

Amend CSHB 2292 (Senate committee printing), in ARTICLE 2 of the bill, by inserting appropriately numbered SECTIONS to read as follows and renumber existing SECTIONS accordingly:

SECTION 2.\_\_\_\_. (a) Section 1551.002, Insurance Code, as effective June 1, 2003, is amended to read as follows:

Sec. 1551.002. PURPOSES. The purposes of this chapter are to:

(1) provide uniformity in life, accident, and health benefit coverages for all state officers and employees and their dependents;

(2) enable the state to attract and retain competent and able employees by providing employees and their dependents with life, accident, and health benefit coverages at least equal to those commonly provided in private industry;

(3) foster, promote, and encourage employment by and service to the state as a career profession for individuals of high standards of competence and ability;

(4) recognize and protect the state's investment in each permanent employee by promoting and preserving economic security and good health among employees and their dependents;

(5) foster and develop high standards of employer-employee relationships between the state and its employees; ~~and~~

(6) recognize the long and faithful service and dedication of state officers and employees and encourage them to remain in state service until eligible for retirement by providing health benefits for them and their dependents; and

(7) recognize the service to the state by employees of community centers by extending to them and their dependents the same life, health, and accident benefit coverages as those provided under this chapter to state employees, retired state employees, and their dependents.

(b) Subchapter C, Chapter 1551, Insurance Code, as effective June 1, 2003, is amended by adding Section 1551.115 to read as follows:

Sec. 1551.115. PARTICIPATION BY COMMUNITY CENTERS. (a) A community center established under Subchapter A, Chapter 534,

Health and Safety Code, may participate in the group insurance program administered by the board of trustees under this chapter. Participation under this section is limited to the active employees of the community center and the eligible dependents of the active employees of the community center.

(b) Each full-time active employee of a participating community center is automatically covered by the basic coverage for employees unless the employee specifically waives coverage or unless the employee is expelled from the program. Each part-time active employee of a participating community center is eligible to participate in the group insurance program on application in the manner provided by the board of trustees, unless the employee has been expelled from the program. A participating community center shall notify each of its part-time employees of the employee's eligibility for participation.

(c) An employee described by this section is not eligible to receive a state contribution for premiums. The board of trustees of the participating community center is responsible for payment of the contributions and any administrative fees that the state would make or pay if the community center employees were state employees. Each covered employee shall pay that portion of the cost of group coverages selected by the employee that exceeds the amount of board of trustees contributions. The participating community center is also responsible for payment of all administrative costs associated with the center's employees.

(d) All contributions received under this section from community centers and active employees of community centers for basic, optional, and voluntary coverages under the group insurance program, including contributions for administrative fees and costs, shall be paid into the employees life, accident, and health insurance and benefits fund and shall be used by the board of trustees to provide those coverages as provided by this chapter.

(e) A community center that elects to participate in the group insurance program must notify the board of trustees not later than December 31 of each year and shall transfer records relating to the employees benefit program described by Section 534.011, Health and Safety Code, as required by the board of trustees.

SECTION 2.\_\_\_\_. (a) The heading to Section 534.011, Health and Safety Code, is amended to read as follows:

Sec. 534.011. PERSONNEL; BENEFITS.

(b) Section 534.011, Health and Safety Code, is amended by amending Subsections (b)-(d) and adding Subsection (g) to read as follows:

(b) The board of trustees shall provide employees of the community center with appropriate rights and [7] privileges[ ~~and benefits~~].

(c) The board of trustees may provide appropriate benefits, including group benefits described by Subsection (g), to employees of the community center. The board of trustees may provide workers' compensation benefits.

(d) The board of trustees shall prescribe the number of employees and their salaries. The board of trustees may choose to set salaries and benefits, other than group benefits described by Subsection (g), in compliance with a market analysis or internal salary study. If an internal salary study is used, the board of trustees shall conduct the study in accordance with the guidelines established by the commissioner.

(g) Active employees of a community center are eligible to participate in the group insurance program under Chapter 1551, Insurance Code, as provided by Section 1551.115, Insurance Code.

SECTION 2.\_\_\_\_. (a) During the 2003-2004 state fiscal year, the Employees Retirement System of Texas shall develop a plan for the extension of benefits under the group insurance program to persons eligible for those benefits under Section 1551.115, Insurance Code, as added by this article. The system may employ persons as necessary to implement this subsection.

(b) Coverage under Section 1551.115, Insurance Code, as added by this article, shall begin with the 2004-2005 state fiscal year, but not later than September 1, 2004.

SECTION 2.\_\_\_\_. (a) Section 1551.002, Insurance Code, as amended by this article, and Section 1551.115, Insurance Code, as added by this article, take effect September 1, 2003. Section 534.011, Health and Safety Code, as amended by this article, takes effect September 1, 2004.

(b) The Employees Retirement System of Texas shall adopt rules as necessary to implement Section 1551.115, Insurance Code, as added by this article, not later than December 31, 2003.