2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 5.10.(d), (d1), (d2), (d3), (d4), and (d5): Teachers' and State Employees' Retirement System Modifications

Analysis of:	S.L. 2026-41, Sec. 5.10.(d), (d1), (d2), (d3), (d4), and (d5)	**Date:**	August 25, 2026
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Sections 5.10.(d), (d1), (d2), (d3), (d4), and (d5) of S.L. 2026-41 (Senate Bill 257) reconfigure the membership of the Teachers' and State Employees' Retirement System (TSERS) Board of Trustees to include the State Treasurer, the Director of the Office of State Human Resources as a non-voting member, two members appointed by the State Treasurer, two members appointed by the Governor, and two members appointed by the General Assembly. The members appointed by the Governor and the State Treasurer are subject to confirmation by the General Assembly by joint resolution.

The position currently held by the Superintendent of Public Instruction, the voting ability of the Director of the Office of State Human Resources, and any vacant seat will be terminated on the effective date of these sections. Any member of the TSERS Board of Trustees serving a holdover, expired term on the effective date will continue serving, and the procedure for vacancies will apply. Any member of the TSERS Board of Trustees who is serving a current, unexpired term on the effective date will continue to serve until expiration of the term or upon the member's vacancy.

The sections further provide for four-year terms of appointive members. Appointive members are eligible for reappointment provided they serve no more than two four-year terms consecutively. Appointive members may only be removed by the appointing authority. Further, appointive members must take an oath, possess expertise in pensions, and must not hold other public office in the State or have any of the following apply:

- The individual has been indicted or charged with, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a felony or misdemeanor involving fraud, theft, or dishonesty.
- The individual had a judgement entered against the individual in a civil matter involving breach of fiduciary duties.
- The individual has been the subject of an adverse action by the Securities and Exchange Commission that resulted in any penalty.
- The individual, the individual's spouse, or other immediate family member, is or becomes employed by the State Treasurer or by any service provider that assists in the administration of the Retirement System overseen by the Retirement Systems Division.

The TSERS Board of Trustees must meet at least quarterly. Meetings may be called by the State Treasurer or by majority of the Board of Trustees. A minimum of four members must be present to establish a quorum, and a majority vote of the members present is required for any action taken with the vote of the

State Treasurer prevailing in the event of a tie. The State Treasurer and the Director of the Office of State Human Resources may each appoint a designee. The State Treasurer serves as the chair of the Board of Trustees and must appoint a secretary.

Members who do not receive a salary or any portion of a salary from State funds are eligible to receive up $100 per day during session, and all members will be reimbursed for necessary expenses in accordance with statute.

These sections become effective July 1, 2027.