

SUBJECT: Allowing one retiree to be elected to ERS board of trustees

COMMITTEE: Pensions — favorable, without amendment

VOTE: 6 ayes — Flynn, Alonzo, Anchia, Huberty, Paul, J. Rodriguez

0 nays

1 absent — Hefner

WITNESSES: For — Maura Powers, AFSCME Texas Retirees; Bill Dally, Retired State Employees Association; Yolanda Griego, Texas State Employees Union; (*Registered, but did not testify:* Dick Lavine, AFSCME Retired State Employees, Chapter 12; Elaina Fowler, AFSCME Texas Retirees; Chris Jones, Combined Law Enforcement Associations of Texas (CLEAT); Tom Griebel, Retired State Employees Association; Jimmy Rodriguez, San Antonio Police Officers Association; Rene Lara, Texas AFL-CIO; Harrison Hiner, Texas State Employees Union)

Against — None

On — Dwight Harris, Texas AFT; (*Registered, but did not testify:* Ray Hymel, Texas Public Employees Association)

BACKGROUND: Government Code, sec. 815.003 establishes requirements for election to the Employees Retirement System (ERS) of Texas board of trustees. To be elected to one of the three seats on the board, a person must be an ERS member and hold a position included in the employee membership class that is not with an agency or department with which another trustee holds a position.

DIGEST: HB 265 would allow one elected board member of the Employees Retirement System to be a retiree.

The bill would take effect September 1, 2017.

SUPPORTERS SAY: HB 265 would allow the Employees Retirement System (ERS) of Texas board of trustees to adequately represent the members it serves by increasing the pool of qualified candidates. Other retirement systems, such as the Teachers Retirement System and Texas County and District Retirement System, already permit a retiree to serve on their board. More than one-third of ERS members are retirees, and retired state employees are directly and immediately affected by policymaking decisions of the ERS board, which can lead to changes in their health care coverage and pension annuities. Retirees are more than qualified to serve on the ERS board, considering some have at least two decades of state employment experience and understand the importance of having a properly managed pension fund.

In the 2015 ERS board election, retirees cast about 60 percent of the total 30,000 votes on the ballot. Retirees play a significant role in ERS board elections, and HB 265 would empower more of them to cast votes for a retiree candidate.

OPPONENTS SAY: HB 265 is unnecessary because the ERS board has functioned fine with its current composition. The Sunset Advisory Commission did not recommend altering the agency's board composition when ERS underwent Sunset review during the 2016-17 cycle.

NOTES: A companion bill, SB 935 by Hughes, was referred to the Senate State Affairs Committee on March 1.