

AN ACT

relating to the determination of state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and the Optional Retirement Program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 825.404, Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1) and (b-1) to read as follows:

(a) Except as provided by Subsection (a-1), during ~~During~~ each fiscal year, the state shall contribute to the retirement system an amount equal to at least six and not more than 10 percent of the aggregate annual compensation of all members of the retirement system during that fiscal year. The amount of the state contribution made under this section may not be less than the amount contributed by members during that fiscal year in accordance with Section 825.402.

(a-1) In computing the amount owed by the state under Subsection (a), the compensation of members who are employed by public junior colleges or public junior college districts shall be included in the aggregate annual compensation as follows:

(1) 50 percent of the eligible creditable compensation of employees who:

(A) otherwise are eligible for membership in the

1 retirement system; and

2 (B) are instructional or administrative
3 employees whose salaries may be fully paid from funds appropriated
4 under the General Appropriations Act, regardless of whether such
5 salaries are actually paid from appropriated funds; and

6 (2) none of the eligible creditable compensation of
7 all other employees who:

8 (A) do not meet the requirements of Subdivision
9 (1)(B) but are otherwise eligible for membership in the retirement
10 system; or

11 (B) cannot be included as a qualifying employee
12 under Subdivision (1) by application of Subsection (b-1).

13 (b) Before November 2 of each even-numbered year, the board
14 of trustees, in coordination with the Legislative Budget Board,
15 shall certify to the comptroller of public accounts for review and
16 adoption an estimate of the amount necessary to pay the state's
17 contributions to the retirement system for the following biennium.
18 For qualifying employees under Subsection (a-1)(1), the board of
19 trustees shall include only the amount payable by the state under
20 Subsection (a-1)(1) in determining the amount to be certified.

21 (b-1) In determining the amount described by Subsection
22 (b), the number of qualifying employees under Subsection (a-1)(1)
23 whose compensation may be included for each public junior college
24 or public junior college district in each biennium may not be
25 adjusted in a proportion greater than the change in student
26 enrollment at each college during the reporting period except that
27 a college that experiences a decline in student enrollment may

petition the Legislative Budget Board to maintain the number of eligible employees up to 98 percent of the level of the prior biennium.

SECTION 2. Subchapter E, Chapter 825, Government Code, is amended by adding Section 825.4071 to read as follows:

Sec. 825.4071. COLLECTION OF CONTRIBUTIONS FROM EMPLOYERS THAT ARE PUBLIC JUNIOR COLLEGES OR PUBLIC JUNIOR COLLEGE DISTRICTS.

(a) This section applies to an employer that is a public junior college or a public junior college district.

(b) An employer described by Subsection (a) shall contribute monthly to the retirement system:

(1) an amount equal to the state contribution rate then in effect multiplied by 50 percent of the aggregate eligible creditable compensation of members who are qualifying employees under Section 825.404(a-1)(1) that the employer reports to the retirement system; and

(2) an amount equal to the state contribution rate then in effect multiplied by 100 percent of the aggregate eligible creditable compensation of all other members under Section 825.404(a-1)(2) that the employer reports to the retirement system.

(c) The designated disbursing officer of each public junior college and each public junior college district shall:

(1) submit to the retirement system, at a time and in the manner prescribed by the retirement system, a monthly report containing a certification that includes:

(A) the total amount of compensation paid;

(B) the total amount of employer contributions

1 due under this section for the payroll period; and

2 (C) any other information the retirement system
3 determines is necessary to administer this section; and

4 (2) maintain and retain the following information:

5 (A) the name of each member employed by the
6 public junior college or public junior college district;

7 (B) the amount of the member's salary for the
8 most recent payroll period;

9 (C) whether the member is a qualifying employee
10 under Section 825.404(a-1)(1); and

11 (D) any other information the retirement system
12 determines is necessary to administer this section.

13 (d) A monthly report required under Subsection (c) shall be
14 accompanied by payment of the amount of employer contributions
15 certified in Subsection (c)(1).

16 (e) Not later than the 90th day after the date each school
17 year ends, the retirement system shall certify to the comptroller
18 the names of any public junior colleges or public junior college
19 districts that have failed to remit, within the period required by
20 Section 825.408, all contributions required under this section for
21 the school year and the amounts of the unpaid contributions.

22 (f) If the comptroller receives a certification under
23 Subsection (e), the comptroller shall withhold the amount
24 certified, plus interest computed at the rate and in the manner
25 provided by Section 825.408, from the first state money payable to
26 the public junior college or public junior college district. The
27 amount withheld shall be deposited to the credit of the appropriate

1 accounts of the retirement system.

2 (g) The retirement system shall deposit all money it
3 receives under this section in the state contribution account.

4 SECTION 3. Section 830.201, Government Code, is amended by
5 adding Subsections (g), (h), and (i) to read as follows:

6 (g) In computing the amount owed by the state under
7 Subsection (a), the compensation of members who are employed by
8 public junior colleges or public junior college districts shall be
9 included in the aggregate annual compensation as follows:

10 (1) 50 percent of the eligible creditable compensation
11 of employees who:

12 (A) otherwise are eligible for membership in the
13 retirement system; and

14 (B) are instructional or administrative
15 employees whose salaries may be fully paid from funds appropriated
16 under the General Appropriations Act, regardless of whether such
17 salaries are actually paid from appropriated funds; and

18 (2) none of the eligible creditable compensation of
19 all other employees who:

20 (A) do not meet the requirements of Subdivision
21 (1)(B) but are otherwise eligible for membership in the retirement
22 system; or

23 (B) cannot be included as a qualifying employee
24 under Subdivision (1) by application of Subsection (i).

25 (h) Before November 2 of each even-numbered year, the board
26 of trustees, in coordination with the Legislative Budget Board,
27 shall certify to the comptroller for review and adoption an

estimate of the amount necessary to pay the state's contributions to the retirement system for the following biennium. For qualifying employees under Subsection (g)(1), the board of trustees shall include only the amount payable by the state under Subsection (g)(1) in determining the amount to be certified.

(i) In determining the amount described by Subsection (h), the number of qualifying employees under Subsection (g)(1) whose compensation may be included for each public junior college or public junior college district in each biennium may not be adjusted in a proportion greater than the change in student enrollment at each college during the reporting period except that a college that experiences a decline in student enrollment may petition the Legislative Budget Board to maintain the number of eligible employees up to 98 percent of the level of the prior biennium.

SECTION 4. Subsection (a), Section 1551.311, Insurance Code, is amended to read as follows:

(a) Not later than November 1 preceding each regular session of the legislature, the board of trustees, in coordination with ~~[shall certify to]~~ the Legislative Budget Board, shall certify to ~~[and]~~ the budget division of the governor's office for information and review the amount necessary to pay the contributions of the state to the board for the coverages provided under this chapter during the following biennium.

SECTION 5. Subchapter G, Chapter 1551, Insurance Code, is amended by adding Section 1551.3111 to read as follows:

Sec. 1551.3111. AMOUNT OF STATE CONTRIBUTION FOR CERTAIN JUNIOR COLLEGE EMPLOYEES. (a) In computing the amount to be

certified under Section 1551.311, for participants who are employed by public junior colleges or public junior college districts, the board of trustees shall include:

(1) 50 percent of the cost associated with eligible employees who:

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

(B) are instructional or administrative employees whose salaries may be fully paid from funds appropriated under the General Appropriations Act, regardless of whether such salaries are actually paid from appropriated funds; and

(2) none of the cost associated with employees who:

(A) do not meet the requirements of Subdivision (1)(B) but are otherwise eligible to participate in the group benefits program; or

(B) cannot be included as a qualifying employee under Subdivision (1) by application of Subsection (c).

(b) For qualifying employees under Subsection (a)(1), the board of trustees shall include only the amount payable by the state under Subsection (a)(1) in determining the amount to be certified under Section 1551.311.

(c) In determining the amount described by Subsection (b), the number of qualifying employees under Subsection (a)(1) whose group benefits program costs may be included for each public junior college or public junior college district in each biennium may not be adjusted in a proportion greater than the change in student enrollment at each college during the reporting period except that

1 a college that experiences a decline in student enrollment may
2 petition the Legislative Budget Board to maintain the number of
3 eligible employees up to 98 percent of the level of the prior
4 biennium.

5 SECTION 6. (a) The legislature finds that all governmental
6 acts and proceedings of the board of trustees of a public junior
7 college or of an officer or employee of the college to comply with
8 demands for payment of retirement contributions by the comptroller
9 or the Teacher Retirement System of Texas for fiscal years 2012 and
10 2013 are valid as of the dates on which they occurred.

11 (b) This section does not apply to any matter that on the
12 effective date of this section:

13 (1) is involved in litigation if the litigation
14 ultimately results in the matter being held invalid by a final
15 judgment of a court of competent jurisdiction; or

16 (2) has been held invalid by a final judgment of a
17 court of competent jurisdiction.

18 SECTION 7. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1812 passed the Senate on May 1, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1812 passed the House on May 22, 2013, by the following vote: Yeas 148, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor