

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 30, 2003

**TO:** Honorable Allan Ritter, Chair, House Committee on Pensions & Investments

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2526** by Ellis (Relating to health benefits for employees of community supervision and corrections departments.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require a community supervision and corrections department (CSCD) to contract for all employee health insurance benefits with a county served by the CSCD, any other political subdivision of the state, or the Employees Retirement System of Texas (ERS). Benefits could also be extended to retired CSCD employees and spouses or dependents of active or retired CSCD employees.

Under current statute, CSCDs do not have an option regarding with whom to contract for employee health insurance benefits. The CSCD is required to contract for all employee benefits, including health benefits, with one county served by the CSCD and designated for that purpose by the district judge(s). In some instances, if the selected county contracts with the Texas Association of Counties (TAC), then the insurance for the CSCD is provided through TAC.

As of October 31, 2002, approximately 6,400 full-time and 300 part-time employees from the 121 CSCDs statewide would be eligible for group health insurance coverage. In fiscal year 2002, the Dallas County CSCD paid a total of \$2.5 million for health care benefits for their 618 employees and spouses or dependents. The Angelina County CSCD paid a total of \$131,000 for coverage for 22 employees, spouses, and dependents. The Uvalde County CSCD paid a total of \$253,080 for health benefits in fiscal year 2002 for 74 employees.

By having other options for contracting for employee health insurance, a CSCD would be able to select the most economical plan and experience a savings. For example, if a CSCD were to contract with the ERS, the monthly premium per person covered would be approximately \$393. The Williamson County CSCD currently pays \$450 for health insurance benefits per person covered. If the Williamson County CSCD were to instead contract with the ERS, the CSCD would experience a savings of \$57 per month per person covered.

The bill would take effect September 1, 2003.

#### Local Government Impact

A community supervision and corrections department would be able to select the most economical group health insurance plan and would likely be able to experience a savings over current premiums. The savings, if any, would vary by CSCD.

**Source Agencies:** 304 Comptroller of Public Accounts, 327 Employees Retirement System, 405 Department of Public Safety, 696 Department of Criminal Justice

**LBB Staff:** JK, RR, DLBa