

BILL ANALYSIS

Senate Research Center
76R15074 KEL-D

H.B. 362
By: Hupp (Fraser)
State Affairs
5/10/1999
Committee Report (Amended)

DIGEST

Currently, state law requires schools to give insurance benefits to out-of-state employees. This affects Central Texas colleges, which compete against many non-Texas colleges for federal contracts to provide educational instruction abroad to U.S. servicemen and women. Most other states do not require their colleges to give insurance benefits to out-of-state employees under their state plans, which allows those schools to submit much lower bids for projects. Moreover, many of the benefits provided by the Texas program are not applicable to foreign residents. H.B. 362 gives community/junior colleges the flexibility to decide whether they want to give out-of-state employees insurance benefits under the Texas Employees Uniform Group Insurance Benefits Act.

PURPOSE

As proposed, H.B. 362 sets forth requirements for certain higher education employees to participate in group programs under the Texas Employees Uniform Group Insurance Benefit Act.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 3.50-2, V.T.C.S. (The Texas Employees Uniform Group Insurance Benefits Act), by adding Section 13C, as follows:

Sec. 13C. CERTAIN EMPLOYEES INELIGIBLE. Provides that an employee of a public community/junior college who is employed to perform services outside of this state is not eligible to participate in the group programs provided under this Act unless the college elects, in accordance with procedures adopted by the trustee, to permit such employees to participate in those programs. Provides that an employee is employed to perform services outside of this state if 75 percent or more of the services performed by the employee are performed outside of this state, for purposes of this section. Provides that this section does not apply to a person employed by a public community/junior college on August 31, 1999. Provides that the person remains eligible to participate in the group programs provided by this Act, in the same manner as other employees of the college even if the person's employment by the college is not continuous.

SECTION 2. Amends Section 13(c), Article 3.50-2, V.T.C.S., to provide that certain employees are eligible for participation in the group programs provided under this Act upon execution of appropriate application for coverage, unless they are ineligible for the program under Section 13C of this Act. Requires an institution of higher education, at the time of employment, to notify each eligible employee of the institution.

SECTION 3. Provides that notwithstanding Section 13C, an employee hired after the effective date of this Act, to perform services outside of this state, is still eligible to participate in the group program if the program is provided under an insurance policy, contract, or other agreement that is in effect on the effective date of this Act and requires that the employee be eligible to participate in the program provided. Provides that this eligibility terminates on the date that the insurance policy, contract, or other agreement is terminated or renewed.

SECTION 4. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 3.

Deletes effective date. Redesignates SECTION 4 as SECTION 3.

SECTION 4.

Amends SECTION 4 to provide the emergency clause and effective date.