

BILL ANALYSIS

Senate Research Center
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H.B. 1608
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature created the state employee charitable campaign to allow a state employee to authorize deductions from the employee's monthly paycheck for a charitable contribution. Since its inception, the campaign has grown into one of the largest state employee charitable campaigns in the nation, benefiting from strong leadership, and strict oversight at both the state and local levels.

However, retired state employees may not participate in the campaign using automatic monthly deductions, nor do they have representation on either the policy committee or the local employee committee.

H.B. 1608 seeks to address the matter of retiree participation in the campaign and representation on the state policy committee and the local employee committee.

H.B. 1608 amends current law relating to participation in and contributions to the state employee charitable campaign by retired state employees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees of the Employee Retirement System of Texas in SECTION 4 (Sections 814.0095 and 814.0096, Government Code) and SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 659.140(c), Government Code, as follows:

- (c) Requires the state employee charitable campaign policy committee (committee) to:
 - (1) be composed of employees and retired state employees receiving benefits under Chapter 814 (Benefits); and
 - (2) represent employees at different levels of employee classification.

Deletes existing text requiring each member of the committee to be a state employee.

SECTION 2. Amends Section 659.143(b), Government Code, to authorize one or more members of a local employee committee to be retired state employees receiving retirement benefits under Chapter 814.

SECTION 3. Amends the heading to Section 814.009, Government Code, to read as follows:

Sec. 814.009. DEDUCTION FROM ANNUITY FOR STATE EMPLOYEE ORGANIZATION.

SECTION 4. Amends Subchapter A, Chapter 814, Government Code, by adding Sections 814.0095 and 814.0096, as follows:

Sec. 814.0095. CHARITABLE DEDUCTION FROM ANNUITY. (a) Authorizes a person who receives an annuity under this subchapter, except as provided by Section 814.0096(c), on a printed or electronic form filed with the Employee Retirement System of Texas (ERS), to authorize ERS to deduct from the person's monthly annuity payment the amount of a contribution to the state employee charitable campaign in the manner and for the same purposes for which a state employee is authorized to authorize deductions to that campaign under Subchapter I (Charitable Contributions), Chapter 659.

(b) Requires that an authorization under this section direct the board of trustees of ERS (board) to deposit the deducted funds with the comptroller of public accounts (comptroller) for distribution as required by Section 659.132(g) (relating to an authorization to direct the comptroller to distribute the deducted funds to a participating federation or fund) in the same manner in which a state employee's deduction is distributed.

(c) Provides that an authorization under this section remains in effect for the period described by Section 659.137 (Duration of Deduction) unless the person revokes the authorization by giving notice to the board.

(d) Authorizes the board to adopt rules to administer this section. Requires that any rules adopted be consistent with the comptroller's rules related to the state employee charitable campaign.

Sec. 814.0096. COORDINATION WITH STATE EMPLOYEE CHARITABLE CAMPAIGN POLICY COMMITTEE. (a) Requires the board and the committee established under Section 659.140 (State Employee Charitable Campaign Policy Committee) to coordinate responsibility for the administration of charitable deductions from annuity payments to the state employee charitable campaign under Section 814.0095.

(b) Provides that the committee is authorized to approve a budget that includes funding for as many of the expenses incurred by ERS associated with the implementation and administration of annuitants' participation in the state employee charitable campaign as is practicable, including notification of annuitants.

(c) Requires the board, except as provided by this subsection, to charge an administrative fee to cover any costs not paid under Subsection (b) in the implementation of Section 814.0095 to the charitable organizations participating in the state employee charitable campaign conducted under that section in the same proportion that the contributions to that charitable organization bear to the total of contributions in that campaign. Requires the board to determine the most efficient and effective method of collecting the administrative fee and to adopt rules for the implementation of this subsection.

(d) Authorizes the board and the committee, if necessary, to make the annuity deduction authorization under Section 814.0095(a) available in stages to subgroups of ERS's annuity recipients as money becomes available to cover the expenses under Subsection (b) of this section.

SECTION 5. (a) Authorizes the board, in cooperation with the comptroller and the committee established under Section 659.140, Government Code, as amended by this Act, to adopt rules to implement Sections 814.0095 and 814.0096, Government Code, as added by this Act.

(b) Requires the board by rule to designate the start date on which annuity deductions begin under Sections 814.0095 and 814.0096, Government Code, as added by this Act.

SECTION 6. Effective date: upon passage or September 1, 2011.