

SUBJECT: Allowing certain faculty members to participate in a benefits program

COMMITTEE: Pensions — committee substitute recommended

VOTE: 6 ayes — Callegari, Alonzo, Branch, Frullo, Gutierrez, P. King

0 nays

1 absent — Stephenson

WITNESSES: For — David Albert, Patrick Collins, ACC/AFT; Richard Cutler, Adjunct Faculty Association, Austin Community College; Ted Melina Raab, Texas AFT; Becky Villarreal, AFT; (*Registered, but did not testify*: Leslie Cunningham, Harrison Hiner, Judy Holloway, Kathryn Kenefick, and Derrick Osobase, Texas State Employees Union; Daniel Dewberry, ACC/AFT; and four individuals)

Against — None

On — Alicia Del Rio, Austin Community College; (*Registered, but did not testify*: Robert Kukla, Employees Retirement System of Texas)

BACKGROUND: Insurance Code, sec. 1551.1021 sets conditions for adjunct faculty members at public institutions of higher education to participate in the group benefits program (GBP) administered by the Employee Retirement System of Texas (ERS).

An adjunct faculty member must have taught at least one course in each fall and spring semester of the preceding three years and be assigned to teach at least 12 credit hours in the academic year of insurance coverage. Employees who also perform nonteaching duties must be assigned to teach at least six semester credit hours in the academic year of coverage and be approved by the institution to participate in the GBP.

DIGEST: CSHB 2127 would allow adjunct faculty members at state higher education institutions to participate in the GBP if they taught at least one course in the fall and spring semester in the preceding academic year.

The bill also would allow adjunct librarians to participate in the GBP.

The ERS board of trustees would be required to include coverage for those adjunct faculty members who qualified in an insurance policy, contract, or evidence of coverage issued or renewed on or after January 1, 2014.

The bill would take effect September 1, 2013.

**SUPPORTERS
SAY:**

CSHB 2127 would amend stringent eligibility guidelines that prevent many adjunct faculty members from participating in a state group health plan. The bill would lower the previous teaching requirement from three years to one year.

There would be a limited number of employees who would enroll in the health plan, according to ERS estimates, and most would pay the full cost to cover themselves and their families.

Although some of the new enrollees are expected to have serious health issues, the Legislative Budget Board (LBB) fiscal note says any higher health care costs could be absorbed within existing GBP program resources.

The bill also would allow adjunct librarians to participate on the same basis as other adjunct faculty members. Instead of hiring librarians as administrative employees, some colleges hire them as adjuncts faculty members. Even though they are faculty members these adjunct librarians often have limited teaching assignments and do not meet the 12 credit hour requirement.

The lack of benefits drives good people from teaching. It is not uncommon, especially for newer faculty, to not get assigned a class or to have a class canceled due to insufficient registration. Under current law, that could mean an adjunct faculty member might miss out on qualifying for health care. One adjunct faculty member said he didn't know of another employer who would require an employee to work for three years before qualifying for health insurance.

**OPPONENTS
SAY:**

CSHB 2127 would make an additional 1,250 adjunct faculty members eligible for state-sponsored health insurance, according to the fiscal note. ERS estimates that only about 135 would enroll, but that those are likely to be individuals with the most expensive health care needs. The health insurance industry refers to this as "adverse selection" and ERS estimates

it would increase the average cost of coverage for all members, which could increase state and employee contribution rates.