

## **BILL ANALYSIS**

C.S.S.B. 42  
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Higher Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas public universities currently are allowed to provide employee health insurance only to those who meet, at least, part-time employment eligibility requirements. Students who are not employed by the university cannot be included in employee health care and may not purchase inclusion. Currently, graduate students who are awarded fellowships must pay their own health insurance costs out-of-pocket. Furthermore, health care options for graduate students who are not university employees are few and often unsuitable, as many are prohibitively expensive or designed with undergraduate students' needs in mind. This bill seeks to improve the number of prestigious academic fellowships sought out and accepted by Texas graduate students by extending university employee health insurance benefits to graduate and post-graduate students who are awarded prestigious fellowships in the same manner as benefits are extended to teaching or graduate assistants. An increase in fellowships could assist in increasing research funding at institutions and enhance the stature of Texas institutions of higher education.

C.S.S.B. 42 makes certain postdoctoral fellows and graduate students eligible to participate in health benefit programs at public institutions of higher education.

### **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.S.B. 42 amends the Insurance Code to establish that an individual is eligible to participate in the state employees group benefits program or in the uniform insurance benefits program for employees of The University of Texas System and The Texas A&M University System if the individual holds a postdoctoral fellowship or holds other fellowships awarded to the individual on a competitive basis that, either singly or in combination, are valued at not less than \$10,000 at an institution of higher education.

C.S.S.B. 42 makes an institution of higher education at which an individual holds a fellowship as described above responsible for payment of the contributions of the individual, requires each participant to contribute that portion of the cost of the group coverage selected by the individual that exceeds the amount of contribution funded by the institution, and, to the extent allowed by the terms of the fellowship, requires all portions of the contribution funded by the institution to be made in proportion to the source of the funds from which the fellowship is paid. The bill requires an institution of higher education, at the time of initial eligibility, to notify each of the individuals eligible to participate in the group benefits program of the individual's eligibility.

C.S.S.B. 42 requires the Employees Retirement System of Texas (ERS) board of trustees to include eligible public junior college employees in determining the amount to be certified for contributions for coverages provided under the Texas Employees Group Benefits Act. The bill specifies that for these purposes a public junior college employee is eligible if the employee is

otherwise eligible to participate in the group benefits program and is 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. The bill requires, in determining the contribution amount for eligible public junior college employees, the number of eligible employees included for each college in each biennium to be adjusted in proportion to the change in student enrollment at each college during the reporting period, except that a college that experiences a decline in student enrollment is authorized to petition to maintain the number of eligible employees at the same level as the prior biennium.

C.S.S.B. 42 requires the ERS board of trustees to include coverage for certain postdoctoral fellows and graduate students as added by the bill in an insurance policy or contract or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2010. The bill authorizes the board to include such coverage in an insurance policy or contract or an evidence of coverage delivered, issued for delivery, or renewed before January 1, 2010, if the board determines that the coverage may reasonably be included. The bill requires the governing board of The University of Texas System or The Texas A&M University System, as applicable, to include coverage for certain postdoctoral fellows and graduate students as added by the bill in an insurance policy or contract or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2010. The bill allows the governing board of a system to include coverage in an insurance policy or contract or an evidence of coverage delivered, issued for delivery, or renewed before January 1, 2010, if the governing board determines that the coverage may reasonably be included.

C.S.S.B. 42 repeals Section 1601.101(d), Insurance Code, and makes the repeal effective January 1, 2010.

#### **EFFECTIVE DATE**

Except as otherwise provided, September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.S.B. 42 adds a provision not in the original specifying that the extent to which the portion of the contribution funded by an institution is to be made in proportion to the source of the funds from which a fellowship is paid is contingent on the terms of the fellowship.

C.S.S.B. 42 adds provisions not in the original requiring the Employees Retirement System of Texas board of trustees to include eligible public junior college employees in determining the amount to be certified for contributions for coverages provided under the Texas Employees Group Benefits Act, providing eligibility criteria for a public junior college employee for these purposes, and setting forth requirements relating to the adjustment of the number of eligible employees included for each college in each biennium.