

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB1532 by Averitt (Relating to the eligibility of certain educational employees to participate or be enrolled in certain group health benefit programs.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would entitle employees whose resignations become effective after the end of the school year to continue receiving district-offered health care coverage and any compensation supplement or contribution to which they were entitled as employees under Chapters 1579, 1580, or 1581 of the Insurance Code. The bill would take effect September 1, 2005.

Under current policy, the uniform group health coverage program managed by the Teacher Retirement System (TRS-ActiveCare) allows employees who resign from employment with a school district after the last day of an instructional year to continue coverage until the beginning of the subsequent year.

It is not known how many districts terminate employee supplementation upon resignation, but to the extent that school districts are no longer able to do this, state costs could incur. These costs are not estimated to be significant.

Local Government Impact

To the extent that school districts currently terminate employee coverage under district-offered health insurance programs earlier than would be permitted under the provisions of the bill, local costs could incur. District-level insurance policy data is not available.

Source Agencies: 323 Teacher Retirement System, 701 Central Education Agency

LBB Staff: JOB, CT, SR, UP, JSc