

1-1 By: Haggerty, Ellis (Senate Sponsor - Whitmire) H.B. No. 725
1-2 (In the Senate - Received from the House April 25, 2003;
1-3 April 28, 2003, read first time and referred to Committee on State
1-4 Affairs; May 21, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 May 21, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 725 By: Ellis

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the participation of community supervision and
1-11 corrections department employees, retired employees, and
1-12 dependents of employees and retired employees in the group benefits
1-13 program for state employees.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 ARTICLE 1. PARTICIPATION BY COMMUNITY SUPERVISION AND CORRECTIONS
1-16 DEPARTMENTS IN GROUP BENEFITS PROGRAM FOR STATE EMPLOYEES

1-17 SECTION 1.01. Section 1551.002, Insurance Code, as
1-18 effective June 1, 2003, is amended to read as follows:

1-19 Sec. 1551.002. PURPOSES. The purposes of this chapter are
1-20 to:

1-21 (1) provide uniformity in life, accident, and health
1-22 benefit coverages for all state officers and employees and their
1-23 dependents;

1-24 (2) enable the state to attract and retain competent
1-25 and able employees by providing employees and their dependents with
1-26 life, accident, and health benefit coverages at least equal to
1-27 those commonly provided in private industry;

1-28 (3) foster, promote, and encourage employment by and
1-29 service to the state as a career profession for individuals of high
1-30 standards of competence and ability;

1-31 (4) recognize and protect the state's investment in
1-32 each permanent employee by promoting and preserving economic
1-33 security and good health among employees and their dependents;

1-34 (5) foster and develop high standards of
1-35 employer-employee relationships between the state and its
1-36 employees; ~~and~~

1-37 (6) recognize the long and faithful service and
1-38 dedication of state officers and employees and encourage them to
1-39 remain in state service until eligible for retirement by providing
1-40 health benefits for them and their dependents; and

1-41 (7) recognize the service to the state by employees
1-42 and retired employees of community supervision and corrections
1-43 departments by extending to them and their dependents the same
1-44 life, accident, and health benefit coverages as those provided
1-45 under this chapter to state employees, retired state employees, and
1-46 their dependents.

1-47 SECTION 1.02. Section 1551.111(c), Insurance Code, as
1-48 effective June 1, 2003, is amended to read as follows:

1-49 (c) Except as provided by Section 1551.114, participation
1-50 [Participation] in the group benefits program does not extend to:

1-51 (1) the governing body of either system;
1-52 (2) a municipality or subdivision participating in
1-53 either system; or

1-54 (3) a trustee, officer, or employee, or a dependent of
1-55 a trustee, officer, or employee, of a participating municipality or
1-56 subdivision.

1-57 SECTION 1.03. Subchapter C, Chapter 1551, Insurance Code,
1-58 as effective June 1, 2003, is amended by adding Section 1551.114 to
1-59 read as follows:

1-60 Sec. 1551.114. PARTICIPATION BY COMMUNITY SUPERVISION AND
1-61 CORRECTIONS DEPARTMENTS. (a) In this section, "employee of a
1-62 community supervision and corrections department" means an
1-63 employee of a department established under Chapter 76, Government

2-1 Code.

2-2 (b) An employee or retired employee of a community
 2-3 supervision and corrections department shall be treated as an
 2-4 employee or annuitant, as applicable, for purposes of this chapter
 2-5 only as provided by this section.

2-6 (c) A community supervision and corrections department of
 2-7 this state participates in the group benefits program administered
 2-8 by the board of trustees under this chapter. Participation under
 2-9 this section is limited to:

2-10 (1) active employees of a community supervision and
 2-11 corrections department;

2-12 (2) retired employees of a community supervision and
 2-13 corrections department who retire on or after September 1, 2004,
 2-14 and who:

2-15 (A) have been employed by one or more community
 2-16 supervision and corrections departments for a total of at least 10
 2-17 years of creditable service; and

2-18 (B) meet all the requirements for retirement
 2-19 benefits prescribed by the Texas County and District Retirement
 2-20 System; and

2-21 (3) eligible dependents of the active employees and
 2-22 retired employees described by Subdivisions (1) and (2).

2-23 (d) Each full-time active employee of a community
 2-24 supervision and corrections department is automatically covered by
 2-25 the basic coverage for employees unless the employee specifically
 2-26 waives coverage or unless the employee is expelled from the
 2-27 program. Each part-time active employee of a community supervision
 2-28 and corrections department is eligible to participate in the group
 2-29 benefits program on application in the manner provided by the board
 2-30 of trustees, unless the employee has been expelled from the
 2-31 program. Each community supervision and corrections department
 2-32 shall notify each of its part-time employees of the employee's
 2-33 eligibility for participation.

2-34 (e) An active employee described by Subsection (d) is not
 2-35 eligible to receive a state contribution under Subchapter G for
 2-36 premiums. The community justice assistance division of the Texas
 2-37 Department of Criminal Justice is responsible for payment of the
 2-38 contributions for each of a department's participating active
 2-39 employees and the employees' dependents that the state would make
 2-40 under Subchapter G if the employees were state employees. Each
 2-41 covered active employee shall pay that portion of the cost of group
 2-42 coverages selected by the employee that exceeds the amount of
 2-43 division contributions.

2-44 (f) A retired employee is eligible to participate in the
 2-45 group benefits program on application to the board of trustees. On
 2-46 application, a retired employee is automatically covered by the
 2-47 basic coverage for annuitants unless the retired employee
 2-48 specifically waives coverage or unless the retired employee is
 2-49 expelled from the program. A retired employee is not eligible to
 2-50 receive a state contribution under Subchapter G for premiums. The
 2-51 community justice assistance division of the Texas Department of
 2-52 Criminal Justice is responsible for payment of the contributions
 2-53 for each of a department's retired employees and the retired
 2-54 employees' participating dependents that the state would make under
 2-55 Subchapter G if the retired employees were retired state employees.
 2-56 Each participating retired employee shall pay that portion of the
 2-57 cost of group coverage selected by the retired employee that
 2-58 exceeds the amount of division contributions. The retired employee
 2-59 shall pay contributions required from the retired employee in the
 2-60 manner prescribed by the board of trustees. Each community
 2-61 supervision and corrections department shall notify each of its
 2-62 retired employees of the eligibility for participation and the
 2-63 costs associated with participation.

2-64 (g) All contributions received under this section from the
 2-65 community justice assistance division of the Texas Department of
 2-66 Criminal Justice, active employees of community supervision and
 2-67 corrections departments, and retired employees of community
 2-68 supervision and corrections departments for basic, optional, and
 2-69 voluntary coverages under the group benefits program shall be paid

3-1 into the employees life, accident, and health insurance and
 3-2 benefits fund and shall be used by the board of trustees to provide
 3-3 those coverages as provided by this chapter.

3-4 SECTION 1.04. Subchapter G, Chapter 1551, Insurance Code,
 3-5 as effective June 1, 2003, is amended by adding Sections 1551.321
 3-6 and 1551.322 to read as follows:

3-7 Sec. 1551.321. REQUIRED REPORTS OF COMMUNITY SUPERVISION
 3-8 AND CORRECTIONS DEPARTMENTS. (a) Not later than June 1 of each
 3-9 year, a community supervision and corrections department
 3-10 participating in the group benefits program under Section 1551.114
 3-11 shall submit to the board of trustees an estimated number of active
 3-12 employees, retired employees, and dependents of active or retired
 3-13 employees to be enrolled in the group benefits program for the
 3-14 following fiscal year.

3-15 (b) Each month, a community supervision and corrections
 3-16 department shall reconcile the department records of requested
 3-17 participation in the group benefits plan and board of trustees
 3-18 records of coverage.

3-19 Sec. 1551.322. REQUIRED CONTRIBUTIONS BY TEXAS DEPARTMENT
 3-20 OF CRIMINAL JUSTICE. (a) Not later than August 1 of each year, the
 3-21 board of trustees shall notify the community justice assistance
 3-22 division of the Texas Department of Criminal Justice of:

3-23 (1) the estimated number of community supervision and
 3-24 corrections department active employees, retired employees, and
 3-25 dependents of active or retired employees to be covered under the
 3-26 group benefits program for the following fiscal year; and

3-27 (2) administrative costs incurred by the board of
 3-28 trustees that are specifically attributable to processing this
 3-29 population.

3-30 (b) The community justice assistance division of the Texas
 3-31 Department of Criminal Justice, on receipt of the notification
 3-32 described by Subsection (a), shall:

3-33 (1) make timely payments of amounts due the board of
 3-34 trustees, including the administrative costs incurred by the board
 3-35 of trustees; and

3-36 (2) reconcile, each month, the board of trustees
 3-37 records and the division records of coverage and payments.

3-38 ARTICLE 2. CONFORMING AMENDMENTS

3-39 SECTION 2.01. Section 76.006, Government Code, is amended
 3-40 by amending Subsections (a) and (c) and adding Subsection (i) to
 3-41 read as follows:

3-42 (a) Except as provided by Subsection (c), department
 3-43 employees are not state employees. The department shall contract
 3-44 for all employee benefits with one county served by the department
 3-45 and designated for that purpose by the district judge or judges. To
 3-46 the extent that employee benefits are provided by a county under
 3-47 this subsection, ~~and~~ the employees are governed by personnel
 3-48 policies and benefits equal to personnel policies for and benefits
 3-49 of other employees of that county. This subsection does not apply
 3-50 to employee benefits for group insurance and related coverages
 3-51 provided to employees of a department through the group benefits
 3-52 program for state employees under Chapter 1551, Insurance Code.

3-53 (c) Department employees are state employees for the
 3-54 purposes of Chapter 104, Civil Practice and Remedies Code, and
 3-55 Chapter 501, Labor Code. Notwithstanding Subsection (a), a
 3-56 department employee is eligible to participate in the group
 3-57 benefits program established under Chapter 1551, Insurance Code, as
 3-58 provided by Section 1551.114, Insurance Code.

3-59 (i) The department shall submit all information required by
 3-60 Section 1551.321, Insurance Code, in the manner and form prescribed
 3-61 by the Employees Retirement System of Texas.

3-62 SECTION 2.02. Section 509.011, Government Code, is amended
 3-63 by adding Subsection (a-1) to read as follows:

3-64 (a-1) Notwithstanding Subsection (a), the division shall
 3-65 prepare and submit to the comptroller vouchers for payment to the
 3-66 Employees Retirement System of Texas for contributions for group
 3-67 coverage in which a department participates under Section 1551.114,
 3-68 Insurance Code. Payment of contributions under this subsection
 3-69 shall be made from the money that the division would otherwise

4-1 allocate to a department under Subsections (a) and (b).

4-2 ARTICLE 3. TRANSITION

4-3 SECTION 3.01. (a) The Employees Retirement System of Texas
4-4 shall develop a plan for the extension of benefits under the group
4-5 benefits program to persons eligible for those benefits under
4-6 Section 1551.114, Insurance Code, as added by this Act. The system
4-7 may employ persons as necessary to implement this subsection.

4-8 (b) Coverage under Section 1551.114, Insurance Code, as
4-9 added by this Act, shall become effective September 1, 2004, except
4-10 that a community supervision and corrections department may delay
4-11 participation in the group benefits program until the date life,
4-12 accident, and health benefit coverage that is in effect on
4-13 September 1, 2004, expires or terminates.

4-14 SECTION 3.02. The commissioners court of the county
4-15 designated for a community supervision and corrections department
4-16 under Section 76.006(a), Government Code, as that section existed
4-17 before amendment by this Act, shall, not later than September 1,
4-18 2004, transfer from the employee benefits program described by that
4-19 section all records relating to group insurance and related
4-20 coverage of department employees and retired employees, if
4-21 applicable, under that program to the Employees Retirement System
4-22 of Texas.

4-23 SECTION 3.03. (a) This Act takes effect September 1, 2003,
4-24 except that Article 2 of this Act takes effect September 1, 2004.

4-25 (b) The Employees Retirement System of Texas shall adopt
4-26 rules as necessary to implement Section 3.01 of this Act not later
4-27 than June 1, 2004.

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