

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1812  
By: Duncan  
State Affairs  
4/15/2013  
Committee Report (Substituted)

### **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 colleges. Effectively this changes the funding methodology for public junior colleges participating in the group benefits program to 50 percent through the Employees Retirement System insurance appropriation and 50 percent through the junior colleges' appropriations.

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

### **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 Section 825.404(b), Government Code, as follows:

(b) Requires the board of trustees to include fifty percent of the cost associated with eligible public junior college employees, 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.

(b-1) Provides that, for purposes of this section (Collection of State Contributions and Appropriated Operating Expenses), a public junior college employee is eligible if the employee is:

(1) otherwise eligible to participate in the group benefits program; and

(2) an instructional or administrative employee whose salary is authorized to be fully paid from funds appropriated under the General Appropriations Act, regardless of whether the salary is actually paid from appropriate funds.

(b-2) Prohibits the number of eligible employees included for each college in each biennium, in determining the amount described in Subsection (b), from being adjusted in a proportion greater than the change in student enrollment at each college during the reporting period.

SECTION 2. 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), 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 3. Amends Section 830.201, Government Code, by adding Subsections (g), (h), and (i), as follows:

(g) Requires the legislature, in determining the amount to be appropriated for the purposes of Subsection (a), to include fifty percent of the cost associated with eligible public junior college employees.

(h) Provides that, for purposes of this section (Contributions), a public junior college employee is eligible if the employee is:

(1) otherwise eligible to participate in the group benefits program; and

(2) an instructional or administrative employee whose salary is authorized to be fully paid from funds appropriated under the General Appropriations Act, regardless of whether the salary is actually paid from appropriated funds.

(i) Prohibits the number of eligible employees included for each college in each biennium, in determining the amount described in Subsection (g), from being adjusted in a proportion greater than the change in student enrollment at each college during the reporting period.

SECTION 4. 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 eligible public junior college employees.

(b) Provides that, for purposes of this section, a public junior college employee is eligible if the employee is:

(1) otherwise eligible to participate in the group benefits program; and

(2) an instructional or administrative employee whose salary is authorized to be fully paid from funds appropriated under the General Appropriations Act, regardless of whether the salary is actually paid from appropriated funds.

(c) Prohibits the number of eligible employees included for each college in each biennium, in determining the amount described in Subsection (a), from being adjusted in a proportion greater than the change in student enrollment at each college during the reporting period.

SECTION 5. Effective date: upon passage or September 1, 2013.