

SUBJECT: Health insurance extended coverage for school district employees

COMMITTEE: Public Education — committee substitute recommended

VOTE: 6 ayes — Eissler, Zedler, Branch, Hochberg, Olivo, Patrick

0 nays

3 absent — Delisi, Dutton, Mowery

WITNESSES: For — Beaman Floyd, Texas Association of School Administrators; Lonnie Hollingsworth, Jr., Texas Classroom Teachers Association; Ted Melina Raab, Texas Federation of Teachers. (*Registered, but did not testify*): Greg Herzog, Texas Medical Association; Elena Lincoln, Association of Texas Professional Educators; Shanna Weisfeld, Texas State Teachers Association

Against — None

BACKGROUND: Education Code, sec. 22.004, requires school districts to provide health insurance for their employees, either by participating in a uniform group coverage program administered by the state or by providing other group coverage that meets certain minimum standards.

Insurance Code, ch. 1581 requires school districts, charter schools, and regional education service centers to contribute \$1,800 per employee per year for health insurance coverage.

DIGEST: CSHB 973 would specify that school district employees in their last year of employment with a district were entitled to health insurance coverage through the first anniversary of the date the coverage began. School districts could not diminish or eliminate health insurance coverage before the last date on which the employee was entitled to participate in a group health insurance program.

The bill would take effect September 1, 2007, and would apply beginning with the 2007-08 school year.

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- SUPPORTERS SAY:** CSHB 973 would ensure that teachers and other school district employees did not face a lapse in health insurance coverage during the summer if they changed jobs at the end of a school year. Most school districts give employees the option of continued coverage, but the bill would make it clear that all school district employees were entitled to this extended coverage.
- The bill would apply only to employees who resigned at the end of a school year rather than renewing their contracts. Employees who were terminated or resigned in lieu of termination during the year would not be eligible for the continued coverage.
- OPPONENTS SAY:** For school districts that do not provide extended coverage, the bill could create an additional expense.
- NOTES:** The committee substitute eliminated references to the Teacher Retirement System.
- The companion bill, SB 816 by Averitt, is pending in the Senate State Affairs Committee following a public hearing on April 2.