

BILL ANALYSIS

Senate Research Center
78R10096 SMJ-D

H.B. 264
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Education
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Engrossed

DIGEST AND PURPOSE

Currently, an eligible employee hired by an institution of higher education after 1995 that chooses the optional retirement program receives an employer contribution appropriated by the state equal to 6 percent of the employee's salary, which is matched by an employee payroll deduction equal to 6.65 percent. An employee hired on or before August 31, 1995 receives a higher amount, equal to as much as 8.5 percent of the employee's salary. The institution is prohibited from contributing the higher amount for an employee hired after August 31, 1995. H.B. 264 authorizes the governing board of an institution of higher education to make a contribution to the optional retirement program each fiscal year up to 8.5 percent, with the exact amount varying according to an employee's hiring date.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 830, Government Code, by adding Section 830.2015, as follows:

Sec. 830.2015. SUPPLEMENTAL CONTRIBUTIONS FROM INSTITUTIONS OF HIGHER EDUCATION. (a) Authorizes the governing board of an institution of higher education to make a contribution to the optional retirement program each fiscal year, as provided by this section. Authorizes the governing board to use any source of funds for the contribution.

(b) Authorizes a contribution under this section to be any amount that is equal to or less than the difference between the amount the state is required to contribute under Section 830.201 (Contributions) to the benefit of each participant employed by the institution of higher education and the amount the state appropriates for that purpose.

(c) Authorizes the governing board of an institution of higher education to contribute an amount under this section to the benefit of a participant employed by an institution of higher education on or before August 31, 1995, that is different from the amount the governing board contributes to the benefit of a participant employed by an institution of higher education after that date.

SECTION 2. Effective date: upon passage or September 1, 2003.