

# Review and Discussion of 2021 Legislative Agenda

March 24-25, 2020



# Outline

- Process Overview
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- Project Timeline
- Recommendation



# Introduction

- This project included in the 2018-2022 TMRS Strategic Plan
- Continuing project from the 2015-2019 Strategic Plan
- “Develop and Promote Legislation and Rule Amendments to Clarify Certain Aspects of the TMRS Act”
- Purpose is to review the TMRS Act and Rules to identify the need for possible statutory or rule changes to improve TMRS’ plan design and operations



# Process Overview

- Legislative agenda is developed between legislative sessions
- Staff provides TMRS Board with priority items to consider, which can include benefit design, operational, and administrative suggestions
- Board typically assigns benefit design topics to the Advisory Committee to study and provide feedback
- In the past, the Board has delegated authority to set meetings to the Advisory Committee Chair and Vice Chair
- Board considers many factors before deciding on a legislative agenda



# Project Summary

- Last interim, Board received presentations beginning in February, 2018
- Staff received suggestions related to 170 sections and subsections of the Act
- 142 Sections researched and prioritized
- 19 priority suggestions presented to Board; 9 were endorsed by Board at December Board meeting; all were administrative / operational
- Those 9 suggestions were all included in SB 1337, which was passed into law and signed by the Governor on June 16, 2019



# Project Status

- Staff has reviewed remaining statutory suggestions plus other new suggestions
- Staff has identified 11 suggestions that are high or medium priority
- Of the 11 suggestions:
  - 5 were presented to the Board last interim and that were not included in SB 1337
  - 3 are new suggestions identified by staff
  - 3 were partially addressed or make clarifications to previous changes
- Two of the 7 suggestions are benefit design proposals that were studied last interim
- None of the 11 suggestions are critical to the operations of TMRS



# Priority Suggestions

## Benefit Design

| No. | Topic                              |
|-----|------------------------------------|
| 1.  | *Cost of Living Adjustments (COLA) |
| 2.  | *Return to Work                    |

\*Proposed as priority items in 2018, but not included in filed version of SB 1337

# Priority Suggestions

## Administrative: City-Related

| No. | Topic  |
|-----|--|
| 3.  | *Mandatory electronic submission of city payroll contributions & reports |
| 4.  | Payments to formerly participating municipalities                        |
| 5.  | *Repeal Statutory Maximum Rate of Contribution (“Stat Max”)              |

\*Proposed as priority items in 2018, but not included in filed version of SB 1337

# Priority Suggestions

## Administrative: Governance

| No. | Topic  |
|-----|--|
| 6.  | Clarify Trustees eligibility to serve on Board       |
| 7.  | Clarify oath of office requirements for new Trustees |
| 8.  | **Investment of Assets                               |

\*\*Partially addressed in SB 1337

# Priority Suggestions

## Administrative: Various

| No. | Topic  |
|-----|--|
| 9.  | *Interest on late contributions  |
| 10. | **Responsibility for certain ministerial / administrative duties (“Board to System”) |
| 11. | **Repeal obsolete provisions and other clarifying changes                            |

\*Proposed as priority items in 2018, but not included in filed version of SB 1337

\*\*Partially addressed in SB 1337



# Project Timeline

- Staff has prepared a timeline that intersects with Legislative process
- Last interim (in 2018), two stand-alone Advisory Committee meetings were held, in addition to the May joint meeting with Board:
  - One educational meeting (overview of TMRS, legislative outlook) in April
  - One meeting to provide overview of Board's preliminary decision to pursue a legislative agenda (9 priority suggestions) in November
- The number of meetings in 2020 depends upon the Board's thoughts for considering a legislative agenda
- Staff proposes earlier date for deciding on legislation (September Board meeting)



# Recommendation

- Whether the Board may, or may not, have an interest in pursuing TMRS-sponsored legislation in the 87<sup>th</sup> Session in 2021
- Whether the Board may wish to assign certain benefit-related topics from the priority suggestion list for the Committee to study
- Whether or not the Board would like for staff to continue researching any or all of the administrative-related topics; and/or
- Whether the Board may wish to consider granting the Committee Chair and Vice Chair with the authority to convene one or more meetings, depending on such factors as the availability of members, the hiring of the successor Executive Director, and the COVID-19 situation, to discuss any or all of the assigned topics.



Questions?