed, as
 1-32 determined by the retirement system, on other than a temporary
 1-33 basis by a single [~~an~~] employer for at least one-half time at a
 1-34 regular rate of pay comparable to that of other persons employed in
 1-35 similar positions.

1-36 SECTION 2. Section 822.001, Government Code, is amended by
 1-37 adding Subsection (c) to read as follows:

1-38 (c) Membership in the retirement system may only be
 1-39 established through employment with a single employer on at least a
 1-40 half-time basis.

1-41 SECTION 3. Section 822.003(c), Government Code, is amended
 1-42 to read as follows:

1-43 (c) A person does not terminate membership under Subsection
 1-44 (a)(4) if the person:

1-45 (1) is performing military service creditable in the
 1-46 retirement system;

1-47 (2) is on leave of absence from employment in a public
 1-48 school; [~~or~~]

1-49 (3) is earning service credit in another retirement
 1-50 system covered by Chapter 803 or 805; or

1-51 (4) is employed by an employer covered by the
 1-52 retirement system and is not eligible for membership in the
 1-53 retirement system because the person is employed on less than a
 1-54 half-time basis.

1-55 SECTION 4. Section 822.005(c), Government Code, is amended
 1-56 to read as follows:

1-57 (c) A person is not entitled to withdraw contributions if
 1-58 the person [~~who~~] is employed, has applied for employment, or has
 1-59 received a promise of employment with an employer [~~, in a position~~]
 1-60 covered by the retirement system.

2-1 SECTION 5. Section 823.401, Government Code, is amended by
2-2 amending Subsection (f) and adding Subsection (f-1) to read as
2-3 follows:

2-4 (f) Except as provided by Subsection (f-1), the [The] amount
2-5 of service credit a member may establish under this section may not
2-6 exceed the lesser of the number of years of membership service
2-7 credit the member has in the retirement system for actual service in
2-8 public schools or 15 years.

2-9 (f-1) A member may not purchase more than five years of
2-10 service credit under this section for service credit considered
2-11 nongualified service credit under Section 415(n)(3), Internal
2-12 Revenue Code of 1986.

2-13 SECTION 6. Section 825.115, Government Code, is amended by
2-14 adding Subsection (f) to read as follows:

2-15 (f) Notwithstanding any other law, Chapter 551 does not
2-16 apply to an assembly of the board of trustees or one of the board's
2-17 committees while attending a summit, conference, convention,
2-18 workshop, or other event held for educational purposes if the
2-19 assembly or committee does not deliberate, vote, or take action on a
2-20 specific matter of public business or public policy over which the
2-21 board of trustees or a committee of the board has supervision or
2-22 control. This subsection does not apply to a regular, special, or
2-23 emergency meeting of the board of trustees scheduled or called
2-24 under the board's bylaws.

2-25 SECTION 7. Section 825.4092(c), Government Code, is amended
2-26 to read as follows:

2-27 (c) Except as provided by Subsection (e), each payroll
2-28 period, for each retiree who is enrolled in the Texas Public School
2-29 Employees Group Insurance Program under Chapter 1575, Insurance
2-30 Code, the employer who reports the employment of a retiree shall
2-31 contribute to the trust fund established under that chapter an
2-32 amount established by the retirement system. In determining the
2-33 amount to be contributed by the employer under this subsection, the
2-34 retirement system shall consider [any difference between] the
2-35 amount a [the] retiree is required to pay for the retiree and any
2-36 enrolled dependents to participate in the group program and the
2-37 [full] cost of the retiree's and enrolled dependents' participation
2-38 in the group program[, as determined by the retirement system]. If
2-39 more than one employer reports the retiree to the retirement system
2-40 during a month, the amount of the required payment shall be prorated
2-41 among the employers.

2-42 SECTION 8. Section 1575.204(b), Insurance Code, is amended
2-43 to read as follows:

2-44 (b) Each state fiscal year, each employer who reports to the
2-45 retirement system under Section 824.6022, Government Code, the
2-46 employment of a retiree who is enrolled in and receiving coverage
2-47 under the group program shall contribute to the fund an amount
2-48 established by the trustee. In determining the amount to be
2-49 contributed by the employer under this subsection, the trustee
2-50 shall consider the [difference, if any, between the contribution]
2-51 amount a [that the reported] retiree is required to pay for the
2-52 retiree and any enrolled dependents to participate in the group
2-53 program and the [full] cost of all retirees' [the retiree's] and
2-54 enrolled dependents' participation in the group program [, as
2-55 determined by the trustee]. If more than one employer reports the
2-56 retiree to the retirement system during a month, the amount of the
2-57 contribution required by this subsection shall be prorated among
2-58 the employers. The amounts required to be paid under this
2-59 subsection are not required to be paid by a reporting employer for a
2-60 retiree who retired from the retirement system before September 1,
2-61 2005.

2-62 SECTION 9. (a) A joint interim committee is created to
2-63 study and review the health benefit plans, including TRS-Care and
2-64 TRS-ActiveCare, operated under Chapters 1575 and 1579, Insurance
2-65 Code, and propose reforms to address issues described by Subsection
2-66 (f) of this section.

2-67 (b) The joint interim committee shall be composed of three
2-68 senators appointed by the lieutenant governor and three members of
2-69 the house of representatives appointed by the speaker of the house

3-1 of representatives.

3-2 (c) The lieutenant governor and speaker of the house of
3-3 representatives shall each designate a co-chair from among the
3-4 joint interim committee members.

3-5 (d) The joint interim committee shall convene at the joint
3-6 call of the co-chairs.

3-7 (e) The joint interim committee has all other powers and
3-8 duties provided to a special or select committee by the rules of the
3-9 senate and house of representatives, by Subchapter B, Chapter 301,
3-10 Government Code, and by policies of the senate and house committees
3-11 on administration.

3-12 (f) The joint interim committee created by this section
3-13 shall study the health benefit plans, including TRS-Care and
3-14 TRS-ActiveCare, operated under Chapters 1575 and 1579, Insurance
3-15 Code, to examine and assess the following issues:

3-16 (1) the financial soundness of the plans;

3-17 (2) the cost and affordability of plan coverage to
3-18 persons eligible for coverage under the plans; and

3-19 (3) the sufficiency of access to physicians and health
3-20 care providers under the plans.

3-21 (g) Not later than January 15, 2017, the joint interim
3-22 committee created by this section shall report the committee's
3-23 findings and recommendations to the lieutenant governor, the
3-24 speaker of the house of representatives, and the governor. The
3-25 joint interim committee shall include in its recommendations
3-26 specific statutory and regulatory changes that appear necessary
3-27 from the results of the committee's study under Subsection (f) of
3-28 this section.

3-29 (h) Not later than the 60th day after the effective date of
3-30 this Act, the lieutenant governor and speaker of the house of
3-31 representatives shall appoint the members of the joint interim
3-32 committee created under this section.

3-33 (i) The joint interim committee created by this section is
3-34 abolished and this section expires January 20, 2017.

3-35 SECTION 10. Section 821.001(4), Government Code, as amended
3-36 by this Act, applies only to a member of the Teacher Retirement
3-37 System of Texas who retires or dies on or after the effective date
3-38 of this Act.

3-39 SECTION 11. Section 825.4092(c), Government Code, as
3-40 amended by this Act, applies to a retiree of the Teacher Retirement
3-41 System of Texas regardless of whether the person retired from
3-42 employment before, on, or after the effective date of this Act.

3-43 SECTION 12. This Act takes effect September 1, 2015.

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