

Legislative Committee

Schedule	Friday, February 24, 2023 4:00 PM — 5:00 PM CST
Venue	6850 Austin Center Blvd., Suite 320, Austin, TX 78731
Organizer	Sarah McCleary

Agenda

1. Call roll of Committee members 1
Presented by Committee Chair Crook
 Item #1 Summary.docx 2









2. Review order of business and establish meeting objectives 3
Presented by Committee Chair Crook
 Item #2 Summary.docx 4

3. Consider approval of the November 10, 2022 Legislative Committee minutes 5
Presented by Committee Chair Crook
 Item #3 Summary.docx 6
 2022 11 10 Legislative Committee Minutes.docx 7

4. Discuss and consider 2023 Legislative Committee Work Plan 10
Presented by Christopher Hanson
 Item #4 Summary.docx 11
 Draft 2023 Legislative Committee Work Plan.docx 12
 2022 Legislative Committee Work Plan.docx 13

5. Discuss and consider 88th Legislative Session including: 14
A. COAERS/City of Austin pension legislation
B. Other legislation impacting COAERS and HB 2068
Presented by Christopher Hanson

- 5A. COAERS/City of Austin pension legislation 15
 Item #5A Summary.docx 16

 05A1 Report on 88th Legislative Session proposal, related activities, and timelines.pptx	17
 05A2 Summary of COAERS Draft Legislation.docx	21
 05A3 Member Comments on Proposed COAERS Legislation as of 2.16.2023.pdf	22
 05A4 GRS Actuarial Analysis of Service Purchase and Military Subsidy Proposals.pdf	27
<hr/>	
5B. Other legislation impacting COAERS and HB 2068	30
 Item #5B Summary.docx	31
 5B1 88th Legislative Session Pension Bill Tracking Report.pdf	32
 5B2 88(R) HB 2068 - Introduced version.pdf	40
<hr/>	
6. Review key meeting takeaways and call for future agenda items Presented by Committee Chair Crook	50
 Item #6 Summary.docx	51
<hr/>	

1. Call roll of Committee members

Presented by Committee Chair Crook

AGENDA ITEM 1:
Call roll of Committee members

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

2. Review order of business and establish meeting objectives

Presented by Committee Chair Crook

AGENDA ITEM 2:

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

MEETING OBJECTIVES

1. The Committee will review its 2023 Work Plan.
2. The Committee will receive a report on the status of the proposed legislation and next steps.
3. The Committee will receive a report on other legislation that could have a potential impact on COAERS.

3. Consider approval of the November 10,
2022 Legislative Committee minutes

Presented by Committee Chair Crook

AGENDA ITEM 3:

Consider approval of the November 10, 2022 Legislative Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Legislative Committee meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the November 10, 2022 Legislative Committee meeting.

ATTACHMENT

1. Draft minutes of November 10, 2022 Legislative Committee meeting

MINUTES

LEGISLATIVE COMMITTEE

Public Meeting held in person and videoconference

On November 10, 2022 at 12:15 p.m. CT

Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

Committee Members
Present/ (Absent)

Kelly Crook, Committee
Chair
Yuejiao Liu
Leslie Pool†

*Present telephonically

† Present via
videoconference

Other Board Trustees
Present/ (Absent)

Anthony Ross
Diana Thomas†
Michael Granof
Dick Lavine
Brad Sinclair
Amy Hunter†
Chris Noak
Michael Benson

Guests

Paige Saenz, General
Counsel
Eddie Solis, HillCo
Selena Xie, Austin EMS
Association*
Jeffrey Hargrave, EMS*

Others Present:
Staff

Christopher Hanson
Sarah McCleary
Jenni Bonds
Mehrin Rahman*
Michelle Mahaini*
Yun Quintanilla
David Kushner
Russell Nash
Amy Kelley*
Teresa Cantu*
Cathy Edwards*

1 Call roll of Committee members

Committee Chair Kelly Crook called the meeting to order at 12:26 p.m. The following Committee members were present in person: Crook and Liu. The following Committee member was present via videoconference: Pool.

Committee Chair Crook asked if there were any members of the public who wished to speak, either now or during an agenda item. There were two members of the public who asked to speak on agenda item #4.

2 Review order of business and establish meeting objectives

Committee Chair Crook reviewed the order of business and objectives with the Committee. There were no changes to the order of business for the meeting.

3 Consider approval of the August 25, 2022 Legislative Committee minutes

Committee Chair Crook asked Trustees to review the minutes and note one name change from the version in the packet. Ms. Yuejiao Liu moved to approve the August 25, 2022 Legislative Committee minutes as revised. Ms. Leslie Pool seconded, and the motion passed unanimously.

4 Receive report on 88th Legislative Session proposal, related activities, and timelines

Mr. Jeffrey Hargrave, a current City of Austin EMS employee, provided his opinion about the effect of the service purchase provisions of the legislation and the potential impact that those provisions would have on his plans for retirement. Ms. Selena Xie, President of the Austin EMS Association, echoed his concerns and requested that the Committee consider amendments to the proposed legislation which alleviate or mitigate Mr. Hargrave's concerns for he and other members similarly situated.

Mr. Christopher Hanson reported that COAERS was keeping to the schedule outlined regarding the legislation. He noted that Staff had recently completed an educational forum on Plan funding and the legislative proposal on October 14, and that he had met with the Pension Review Board Actuarial Committee on November 3, and ongoing receipt of stakeholder and member comments.

Mr. Hanson reviewed the next steps for the Committee and the Board regarding the upcoming legislation. Mr. Hanson also stated that he will consult with the Chair of the Committee then communicate next steps to Ms. Xie on the input received at the meeting.

5 Discuss and consider Governmental Relations contract

Mr. Hanson presented a draft governmental relations contract from HillCo, who has maintained a flat fee for consulting since 2018. He noted that the cost will increase during the months from January through June coinciding with the legislative session, then return to the previous rate.

Ms. Yuejiao Liu moved to refer to the Board for approval the HillCo contract as presented, pending approval from COAERS' General Counsel. Ms. Pool seconded, and the motion passed unanimously.

6 Receive post-election and pre-session report

Mr. Eddie Solis of HillCo reported to the Committee on the local and statewide election results. The Committee discussed the impact of the elections on the upcoming legislative session.

Mr. Chris Noak left the room from 12:58 p.m. to 1:00 p.m.

Mr. Brad Sinclair left the meeting at 1:05 p.m.

7 Review 2022 Committee Work Plan and discuss development of 2023 Committee Work Plan

Mr. Hanson noted that the Committee had completed all goals on the 2022 Work Plan. A draft of the 2023 plan was presented, with the caveat that the Committee may need to meet in January 2023 or ad hoc with short notice during session.

8 Review key meeting takeaways and call for future agenda items

Committee Chair Crook summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no further items to address, the meeting adjourned at 1:12 p.m.

4. Discuss and consider 2023 Legislative Committee Work Plan

Presented by Christopher Hanson

AGENDA ITEM 4:
Discuss and consider 2023 Legislative Committee Work Plan

AGENDA ITEM OBJECTIVE

This agenda item is for discussion and consideration of the 2023 Committee work plan.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to establish and review Committee work plans.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

ATTACHMENTS

1. Draft 2023 Committee Work Plan
2. 2022 Committee Work Plan (for reference)

2023 Legislative Committee Work Plan

Scheduled Meetings

Note: Ad-hoc Committee meetings may need to be called during the 88th Legislative Session

1. February Meeting
 - Draft 88th Legislative Session Pension Legislation
 - 88th Legislative Session key matters/issues
2. June Meeting
 - COAERS Pension Legislation update
 - Review of 88th Legislative Session
3. November meeting
 - Interim Report
 - Governmental Relations contract
 - 2024 Committee work plan

2022 Legislative Committee Work Plan

Scheduled Quarterly Meetings

1. August meeting (8/25)
 - ✓ Report on draft legislation
 - ✓ 88th session legislative roles, responsibilities, and priorities

2. Board workshop (10/17-10/18)
 - ✓ Education on Texas legislative process
 - ✓ 88th session overview and planning

3. November meeting (11/10)
 - ✓ HillCo Post-Election Report
 - ✓ 88th Legislative Session proposal, related activities, and timelines
 - ✓ Governmental Relations contract
 - ✓ 2023 Committee work plan

5. Discuss and consider 88th Legislative Session including:

A. COAERS/City of Austin pension legislation

B. Other legislation impacting COAERS and HB 2068

Presented by Christopher Hanson

5A. COAERS/City of Austin pension legislation

AGENDA ITEM 5:

Discuss and consider 88th Legislative Session including:

A. COAERS/City of Austin pension legislation

AGENDA ITEM OBJECTIVE

This agenda item is intended for the Committee to receive an update on the proposed legislation, as well as review comments from COAERS members on the proposed legislation.

RELEVANCE TO STRATEGIC PLAN

This agenda item is part of **COAERS Strategic Plan Goal 1: Achieve and maintain a funding level that ensures the long-term sustainability of the fund.** The Board established action items in Goal 1 including enacting legislation related to long-term plan sustainability and engaging COAERS stakeholders leading up to the legislative session.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

ATTACHMENTS

1. Staff Report on 88th Legislative Session proposal, related activities, and timelines
2. Staff Summary of COAERS Draft Legislation
3. Report on COAERS Member Comments
4. GRS Actuarial Analysis on Service Purchases and Military Subsidy

SUPPLEMENTAL INFORMATION PROVIDED VIA CONVENE APP

1. Proposed revisions to COAERS Governing Statute 6243n and Staff Summary Report



Report on 88th Legislative Session proposal, related activities, and timelines

Christopher Hanson
Executive Director
Legislative Committee
February 24, 2023

Draft Legislation Update

- The initial draft of proposed changes to COAERS governing statute, Article 6243n of VTCS, was submitted to the Texas Legislative Council (TLC).
- TLC drafter contacted COAERS with a series of questions regarding the proposed changes to Article 6243n. COAERS staff have provided responses throughout the process to clarify drafting questions and provide feedback on proposed bill language.
- COAERS and the City of Austin met to review an initial proposal related to the use of 20-year amortization layers for future actuarial losses. An agreement was reached to phase-in into the 20-year layers.
- The goal is to have a final bill ready for filing that needs no additional edits or changes and meets all the agreed-to points between COAERS and the City of Austin.



Key Ongoing Activities

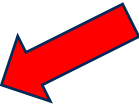
- Identifying and coordinating with bill sponsors in the House and the Senate
- Filing Legislation
- Updating Pension Review Board on change to loss layer
- Educating and informing all relevant leadership, committee, and state agency members on the legislation



Timeline and Action Items

TIMELINE AND ACTION ITEMS FOR 88TH SESSION PENSION LEGISLATION - CONVENES JANUARY 10, 2023							
DESCRIPTION	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Define Roles and Responsibilities	█						
Establish Goals	█	█					
Establish Timeline and Action Items	█	█					
Discuss and Consider Policy Options							
Benefit		█	█	█			
Contribution		█	█	█			
Governance		█	█	█			
Administration			█	█			
Governmental Relations Communication							
Austin Delegation				█	█	█	█
House and Senate Pension committees				█	█	█	█
Pension Review Board					█	█	
COAERS Board Final Approval				█		█	
Presentation at Member Meeting					█		
Communication to COAERS Members				█	█	█	█
Bill Drafting					█	█	
Bill Sponsor						█	█
Bill Filing							█

You are here!



COAERS Legislation Bill Summary

The Texas Legislative Council is drafting a bill for the 88th Legislative Session which will incorporate the agreed-to statutory changes to COAERS governing statute, Article 6243n of Vernon's Texas Civil Statutes. The legislation is necessary to ensure the long-term financial stability of the System. The legislation employs a similar model as recently approved legislation for the three Houston pensions systems and the Austin Police Retirement System. Key provisions of the legislation include:

- Increasing the member contribution rate from 8% to 10% over two years.
- Establishing an actuarially determined employer contribution (ADEC) with limits on the maximum employer contributions.
- Financial risk-sharing between the employer and members.
- Elimination of financial losses to the System through the subsidy of military service purchases.
- Establishing a process for future cost-of-living adjustments (COLAs) which requires certification by the System's actuary that the COLA can be provided within actuarial guidelines, approval by the Board of Trustees, and approval by the City Council before legislation enabling the COLA can be approved.
- Reduction of financial risk associated with service purchases and sick leave conversion.
- Creation of a more balanced Board of Trustees with the conversion of one active member position to a City appointed position.

	Member Status	Comment
1	Active Member	I have coordinated with COAERS since coming back to the City in 3/2021, planning for my very important goal of completing an additional service purchase when I attain 5 years of service. This possibility was one of the reasons I accepted this position. I have worked in the private sector between 2006 and 2021, and have saved liquid funds planning for this service purchase. I have not taken risk in investment in order to ensure I have the amount needed. My plan was to buy in Feb 2024, or as soon as possible. My understanding is that 2/2024 is the soonest I can do this. I watched the presentation and it appears the changes would go into effect in Jan 2024, a month before I would be eligible. A change to Group A and the timing of it will derail my retirement plans. It further requires me to rethink my decision to take this employment path with the City. As you know, one of the things we weigh as public servants is the benefits, especially when the compensation is so far below the market rate. If this goes through as planned, it may not make sense for some employees to continue dedicating precious years to the City. It is my hope that any changes would not apply to Group A. Thank you.
2	Active Member	Your option for military buy back is unacceptable for our service members who served our country. This is a disservice to them and if approved will be escalated.
3	Active Member	I do not agree with eliminating the Military Service purchase 75% subsidy.
4	Active Member	- Removing the 75% subsidy for military purchases is a disservice to those who served. - moving service purchases to only be allowed AFTER retirement eligibility defeats one of the main purposes, to be able to purchase time so that we can be eligible to retire earlier than our original date. I have seen it many times, people purchase their time to get out of a bad situation (bad supervisor/mgr). If they don't have this option, then they will just leave. COAERS has now contributed to the cycle of not being able to hire qualified employees or retain the current ones. Salaries are already lower compared to private companies, the retirement (plan A) was one of the last saving graces for the City to keep good employees, this was changed with implementation of plan B. Now the military service purchase and the proposal to only have the capability to purchase AFTER retirement eligibility.... I understand the need for sustainability and funding, but City operations and quality employees are already hard to find, these changes make it nearly impossible.

	Member Status	Comment
5	Active Member	I believe removing the Military service purchase 75% subsidy is unfair and unwarranted to our veterans. The City of Austin prides itself on how many veterans currently work here and removing the subsidy completely should be revisited. Maybe the percentage can be reduced, to help bolster the retirement funds. Many veterans working at the city currently do not have the funds available to purchase 4-20 years of time now and may never will. This change will impact most of the newly hired veterans who are on the Group B 30 term plan. This proposal is stripping them of service years they honorably earned, while keeping the sick leave conversion plan relatively intact. I believe reducing the subsidy to 50% would still provide more benefit to the overall plan and veterans instead of removing the option completely.
6	Active Member	This is yet another slap in the face by our leadership. They throw us a biscuit (4% COLA) then demand half of it back! Hello, we're dealing with 10% inflation over here!! Sickening!
7	Retired Member	I would like to know why retirees do not receive a cost of living raise when the city receives one. I feel that we should also be compensated just like the rest of the city employees. Our insurance goes up and with inflation, we should receive the cost of living wage. Is it really a benefit to do 20 plus years, retire and still have to struggle to make ends meet? I am just a concerned retiree with 23 years of service.
8	Active Member	I do not support a 2% increase in contribution. City employees just won a much-needed 4% raise. This then reduces our raise to 2%. While I understand the importance of retirement benefits, in the meantime we all need to be able to pay our rent and mortgages. Austin is very expensive to afford housing. Please allow City of Austin employees to remain well-housed and do not force a 2% additional contribution. Alternatively, perhaps only vested employees should be required to add an additional contribution.
9	Retired Member	Is it true that the Austin City Council will now be allowed to have access to our COAERS system. Where can I read more about this?
10	Active Member	I would like more information about the service purchase/sick leave conversions. I would have concerns if existing employees could not buy and convert their unused sick time for service credit. Thanks.
11	Retired Member	I would love to have an honest look at cost of living increases. With inflation as high as it is the impact on my retirement income is significant.
12	Other	Hi I would like to buy back my time in 1998. Also, talk to someone about a retirement plan if I come back to the city.

	Member Status	Comment
13	Active Member	We are struggling to attract and keep employees, especially the younger ages who are on the group B plan. The system seems to almost punish them if they begin working with COA before the age of 32. It penalizes them by forcing them to work longer than 30 years or lose substantial income via early retirement penalties. Truthfully, I think a different option should be made available to employees. Let them choose to skip the pension, and instead offer a 403b type plan, coupled with the normal 457b plan we already have. This is somewhat common and eliminates any pension risk decades down the road. It would give them a much-needed option. Obviously, this is major, and has both pros and cons for the employees, and COA. However, due to the portability of the 403b, it might help us attract younger employees who currently feel the pension offers almost no benefit to them.
14	Active Member	I'm troubled by the proposed changes to supplemental service credit purchases for Group A. I came from another system in a different state that COAERS doesn't allow reciprocity for. I put in nearly 6 years in that system and was trying to buy back my 5 years from COAERS as I saved during my career. So far, I've only been able to purchase one time, but I'm planning on making 2-3 more smaller purchases over the next decade. I want to buy those years as soon as I can to avoid the higher cost of waiting until retirement. If these changes pass, I'll no longer be able to purchase service credit until I retire when my income is at its highest. I moved half-way across the country and switched retirement systems BASED in large part, on this ability to buy back up to 5 years. I'm extremely upset if that's taken away from me and I'm forced to purchase at a much higher expense at my retirement. It may not matter to y'all, but I'm the sole financial provider for my family of four. I need to be able to count on what I signed up for and changing this is extremely disrespectful to those of us who've put in over a decade of work at the City. If you implement this, it should apply to Group B and not Group A. Create a Group C if you need to, in order to provide additional funding and shift that group onto the 457 with some City matching. Don't change what Group A signed up for. Thank you, John Nixon
15	Other	I served in the military while most employees of the City of Austin did not. Do not do this: Military service purchase: remove the 75% subsidy and allow purchase only at retirement. Instead, increase the subsidy to 100 percent. And say thank you for your service.
16	Retired Member	Are Non-Contributory purchases allowed for retirees? Since the change moves these types of purchases to the time of retirement.
17	Retired Member	COAERS received the following comment via letter. "My name is Thomas Kennerly. I retired from the City in 2008. Since that time, I have never received a COLA adjustment. I note in your recent newsletter that we will continue to not receive an adjustment. I am aware of the financial problems that the board is facing, however retired member are really

	Member Status	Comment
		facing problems also. Since my retirement 14 years ago, I have lost about 1/4 to 1/3 of my economic abilities. That is just not right. /s/ Thomas W Kennerly
18	Active Member	<p>COAERS received the following comment via email. "I am a Clinical Specialist with Austin-Travis-County EMS and have been with the department for a little over 3 years. I am 25 years old that moved to Texas to begin my career at this department and in this city. Despite those last couple years of low morale due to several reasons, such as the strain that COVID has placed on us, low staffing, increase cost of living, etc., I remain optimistic about this department as being my career and with the dream in mind of retiring here. However, recently I have taken extra interest in understanding as much as I can about COAERS. It has put into a greater perspective of the reality of what it will take to be able to obtain a meaningful retirement. I am apart of group B, because of this, I will have to work for the department another 27 years to be eligible to retire. This will put me at 52 years old. However, I will not be able to collect my pension until I reach the age of 62 years old, another 10 years later. In which time, I will only be at 76.34% of my annual life annuity. Something that was understood when I first started, to be able to make this more manageable is the opportunity to invest in COAERS and buy years once you are vested at year 5 of tenure with the city. This means I would invest in the city and this department early on and buy supplemental years to instead of retiring at the age of 57 while obtaining close to 100 % annual life annuity. However, I have recently learned that it is planned to be changed, to where I would only be able to buy years at the end of my service. The main difference is that if I am forced to wait until the end of my service, the cost of buying those years increase exponentially. If I were to buy the 60 months of supplementary, it would cost me at my current pay about \$87,693.84. If I were to do it at the end of my service, it would cost me at least \$148,571. For those who do not work in our profession, it is physically and mentally taxing. The first responder community is plagued with early onset Alzheimer, heart disease, strokes, and cancer. To see that my future is changing now, and it will only make it harder or me to obtain a good quality of life after I have given what would be 30-40 years of service to the City of Austin and to it's citizen is demoralizing and makes it harder for me to continue to be optimistic about my future here and whether I should see out my tenure to retirement. This change in policy would cause more strain on me and my family in the immediate future and distant future. As will it my colleagues and their families, making it harder for this city to recruit and retain employees. Retirement benefits should be considered an advantage to working for the city of Austin, instead policy changes like this work to make it a disadvantage and push people away for working for this city and department."</p>

	Member Status	Comment
19	Active Member	what is the tentative timeline for the changes with service purchase? does this mean after the May 2023 legislative session, the change will be in effect immediately?
20	Active Member	The Purchase of Sick Leave and Supplemental time Proposal is absurd and not well thought out! This proposal places a burden on the employee to not be able to dollar cost average and allow for earnings in tax deferred plans to recover from losses to buy time.



Date: February 24, 2023

To: Christopher Hanson

From: Lewis Ward

cc: Russell Nash

Re: Service Purchase Review

As requested we have reviewed the service purchase data provided by COAERS Staff. It is our understanding that the purpose of the review is to answer two questions.

Question #1: What would be the impact of allowing members to continue to make purchases (noncontributory, supplemental, and military) prior to retirement eligibility?

Question #2: What would be the impact of changing the subsidy on military purchases?

Below we discuss our responses to these questions based on our analysis of the data.

GRS Response to question #1:

Currently, Group A and Group B members can make noncontributory, supplemental, and military service purchases prior to retirement. The proposed legislation would only allow these purchases to occur when the member is retiring. The Noncontributory, Supplemental and Military are all calculated in the same manner (actuarial basis). The only difference currently between Group A and Group B is that Group B supplemental purchases do not count towards eligibility for retirement. The current subsidy on military purchases is a separate issue.

There is already a risk premium charged on these purchases. This is to protect the System if the System's experience is different than assumed by the assumptions in the service purchase price (salary increase rates, rate of return on investments, life expectancy, etc.). The reason for moving the ability to purchase these types of service to at retirement only is to reduce the risk to the System as it eliminates the unknowns prior to retirement as the benefit would now be known both before and after the purchase (only the unknowns after retirement would remain such as the rate of return on investment and life expectancy). The pre-retirement risks include pay increases between the time of purchase and the actual retirement, the possibility of members trying to "game" the system with small purchases over time versus one purchase of all of their service, etc. There is no simple way to try and determine the costs of these pre-retirement unknowns. It might be possible to calculate for those members who have already retired, what the expected value of the purchased service was expected to be at retirement versus what it actually was when the member retired, but that would require recreating the actual purchases, not just the gathering of the purchase price and date (it would be time consuming and

expensive). Another issue is that over 600 of the 1,569 supplemental purchases provided by COAERS have not yet retired, therefore, making it more difficult to determine any actual adverse impact on a per capita basis as these members could have a larger or smaller impact by the time they actually retire.

Therefore, the answer to the first question is that it would be difficult to put a numerical value on continuing to allow members to make these types of service purchases prior to retirement. What is not difficult to quantify is the fact that restricting the purchases to being made only at retirement would reduce the risk of these types of purchases to the System.

While we understand the perspective of COAERS members that purchases at retirement are more expensive than purchases made earlier in the member's career, we believe this is good policy as it does reduce the risk to the System.

GRS Response to question #2:

We have analyzed the military purchases. Over the last 10 years there have been on average \$687,000 per year in military purchases. This represents 25% of the actuarial costs, so the subsidy would be approximately 3 times this number or \$2.1 million per year. However, as you are aware, the risk premium on service purchases has only occurred recently. If we only look at 2021 and 2022 then the per year purchases increases to \$854,000 per year. Tripling this number brings us to \$2.6 million per year.

Therefore, the answer to question number 2 is that if military purchases continue to occur in the same number and quantity of service purchased as in recent years, then keeping the current subsidy would be expected to cost the System approximately \$2.5 million per year. Adjusting the subsidy would impact this number. If the subsidy was only 50% then it would cost the System approximately \$1.7 million per year. Of course, if the Subsidy is diminished then fewer employees may elect to purchase their military time due to the higher costs associated with the purchases which could reduce the annual cost to the System even further.

Other Comments

Note at this point in time the System has addressed risk reduction measures for the Noncontributory, Supplemental, and Military purchase through the "risk premium". The System has also addressed the inherent subsidy of the sick leave conversions by proposing to include this subsidy in the normal costs of the City. Finally, the risk associated with the forfeited service reinstatements is also being at least partially addressed. Going forward, the interest charged on the reinstated member contribution refunds will be tied to the valuation assumed rate of return, rather than the current procedure of charging the interest crediting rate on member contributions. We believe the System should be commended for doing everything in its power to reduce the risk to the System.



The table below shows a summary of the past 10 years of purchases by type.

Averages over the Past 10 years				
			Average	Average
			Years of Svc	Annual
Purchase Type	# per year		Purchased	Purchases
NonContrib	21		1.19	398,413
Supp Svc	92		2.87	7,902,986
Military	37		3.18	687,333
Prior Svc	26		3.98	582,011
Sick Leave	130		0.32	680,701

We look forward to discussing these issues with you.

**5B. Other legislation impacting COAERS
and HB 2068**

AGENDA ITEM 5:

Discuss and consider 88th Legislative Session including:

B. Other legislation impacting COAERS including HB 2068

AGENDA ITEM OBJECTIVE

This agenda item is intended for the Committee to receive an update on other pension legislation filed to date.

RELEVANCE TO STRATEGIC PLAN

This agenda item is part of **COAERS Strategic Plan Goal 1: Achieve and maintain a funding level that ensures the long-term sustainability of the fund.** The Board established action items in Goal 1 including enacting legislation related to long-term plan sustainability and engaging COAERS stakeholders leading up to the legislative session.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

ATTACHMENTS

1. PRB Legislative Tracking Report
2. Text of HB 2068 by rep. Paul

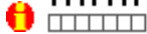


State Pension Review Board Bill Status Report

02-10-2023 - 16:16:27

A - Action in the date range **R** - Link to Related Information () - Priority

- Referred to Committee
- Reported from Committee
- Passed 1st Chamber
- Referred to Committee
- Reported from Committee
- Passed 2nd Chamber
- Signed/Vetoed



State Pension Review Board

A **HB 160** **Bucy, John(D)** Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas and a biennial study on providing additional cost-of-living adjustments.



Track Name(s): TRS

Bill History: 11-14-22 H Filed

A **HB 301** **Rogers, Glenn(R)** Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.



Companions:

HB 3206	Herrero, Abel	(Refiled from 87R Session)
HB 3214	Capriglione, Giovanni	(Refiled from 87R Session)
HB 1218	Lozano, Jose	(Identical)
	1- 9-23 H Filed	

Track Name(s): TRS

Bill History: 11-14-22 H Filed

A **HB 332** **Canales, Terry(D)** Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.



Companions:

SB 106	Menendez, Jose	(Refiled from 87R Session)
SB 109	Menendez, Jose	(Identical)
	11-14-22 S Filed	

Track Name(s): TRS

Bill History: 11-14-22 H Filed

A HB 377 Bucy, John(D) Relating to establishing a joint select committee to study the feasibility and sustainability of providing a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

Companions: HB 1732 Bucy, John (Refiled from 87R Session)

Track Name(s): TRS

Bill History: 11-14-22 H Filed

A HB 429 Schofield, Mike(R) Relating to annual cost-of-living increases applicable to benefits paid by the Teacher Retirement System of Texas.

Track Name(s): TRS

Bill History: 11-14-22 H Filed

A HB 548 Vasut, Cody(R) Relating to a supplemental payment for retirees of the Employees Retirement System of Texas.

Track Name(s): ERS

Bill History: 11-14-22 H Filed

A HB 656 Allison, Steve(R) Relating to the inclusion of compensation paid under the teacher incentive allotment under the Foundation School Program for purposes of contributions to benefits under the Teacher Retirement System of Texas.

Track Name(s): TRS

Bill History: 11-14-22 H Filed

A HB 775 Allen, Alma(D) Relating to benefits paid by the Teacher Retirement System of Texas.

Track Name(s): TRS

Bill History: 11-18-22 H Filed

A HB 830 Allen, Alma(D) Relating to certain benefits paid by the Employees Retirement System of Texas.

Track Name(s): ERS

Bill History: 11-30-22 H Filed

A HB 1097 Hinojosa, Gina(D) Relating to the cash balance annuity for members of the legislature and the lieutenant governor.

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Track Name(s): ERS, TRS

Bill History: 12-21-22 H Filed

A HB 1115 Hernandez, Ana(D) Relating to cost-of-living increases applicable to benefits paid by the Teacher Retirement System of Texas.

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Companions:

HB 625	Hernandez, Ana	(Refiled from 87R Session)
HB 672	Martinez, Armando	(Refiled from 87R Session)
HB 1137	Martinez, Armando	(Identical)

12-29-22 H Filed

Track Name(s): TRS

Bill History: 12-27-22 H Filed

A HB 1116 Munoz, Sergio(D) Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas, including a related study.

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Track Name(s): TRS

Bill History: 12-28-22 H Filed

A HB 1137 Martinez, Armando(D) Relating to cost-of-living increases applicable to benefits paid by the Teacher Retirement System of Texas.

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Companions:

HB 625	Hernandez, Ana	(Refiled from 87R Session)
HB 672	Martinez, Armando	(Refiled from 87R Session)
HB 1115	Hernandez, Ana	(Identical)

12-27-22 H Filed

Track Name(s): TRS

Bill History: 12-29-22 H Filed

A HB 1201 Dean, Jay(R) Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

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Track Name(s): TRS

Bill History: 01-06-23 H Filed

A [HB 1218](#) [Lozano, Jose\(R\)](#) Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

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Companions: [HB 301](#) Rogers, Glenn (Identical)
11-14-22 H Filed

Track Name(s): TRS

Bill History: 01-09-23 H Filed

A [HB 1284](#) [Dean, Jay\(R\)](#) Relating to the payment of certain employer contributions for retirees of the Teacher Retirement System of Texas who resume service.

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Track Name(s): TRS

Bill History: 01-12-23 H Filed

A [HB 1393](#) [Frank, James\(R\)](#) Relating to an optional service retirement annuity of the Employees Retirement System of Texas.

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Companions: [HB 2936](#) Frank, James (Refiled from 87R Session)

Track Name(s): ERS

Bill History: 01-18-23 H Filed

A [HB 1473](#) [Rose, Toni\(D\)](#) Relating to the standard service and disability retirement benefits for members of the employee class of the Employees Retirement System of Texas.

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Companions: [SB 531](#) West, Royce (Identical)
1-20-23 S Filed

Track Name(s): ERS

Bill History: 01-19-23 H Filed

A [HB 1651](#) [Cook, David\(R\)](#) Relating to the eligibility for custodial officer service in the Employees Retirement System of Texas of juvenile justice officers employed by the Texas Juvenile Justice Department.

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Companions: [HB 3393](#) Meza, Terry (Refiled from 87R Session)

Track Name(s): LECOSRF

Bill History: 01-25-23 H Filed

A [HB 1663](#) [Guillen, Ryan\(R\)](#) Relating to purchase of service credit in the Teacher Retirement System of Texas by certain

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members with federal border security service work experience.

Track Name(s): TRS

Bill History: 01-26-23 H Filed

A HB 1725 Vasut, Cody(R)

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Relating to the payment of certain employer contributions for retirees of the Teacher Retirement System of Texas who resume service.

Track Name(s): TRS

Bill History: 01-26-23 H Filed

A HB 1729 Rogers, Glenn(R)

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Relating to a one-time supplemental payment of benefits under the Teacher Retirement System of Texas.

Companions: [HB 1961](#) Leach, Jeff (Identical)
2- 6-23 H Filed
[SB 669](#) West, Royce (Identical)
2- 2-23 S Filed

Track Name(s): TRS

Bill History: 01-26-23 H Filed

A HB 1758 Allen, Alma(D)

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Relating to the payment of certain employer contributions for employed retirees of the Teacher Retirement System of Texas.

Track Name(s): TRS

Bill History: 01-27-23 H Filed

A HB 1790 Rogers, Glenn(R)

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Relating to the payment of certain employer contributions for employed retirees of the Teacher Retirement System of Texas.

Track Name(s): TRS

Bill History: 01-27-23 H Filed

A HB 1961 Leach, Jeff(R)

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Relating to a one-time supplemental payment of benefits under the Teacher Retirement System of Texas.

Companions: [HB 1729](#) Rogers, Glenn (Identical)
1-26-23 H Filed
[SB 669](#) West, Royce (Identical)
2- 2-23 S Filed

Track Name(s): TRS

Bill History: 02-06-23 H Filed

A **HB 2068** Paul, Dennis(R) Relating to the fiduciary responsibility of governmental entities and the investment agents, plan administrators, or qualified vendors acting on behalf of those entities.

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Track Name(s): Pension Review Board

Bill History: 02-08-23 H Filed

A **HJR 5** Canales, Terry(D) Proposing a constitutional amendment to increase the minimum amount that the state may contribute to the Employees Retirement System of Texas and the Teacher Retirement System of Texas.

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Track Name(s): ERS, TRS

Bill History: 11-14-22 H Filed

A **HJR 39** Vasut, Cody(R) Proposing a constitutional amendment to repeal the mandatory age of retirement for state justices and judges.

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Companions: **HJR 66** Vasut, Cody (F) (Refiled from 87R Session)

Track Name(s): ERS

Bill History: 11-14-22 H Filed

A **HJR 107** Price, Four(R) Proposing a constitutional amendment to increase the mandatory age of retirement for state justices and judges.

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Companions: **SJR 40** Hinojosa, Chuy (Identical)
2- 7-23 S Filed

Track Name(s): ERS

Bill History: 02-08-23 H Filed

A **SB 33** Zaffirini, Judith(D) Relating to adjustments to certain benefits paid by the Teacher Retirement System of Texas.

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Companions: **HB 4205** Davis, Yvonne (Refiled from 87R Session)

Track Name(s): TRS

Bill History: 11-14-22 S Filed

A **SB 109** Menendez, Jose(D) Relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

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Companions: SB 106 Menendez, Jose (Refiled from 87R Session)
HB 332 Canales, Terry (Identical)
11-14-22 H Filed

Track Name(s): TRS

Bill History: 11-14-22 S Filed

A SB 531 West, Royce(D)

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Relating to the standard service and disability retirement benefits for members of the employee class of the Employees Retirement System of Texas.

Companions: HB 1473 Rose, Toni (Identical)
1-19-23 H Filed

Track Name(s): ERS

Bill History: 01-20-23 S Filed

A SB 669 West, Royce(D)

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Relating to a one-time supplemental payment of benefits under the Teacher Retirement System of Texas.

Companions: HB 1729 Rogers, Glenn (Identical)
1-26-23 H Filed
HB 1961 Leach, Jeff (Identical)
2- 6-23 H Filed

Track Name(s): TRS

Bill History: 02-02-23 S Filed

A SB 729 Huffman, Joan(R)

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Relating to the cash balance benefit under the Employees Retirement System of Texas.

Track Name(s): ERS

Bill History: 02-07-23 S Filed

A SJR 40 Hinojosa, Chuy(D)

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Proposing a constitutional amendment to increase the mandatory age of retirement for state justices and judges.

Companions: HJR 107 Price, Four (Identical)
2- 8-23 H Filed

Track Name(s): ERS

Bill History: 02-07-23 S Filed

Total Bills: 35

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By: Paul

H.B. No. 2068

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the fiduciary responsibility of governmental entities
3 and the investment agents, plan administrators, or qualified
4 vendors acting on behalf of those entities.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter A, Chapter 609, Government Code, is
7 amended by adding Section 609.0015 to read as follows:

8 Sec. 609.0015. INVESTMENT AND VOTING STANDARDS FOR
9 GOVERNMENTAL ENTITIES, PLAN ADMINISTRATORS, AND QUALIFIED VENDORS;
10 DUTY TO REPORT VOTES; INVESTIGATION. (a) Sections 802.203(a) and
11 802.2031 through 802.2036 apply to any governmental entity, plan
12 administrator, or qualified vendor who administers or offers a
13 qualified investment product in a deferred compensation plan under
14 this chapter in the same manner as those sections apply to an
15 investment agent or the governing body of a public retirement
16 system.

17 (b) Notwithstanding any other provision of this chapter, a
18 plan administrator may approve a vendor to be a qualified vendor
19 only if the vendor has a practice of following, and agrees in
20 writing to follow, guidelines that are consistent with the plan
21 administrator's duty under Subsection (a) to act solely in the
22 pecuniary interests of the plan's participants and beneficiaries.

23 SECTION 2. Section 802.001, Government Code, is amended by
24 adding Subdivisions (2-a), (2-b), and (2-c) to read as follows:

1 (2-a) "Investment agent" means any person with respect
2 to a public retirement system, other than the governing body, who:

3 (A) exercises any discretionary authority over
4 or control in or has any responsibility in the administration of the
5 public retirement system, including:

6 (i) controlling or disposing of the
7 system's assets; or

8 (ii) advising on or exercising the right to
9 vote any shares of the system, including proxy votes; or

10 (B) provides, for compensation, directly or
11 indirectly, investment advice regarding the assets of the system.

12 (2-b) "Material factor," with respect to a risk,
13 return, or investment:

14 (A) means a factor for which there is a
15 substantial likelihood that a reasonable investor would find
16 important when evaluating the potential financial returns and risks
17 of an investment or whether to exercise any right in connection with
18 a security; and

19 (B) does not include any portion of the factor
20 that:

21 (i) primarily relates to events that
22 involve a high degree of uncertainty regarding what may occur in the
23 distant future; and

24 (ii) is systemic, general, or not
25 investment-specific in nature.

26 (2-c) "Pecuniary factor" means a material factor that
27 has an effect on the financial returns and risks of an investment

1 based on appropriate investment horizons.

2 SECTION 3. Section 802.002(a), Government Code, is amended
3 to read as follows:

4 (a) Except as provided by Subsection (b), the Employees
5 Retirement System of Texas, the Teacher Retirement System of Texas,
6 the Texas County and District Retirement System, the Texas
7 Municipal Retirement System, and the Judicial Retirement System of
8 Texas Plan Two are exempt from Sections 802.101(a), 802.101(b),
9 802.101(d), 802.102, 802.103(a), 802.103(b), 802.2015, 802.2016,
10 802.202, [~~802.203,~~] 802.204, 802.205, 802.206, and 802.207. The
11 Judicial Retirement System of Texas Plan One is exempt from all of
12 Subchapters B and C except Sections 802.104 and 802.105. The
13 optional retirement program governed by Chapter 830 is exempt from
14 all of Subchapters B and C except Section 802.106.

15 SECTION 4. Section 802.203(a), Government Code, is amended
16 to read as follows:

17 (a) In making and supervising investments of the reserve
18 fund of a public retirement system, an investment agent [~~manager~~]
19 or the governing body of a public retirement system shall discharge
20 its duties solely in the pecuniary interest of the participants and
21 beneficiaries:

22 (1) for the exclusive purposes of:

23 (A) providing pecuniary benefits to participants
24 and their beneficiaries; and

25 (B) defraying reasonable expenses of
26 administering the system;

27 (2) with the care, skill, prudence, and diligence

1 under the prevailing circumstances that a prudent person acting in
2 a like capacity and familiar with matters of the type would use in
3 the conduct of an enterprise with a like character and like aims;

4 (3) by diversifying the investments of the system to
5 minimize the risk of large losses, unless under the circumstances
6 it is clearly prudent not to do so; and

7 (4) in accordance with the documents and instruments
8 governing the system to the extent that the documents and
9 instruments are consistent with this subchapter.

10 SECTION 5. Subchapter C, Chapter 802, Government Code, is
11 amended by adding Sections 802.2031 through 802.2036 to read as
12 follows:

13 Sec. 802.2031. INVESTMENT STANDARDS: OBLIGATION TO ACT
14 BASED SOLELY ON PECUNIARY INTERESTS. (a) Except as provided by
15 this section and for purposes of Section 802.203(a), the governing
16 body of a public retirement system or an investment agent:

17 (1) may not take any action or consider any factor,
18 including when determining whether a factor is a material factor,
19 with a purpose of furthering an environmental, social, or political
20 goal or any other similar goal; and

21 (2) shall take into account only pecuniary factors
22 when evaluating the potential financial returns and risks of an
23 investment or whether to exercise any right in connection with a
24 security.

25 (b) The governing body of a public retirement system or an
26 investment agent may take into account under Subsection (a) an
27 environmental, social, or political factor or any other similar

1 factor only to the extent that:

2 (1) the factor presents a financial risk or
3 opportunity that an experienced investment professional would
4 treat as a material financial factor under generally accepted
5 investment theories; and

6 (2) the weight given to the factor is limited to the
7 impact of the factor on the financial risk or opportunity that a
8 similarly situated prudent investor would give.

9 (c) In taking into account a factor as provided by
10 Subsection (b) regarding a potential investment, the governing body
11 or investment agent must compare the investment with other
12 available alternative investments that would serve a similar
13 purpose as the original investment being evaluated, including:

14 (1) how the original investment and the alternative
15 investments each impact the level of diversification of the
16 system's portfolio;

17 (2) the degree of liquidity of each investment;

18 (3) the potential financial returns and risks of each
19 investment; and

20 (4) whether greater returns can be achieved through
21 the alternative investments that have little impact on
22 environmental, social, political, or similar factors.

23 (d) To the extent of a conflict between this section and any
24 other law, this section prevails.

25 Sec. 802.2032. DUTY TO VOTE SHARES BASED SOLELY ON
26 PECUNIARY INTERESTS. (a) In accordance with Section [802.203\(a\)](#),
27 all shares held directly or indirectly by or on behalf of a public

1 retirement system or the system's participants and beneficiaries,
2 as applicable, shall be voted solely in the pecuniary interest of
3 the system's participants and beneficiaries and may not be voted
4 with a purpose of furthering an environmental, social, or political
5 goal or any other similar goal.

6 (b) The governing body of a public retirement system may
7 delegate proxy voting authority to an investment agent only if the
8 agent has a practice of following, and commits in writing to follow,
9 guidelines that are consistent with the governing body's duty to
10 act solely in the pecuniary interests of the system's participants
11 and beneficiaries.

12 Sec. 802.2033. EVIDENCE OF VIOLATION OF INVESTMENT
13 STANDARDS. Evidence of a violation of Section 802.203(a) may
14 include a statement of a governing body of a public retirement
15 system or an investment agent indicating the governing body's or
16 agent's purpose in selecting investments, engaging with portfolio
17 companies, or voting shares or proxy votes, or a similar statement
18 by any coalition, initiative, or organization that the governing
19 body or agent is a member of or otherwise participates in, at the
20 time the statement was made.

21 Sec. 802.2034. COMMITMENT IN WRITING. Unless an
22 economically practicable alternative is not available:

23 (1) the assets of a public retirement system may not be
24 entrusted to an investment agent unless that agent has a practice of
25 following, and commits in writing to follow, guidelines when
26 engaging with portfolio companies that are consistent with the
27 governing body's duty to act solely in the pecuniary interest of the

1 system's participants and beneficiaries; and
2 (2) the governing body of a public retirement system
3 or an investment agent that manages the assets of a public
4 retirement system may not adopt a practice of following the
5 recommendations of a proxy advisor or other similar service
6 provider unless the advisor or provider has a practice of
7 following, and commits in writing to follow, proxy voting
8 guidelines that are consistent with the duty of the governing body
9 or investment agent to act solely in the pecuniary interest of the
10 system's participants and beneficiaries.

11 Sec. 802.2035. REPORT ON PROXY VOTES. The governing body of
12 a public retirement system shall tabulate all proxy votes made on
13 behalf of the system and report the votes annually to the State
14 Pension Review Board. For each vote, the report must contain a vote
15 caption, the system's vote, and, as applicable, the recommendation
16 of the investment agent or any proxy advisor. The State Pension
17 Review Board shall post reports submitted under this section to the
18 board's publicly accessible Internet website.

19 Sec. 802.2036. INVESTIGATION BY ATTORNEY GENERAL. If the
20 attorney general has reasonable cause to believe that a person
21 engaged in, is engaging in, or is likely to engage in an act that
22 violates Section 802.203(a), 802.2034, or 802.2035, the attorney
23 general may:

24 (1) require the person to file, in a form and manner
25 prescribed by the attorney general, a statement or report in
26 writing, under oath, as to:

27 (A) all the facts and circumstances concerning

1 the violation; or

2 (B) any other relevant information the attorney
3 general considers necessary;

4 (2) examine any person under oath in connection with
5 the violation;

6 (3) examine any record, book, document, account,
7 paper, sample, or other material in connection with the violation;
8 or

9 (4) apply to a district court to issue a subpoena for
10 any record, book, document, account, paper, sample, or other
11 material in connection with the violation and retain the material
12 until the completion of all related proceedings taken under this
13 section.

14 SECTION 6. Section 815.307, Government Code, is amended to
15 read as follows:

16 Sec. 815.307. DUTY OF CARE. The assets of the retirement
17 system shall be invested and reinvested without distinction as to
18 their source in accordance with Section 67, Article XVI, Texas
19 Constitution. [~~A determination of whether the board of trustees~~
20 ~~has exercised prudence with respect to an investment decision must~~
21 ~~be made taking into consideration the investment of all assets of~~
22 ~~the trust or all assets of the collective investment vehicle, as~~
23 ~~applicable, over which the board has management and control, rather~~
24 ~~than considering the prudence of a single investment of the trust or~~
25 ~~the collective investment vehicle, as applicable.]~~

26 SECTION 7. Section 840.303, Government Code, is amended to
27 read as follows:

1 Sec. 840.303. DUTY OF CARE. The assets of the retirement
2 system shall be invested and reinvested without distinction as to
3 their source in accordance with Section 67, Article XVI, Texas
4 Constitution. [~~A determination of whether the board of trustees
5 has exercised prudence with respect to an investment decision must
6 be made taking into consideration the investment of all assets of
7 the trust or all assets of the collective investment vehicle, as
8 applicable, over which the board has management and control, rather
9 than considering the prudence of a single investment of the trust or
10 the collective investment vehicle, as applicable.~~]

11 SECTION 8. Section 855.303, Government Code, is amended to
12 read as follows:

13 Sec. 855.303. PRUDENCE REGARDING INVESTMENTS. [A
14 ~~determination of whether the board of trustees has exercised
15 prudence in an investment decision must be made by considering the
16 investment of all of the assets of the trust over which the board
17 has management and control, rather than by considering the prudence
18 of a single investment.~~] In making investments for the retirement
19 system, the board of trustees shall exercise the judgment and care,
20 under the circumstances, that persons of prudence, discretion, and
21 intelligence exercise in the management of their own affairs,
22 considering the probable income from the securities and probable
23 safety of their capital.

24 SECTION 9. Section 865.008(b), Government Code, is amended
25 to read as follows:

26 (b) The assets of the pension system shall be invested and
27 reinvested in accordance with Section 67, Article XVI, Texas

1 Constitution. [~~A determination of whether the state board has~~
2 ~~exercised prudence with respect to an investment decision must be~~
3 ~~made, taking into consideration the investment of all assets of the~~
4 ~~trust over which the state board has management and control rather~~
5 ~~than considering the prudence of a single investment.]~~

6 SECTION 10. Section 7.04(b), Chapter 824 (S.B. 817), Acts
7 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
8 Vernon's Texas Civil Statutes), is amended to read as follows:

9 (b) The board shall diversify the investment of the fund to
10 minimize the risk of large losses unless under the circumstances it
11 is clearly prudent not to do so. [~~In determining whether the board~~
12 ~~has exercised prudence concerning an investment decision, the~~
13 ~~investment of all assets of the fund, rather than the prudence of a~~
14 ~~single investment of the fund, shall be considered.]~~

15 SECTION 11. Section 6.04(b), Chapter 1332 (S.B. 1568), Acts
16 of the 75th Legislature, Regular Session, 1997 (Article 6243q,
17 Vernon's Texas Civil Statutes), is amended to read as follows:

18 (b) The board shall diversify the investment of the reserve
19 funds to minimize the risk of large losses unless under the
20 circumstances it is clearly prudent not to do so. [~~In determining~~
21 ~~whether the board has exercised prudence concerning an investment~~
22 ~~decision, the investment of all assets of the funds, rather than the~~
23 ~~prudence of a single investment of the funds, shall be considered.]~~

24 SECTION 12. Section 802.2032, Government Code, as added by
25 this Act, applies to the authority to vote shares and proxy votes
26 granted before, on, or after the effective date of this Act.

27 SECTION 13. This Act takes effect September 1, 2023.

6. Review key meeting takeaways and call for future agenda items

Presented by Committee Chair Crook

AGENDA ITEM 6:

Review key meeting takeaways and call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.