

BILL ANALYSIS

C.S.H.B. 1934
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Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Two retirement issues remained after legislation was passed during the 80th Legislature, Regular Session, 2007, to assist the Travis County Healthcare District in transferring the federally qualified health center status, employees, and clinics from the City of Austin to the district. The 80th Legislature enacted legislation that allowed the district's retirement plan and that of the district's affiliated charitable organization, Central Texas Community Health Centers, to become proportionate with the City of Austin Employees Retirement System. The remaining issues are the manner in which a district or health center employee would reestablish service credit if that employee withdraws money out of the district or health center retirement plan and whether the health center is an agency or instrumentality of a governmental unit for retirement purposes, and, therefore, clearly allowed to be proportionate with the city retirement system under federal Employee Retirement Income Security Act requirements.

C.S.H.B. 1934 authorizes district and Central Texas Community Health Centers employees to reestablish service credit in the same way that participants in the Texas County and District Retirement System and Texas Municipal Retirement System reestablish credit. The bill also provides that a charitable organization supervised, overseen, and effectively controlled by a hospital district or an administrative agency is an agency or instrumentality of a governmental unit.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1934 amends the Government Code to authorize a person who is a member of a retirement system participating in the proportionate retirement system program to reestablish service credit, including prior service credit if applicable, previously canceled in another retirement system participating in the proportionate retirement system program if the person, in the case of an employee with combined service in multiple systems, does not have an open account with the employing hospital district, charitable organization, or administrative agency, as applicable, for which the person performed the service for which the credit is sought. The bill makes provisions for reestablishing service credit in the Texas County and District Retirement System and the Texas Municipal Retirement System applicable to the reestablishment of service credit in a retirement system in which a hospital district, charitable organization, or administrative agency participates.

C.S.H.B. 1934 makes the provisions for the reestablishment of service credit by a member of a municipal retirement system with employment by a hospital district, charitable organization, or administrative agency applicable on the date the federal government establishes as the effective date of the transfer of federally qualified health center status from a municipality with a population of not less than 600,000 nor more than 700,000 to a hospital district, charitable

organization, or administrative agency. The bill designates, for purposes of treatment of a member's combined service credits in more than one retirement system under the proportionate retirement program, a charitable organization supervised, overseen, and effectively controlled by a hospital district or an administrative agency as an agency or instrumentality of a governmental unit.

C.S.H.B. 1934 amends the Health and Safety Code to authorize a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003, to provide or arrange to provide health care services for eligible residents through the purchase of health coverage for other health benefits, including benefits from regional or local health care programs for employees of small employers. The bill establishes that for the purpose of authorizing a hospital district to provide health care services, the district's board of managers has the powers and duties provided to the commissioners court of a county under provisions governing regional or local health care programs for employees of small employers.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1934 differs from the original by designating, for purposes of treatment of a member's combined service credits in more than one retirement system under the proportionate retirement program, a charitable organization supervised, overseen, and effectively controlled by a hospital district and making a conforming change reflecting that supervision, oversight, and effective control, whereas the original applies this designation to a charitable organization created by a hospital district. The substitute differs from the original by expanding the authority of certain hospital districts to provide health care services for eligible residents through the purchase of health coverage for other health benefits to include the authority to arrange for the provision of those services as well as to provide them.