

SUBJECT: Insurance benefits for board members of certain rapid transit authorities

COMMITTEE: Transportation — favorable, without amendment

VOTE: 6 ayes — Krusee, Phillips, Deshotel, Harless, Hill, Murphy

1 nay — Harper-Brown

2 present not voting — Haggerty, Macias

WITNESSES: For — Rolando G. Barrera, Corpus Christi Regional Transportation Authority Board; (*Registered, but did not testify:* Ricardo A. Sanchez, Corpus Christi Regional Transportation Authority)

Against — None

BACKGROUND: In 1973, the 63rd Legislature authorized rapid transit authorities (RTA) in metropolitan areas in which all board members were eligible to receive compensation of \$50 per meeting, not to exceed five meetings in one month. In 1981, the 67th Legislature amended provisions related to RTAs, allowing only RTA board members in cities in which the population exceeds 600,000 to be entitled to \$50 for each board meeting up to five meetings per month, re-codified as Transportation Code, sec. 451.519(b).

DIGEST: HB 2622 would amend Transportation Code, sec. 451.519 to allow a board member of a rapid transit authority in which the principal city had a population of less than 300,000 to be eligible to participate in any health or other insurance benefit program offered to an employee of the authority.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

SUPPORTERS SAY: HB 2622 would permit a board member of a rapid transit authority (RTA) in which the principal city had a population of less than 300,000 – specifically, Corpus Christi – to receive health or other insurance benefits

as if the member were an employee. Board members of RTAs in larger cities receive compensation of \$50 per meeting up to five meetings per month making them eligible to receive as much as \$250 per month for their service. Because currently law specifies that these payments to board members may be only for a city with a population of more than 600,000, the Corpus Christi board cannot receive compensation.

Instead of providing actual payments to these board members, HB 2622 would provide RTA board members in Corpus Christi with the option of receiving the same health and other insurance benefits as the authority's employees. While some Corpus Christi RTA board members already have health insurance through their employers, other board members do not have access to such benefits. HB 2622 would boost Corpus Christi's ability to retain qualified board members and diversify its board. Allowing eligibility for health insurance for board members would make it more likely that Corpus Christi RTA could attract board members who actually rode the bus, such as elderly people on fixed incomes, who would be suitable policy makers.

OPPONENTS  
SAY:

Permitting RTA board members eligibility to receive health or other insurance benefits offered to employees of the Corpus Christi authority would generate more expense than the statutory compensation of up to \$250 a month for board members in cities where the population is more than 600,000.