

BILL ANALYSIS

Senate Research Center

S.B. 535
By: Ellis
State Affairs
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As Filed

DIGEST

Currently, individual institutions of higher education set their own minimum standards for vendors who wish to offer optional retirement packages to faculty. This bill would direct the Texas Higher Education Coordinating Board to establish uniform statewide minimum standards.

PURPOSE

As proposed, S.B. 535 sets forth standards for investments of participants in the optional retirement program for faculty members employed in state-supported retirement institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sec. 830.002(d), Government Code) and to a governing body in SECTION 2 (Sec. 830.004(a), Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 830.002, Government Code, by adding Subsection (d), as follows:

(d) Requires the Texas Higher Education Coordinating Board to establish minimum standards which comport with the purpose of Section 830.001, Government Code, that a company, or the investments it offers, must meet to be eligible to offer a participant in the optional retirement program an investment authorized under Subsection (a) and Section 830.004, Government Code, but is prohibited from limiting the investment which a participant may purchase under the program.

SECTION 2. Amends Section 830.004(a), Government Code, to authorize a governing board to arrange the purchase of investments from any company that is qualified in this state to offer investments which qualify under this subsection. Authorizes a governing board to establish minimum standards, including minimum participation requirements, that a company, or the investments it offers, must meet to be eligible to offer a participant in the optional retirement program an investment authorized under Subsection (a) and Section 830.004, Government Code, but is prohibited from limiting the investment which a participant may purchase under the program if the investment is authorized by this subsection and Section 830.002(a), Government Code, and qualifies under the standards established under Section 830.002(a).

SECTION 3. Emergency clause.

Effective date: upon passage.