

BILL ANALYSIS

C.S.H.B. 3441
By: Pickett
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Due to the current budget shortfall, state agencies and institutions of higher education were asked to prioritize spending based on core functions and essential services. The committee looked to these priorities in preparation of the budget; however, certain statutory changes are also needed to conform with appropriations levels in the 2004-05 General Appropriations Act. Committee Substitute House Bill 3441 authorizes these statutory changes for the general government agencies listed under Article I of the 2004-05 General Appropriations Act.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is transferred from the Commission on Human Rights to the attorney general's civil rights division in **SECTIONS 1** (Section 21.0015, Labor Code), **2** (Section 301.0015, Property Code), and **17** of this substitute.

ANALYSIS

Committee Substitute House Bill 3441 transfers power and duties exercised by the Commission on Human Rights under the Labor and Property Codes to the attorney general's civil rights division.

Committee Substitute House Bill 3441 creates the attorney general's civil rights division and sets forth guidelines in reference to its membership, duties and powers.

Committee Substitute House Bill 3441 provides that in the event the legislature does not appropriate money to the Crime Victims Institute, the attorney general may determine whether the institute shall perform the duties prescribed to it under Chapter 412 of the Government Code.

Committee Substitute House Bill 3441 provides that money and securities donated to the Preservation Board will be held in the Capitol trust fund outside the treasury but requires that funds other than donated funds be deposited into the Capitol account, which is created by this Act, within the general revenue fund. This substitute directs the comptroller to manage and invest the account on behalf of the Preservation Board.

Committee Substitute House Bill 3441 changes the capital renewal trust fund into the capital renewal account in the general revenue fund and provides that the board may transfer money from the Capitol account to the capital renewal account after a determination that there will be a sufficient amount in the Capitol account to accomplish its designated purposes.

Committee Substitute House Bill 3441 changes the Bob Bullock Texas State History Museum fund into the Bob Bullock Texas State History Museum account in the general revenue fund.

Committee Substitute House Bill 3441 changes the definition of a full-time employee under Chapter 1551 of the Insurance Code to one who works 40 rather than 20 hours per week with exceptions for certain employees of the Texas School for the Blind and Visually Impaired and the Texas School for

the Deaf. This substitute also changes the definition of a part-time employee under this Chapter to one who work less than 40, rather than 20, hours per week and creates a new definition for “waiting period” within this Chapter.

Committee Substitute House Bill 3441 provides that an employee is eligible to participate in the health benefits coverage under the group benefits plan on the first day of the calendar month that follows the waiting period. The waiting period does not apply in determining the eligibility of an officer or employee to participate in optional and voluntary insurance coverages under the group insurance program.

Committee Substitute House Bill 3441 gives authority to the board of trustees of the Employees Retirement System to determine service credit for individuals eligible to participate in group benefits. This substitute also provides that an individual who does not retire at the end of the last month in which the individual is on the payroll of a state agency is eligible to enroll in the group benefits program as an annuitant on the first day of the calendar month that follows a period of time equal to the number of days in a waiting period after the date the individual retires.

Committee Substitute House Bill 3441 amends language throughout Chapter 1551 of the Insurance Code to establish minimum eligibility for retiree insurance as (1) 65 years of age and 10 years of service or (2) satisfaction of the Rule of 80, and to establish a 90-day waiting period for retirees who were not employees on a state agency payroll at retirement.

Committee Substitute House Bill 3441 provides that an individual participating in the group benefits program on August 31, 2003, as a current or a former member of a governing body with administrative responsibility over a statutory state agency that has statewide jurisdiction and whose employees are covered by this chapter, or an individual participating in the group benefits program on August 31, 2003, as a current or former member of the State Board of Education or of the governing body of an institution of higher education remains eligible if a lapse of coverage has not occurred but shall receive no state contribution. Individuals appointed after August 31, 2003, will not be allowed to participate in the group benefits program.

Committee Substitute House Bill 3441 makes optional both the distribution of the premarital education handbook to marriage license applicants and the appointment of an advisory committee to assist in the development of such a handbook.

Committee Substitute House Bill 3441 abolishes the Commission on Human Rights as it exists on September 1, 2003, and transfers all powers, duties, functions, and activities of the commission to the attorney general's civil rights division. This substitute also requires the governor to appoint new members to the Commission on Human Rights as established by this Act no later than November 1, 2003.

Committee Substitute House Bill 3441 repeals certain sections of the Election, Government, Insurance, Labor and Property Codes.

Committee Substitute House Bill 3441 authorizes the legislature to reduce statutory amounts going to Article I state agencies if necessary to balance the budget.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Committee Substitute House Bill 3441 modifies the original by adding language that transfers power and duties exercised by the Commission on Human Rights under the Labor and Property Codes to the attorney general's civil rights division.

Committee Substitute House Bill 3441 modifies the original by adding language that creates the attorney general's civil rights division and sets forth guidelines in reference to its membership, duties and powers.

Committee Substitute House Bill 3441 modifies the original by adding language that provides that in the event the legislature does not appropriate money to the Crime Victims Institute, the attorney general may determine whether the institute shall perform the duties prescribed to it under Chapter 412 of the Government Code.

Committee Substitute House Bill 3441 modifies the original by adding language that (1) provides that money and securities donated to the Preservation Board will be held in the Capitol trust fund outside the treasury; (2) requires that funds other than donated funds be deposited into the Capitol account, created by this Act, within the general revenue fund; and (3) directs the comptroller to manage and invest the account on behalf of the Preservation Board.

Committee Substitute House Bill 3441 modifies the original by adding language that changes the capital renewal trust fund into the capital renewal account in the general revenue fund and provides that the board may transfer money from the Capitol account to the capital renewal account after a determination that there will be a sufficient amount in the Capitol account to accomplish its designated purposes.

Committee Substitute House Bill 3441 modifies the original by adding language that changes the Bob Bullock Texas State History Museum fund into the Bob Bullock Texas State History Museum account in the general revenue fund.

Committee Substitute House Bill 3441 modifies the original by adding language that (1) changes the definition of a full-time employee under Chapter 1551 of the Insurance Code to one who works 40 rather than 20 hours per week with exceptions for certain employees of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf; (2) changes the definition of a part-time employee under this Chapter to one who work less than 40, rather than 20, hours per week; and (3) creates a new definition for "waiting period" within this Chapter.

Committee Substitute House Bill 3441 modifies the original by adding language that provides an employee is eligible to participate in the health benefits coverage under the group benefits plan on the first day of the calendar month that follows the waiting period. The waiting period does not apply in determining the eligibility of an officer or employee to participate in optional and voluntary insurance coverages under the group insurance program.

Committee Substitute House Bill 3441 modifies the original by adding language that (1) gives authority to the board of trustees to determine service credit for individuals eligible to participate in group benefits and (2) provides that an individual who does not retire at the end of the last month in which the individual is on the payroll of a state agency is eligible to enroll in the group benefits program as an annuitant on the first day of the calendar month that follows a period of time equal to the number of days in a waiting period after the date the individual retires.

Committee Substitute House Bill 3441 modifies the original by adding language that amends provisions throughout Chapter 1551 of the Insurance Code to establish minimum eligibility for retiree insurance as (1) 65 years of age and 10 years of service or (2) satisfaction of the Rule of 80, and to establish a 90-day waiting period for retirees who were not employees on a state agency payroll at retirement.

Committee Substitute House Bill 3441 modifies the original by adding language that provides that an individual participating in the group benefits program on August 31, 2003, as a current or a former member of a governing body with administrative responsibility over a statutory state agency that has

statewide jurisdiction and whose employees are covered by this chapter, or an individual participating in the group benefits program on August 31, 2003, as a current or former member of the State Board of Education or of the governing body of an institution of higher education remains eligible if a lapse of coverage has not occurred but shall receive no state contribution. Individuals appointed after August 31, 2003, will not be allowed to participate in the group benefits program.

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Committee Substitute House Bill 3441 modifies the original by adding language that (1) abolishes the Commission on Human Rights as it exists on September 1, 2003; (2) transfers all powers, duties, functions, and activities of the commission to the attorney general's civil rights division; and (3) requires the governor to appoint new members to the Commission on Human Rights as established by this Act no later than November 1, 2003.

Committee Substitute House Bill 3441 modifies the original by adding language that repeals certain sections of the Election, Government, Insurance, Labor and Property Codes.

Committee Substitute House Bill 3441 modifies the original by removing language that directs the Employees Retirement System to reduce expenditures by implementing a 30-day waiting period for new members, establishing new eligibility requirements for retirees to receive insurance benefits, reducing the state contribution for insurance benefits for employees working less than full-time, eliminating or reducing contributions for the State Kids Insurance Program, eliminating state contributions for members of state boards and graduate teaching assistants at institutions of higher education, decreasing the maximum age for which dependents and retirees may be covered by state insurance, and reducing death benefits for beneficiaries of public safety personnel.

Committee Substitute House Bill 3441 modifies the original by removing language that directs the Pension Review Board to reduce expenditures by discontinuing, when possible, the provision of technical assistance and the issuance of actuarial impact statements.

Committee Substitute House Bill 3441 modifies the original by removing language that directs the Texas Commission on Human Rights to reduce expenditures by instituting measures necessary to increase federal funding while implementing cost-saving measures.