

## **BILL ANALYSIS**

Senate Research Center

S.B. 1812  
By: Duncan  
State Affairs  
4/5/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill amends the Insurance Code to determine state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and Optional Retirement System. In determining the amount included in the budget that the governor submits to the legislature, the board of trustees shall include 50 percent of the cost associated with instructional or administrative employees of public junior college. Effectively this changes the funding methodology for public junior colleges participating in the group benefits program to 50 percent through Employees Retirement System insurance appropriation and 50 percent through the junior colleges' appropriations.

As proposed, S.B. 1812 amends current law relating to state contributions for participation by certain junior college employees in the state employees group benefits program, Teacher Retirement System of Texas, and Optional Retirement System.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter G, Chapter 1551, Insurance Code, by adding Section 1551.3111, as follows:

Sec. 1551.3111. AMOUNT OF STATE CONTRIBUTION FOR CERTAIN JUNIOR COLLEGE EMPLOYEES. (a) Requires the board of trustees, in determining the amount to be certified under Section 1551.311 (Amount of State Contribution), to include fifty percent of the cost associated with instructional or administrative employees of public junior colleges.

SECTION 2. Sec. 825.404. COLLECTION OF STATE CONTRIBUTIONS AND APPROPRIATED OPERATING EXPENSES. (a) Makes no change to this subsection.

(b) Requires the board of trustees to only include fifty percent of the cost associated with instructional or administrative employees of public junior colleges, when certifying to the comptroller of public accounts of the State of Texas an estimate of the amount necessary to pay the state's contributions to the retirement system for the following biennium.

(c)-(e) Makes no change to these subsections.

SECTION 3. Amends Section 825.407, Government Code, as follows:

Sec. 825.407. COLLECTION OF CONTRIBUTIONS FROM NONEDUCATIONAL AND GENERAL FUNDS. (a) Defines "public junior college" for this section.

(b) Requires the governing board of each general academic teaching institution, the governing board of each public junior college or each public junior college district, and the governing board of each medical and dental unit to reimburse the

state, from noneducational and general funds of the institution, public junior college, or unit, for state contributions that are made based on any portion of a member's salary that is paid from the noneducational and general funds.

(c) Requires the designated disbursing officer of each general academic teaching institution, public junior college, and medical and dental unit, rather than the designated disbursing officer of each general academic teaching institution and the designated disbursing officer of each medical and dental unit, to:

(1) submit to the retirement system, at a time and in the manner prescribed by the retirement system, a monthly report containing a certification of the total amount of salary paid from noneducational and general funds and the total amount of employer contributions due under this section for the payroll period; and

(2) maintain and retain the name of each member employed by the institution, public junior college, or unit who, for the most recent payroll period, was paid wholly or partly from noneducational and general funds.

(d) Requires that a monthly report required under Subsection (c) be accompanied by payment of the amount certified under Subdivision (1), rather than Subdivision (3) [sic], of that subsection.

(e) Requires that the retirement system, after the end of each fiscal year, report to the comptroller of public accounts and the state auditor the name of any general academic teaching institution, any public junior college, and any medical and dental unit delinquent in the reimbursement of contributions under this section for the preceding fiscal year and the amount by which each reported institution, public junior college, or unit is delinquent.

(f) Provides that any portion of the reimbursement required under this section to be made for a fiscal year by a general academic teaching institution, public junior college, or a medical and dental unit that remains unpaid on the first day of the next fiscal year accrues interest, beginning on that day or the due date for the portion, whichever is later, at an annual rate, compounded monthly, equal to the rate established under Section 825.313(b)(1) (relating to requiring the retirement system to transfer a certain amount to the retired reserve account), plus two percent.

(g) Makes no change to this subsection.

SECTION 4. Effective date: upon passage or September 1, 2013.