

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **SB 3809**

February 27, 2020

SPONSOR (S): Martwick

SYSTEM(S): Teachers Retirement System

FISCAL IMPACT: SB 3809 makes administrative changes to the size and makeup of the TRS Board of Trustees. The board would shrink to 13 members with only 5 being appointed by the governor. There is no discernible fiscal impact associated with this bill.

SUBJECT MATTER: SB 3809 changes the size of the TRS Board of Trustees from 15 to 13, and limits the number of governor appointees to 5. Due to the change in number of appointees, the governor is able to appoint 2 or 3 at a time to accommodate when appointees' terms of service end.

COMMENT: The TRS Board of Trustees is currently composed of 15 members. P.A. 101-0610, which took effect on January 1, 2020, expanded the board from 13 members to 15 members. Hence, the board consists of the following 15 members: The Superintendent of Education, who is ex officio; 7 gubernatorial appointees who are not members of the System; 5 active teachers who are elected by the contributing members; of the system, and 2 annuitants who are elected by the annuitants of the system. These appointees serve 4 year terms and begin their terms on July 15 of an even numbered year. The governor can appoint up to three members at a time.

SB 3809 would reduce the size of the board back to 13 people by removing 2 gubernatorial appointees. Instead of a 15-member board, with seven members appointed by the governor, the board would be composed of 13 members, with only 5 of these members appointed by the governor. Due to the change in the size of the board, the governor would appoint 2 or 3 members to the board depending on how many members' terms were expiring simultaneously. The president of the board would be appointed by the Governor – this appointment provision, which was added by P.A. 101-0610, would remain unchanged.

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