

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

TO: Honorable Dianne White Delisi, Chair, House Committee on State Health Care Expenditures, Select

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB410 by Miller (Relating to the operation by the regional education service centers of certain group coverage programs for certain school and educational employees and their dependents.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB410, As Introduced: a negative impact of (\$5,000,000) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	(\$5,000,000)
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2004	\$0
2005	(\$5,000,000)
2006	\$0
2007	\$0
2008	\$0

Fiscal Analysis

The bill would transfer the public school employee insurance program from the Teacher Retirement System to the boards of directors of the twenty regional education service centers, beginning with fiscal year 2006. It would provide the boards of directors of each service center the responsibilities of the Teacher Retirement System to operate group health insurance programs in their respective regions. The bill would maintain the same spending requirements and funding structure imposed under current law.

Methodology

The Texas Education Agency estimates that the twenty regional service centers will require approximately \$5 million for initial establishment of the programs. This is based on start-up costs associated with the program managed by the Teachers Retirement System, which expended approximately \$3 million in the year prior to operation.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency

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