

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 6, 2013

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB547 by Hancock (Relating to the applicability of certain laws to open-enrollment charter schools.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code to treat an open-enrollment charter school as a local government and political subdivision for the purposes of participating in interlocal cooperation contracts, participating in Texas political subdivisions' uniform group benefit plan, and providing self-insurance as a governmental unit. An open-enrollment charter school could not issue public securities. An open-enrollment charter school could extend workers' compensation benefits to employees of the school by any method available to a political subdivision and would be considered a political subdivision if the school extended these benefits to its employees. An open-enrollment charter school that self-insured could not provide workers' compensation medical benefits to injured employees by directly contracting with health care providers or through a health benefits pool under the Texas Political Subdivision Employees Uniform Group Benefits Act. An open-enrollment charter school that self-insured would be considered an insurance carrier under the Texas Workers' Compensation Act.

The bill would make open-enrollment charter schools liable in tort claims in the same fashion as traditional school districts are liable.

Based on the analysis of the Texas Department of Insurance (TDI), if the bill is passed, the Division of Workers' Compensation could see an increase in coverage for employees of open-enrollment charter schools and therefore, potentially more claims entering the system. TDI indicates that any additional workload could be absorbed with existing staff and resources.

Based on the analysis of the Texas Education Agency, the bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of TEA.

Local Government Impact

Open-enrollment charter schools could participate in group benefits programs, participate in interlocal cooperation contracts, provide self-insurance, and extend workers' compensation benefits to employees by any method available to a political subdivision with some limitations.

Source Agencies: 701 Central Education Agency, 454 Department of Insurance
LBB Staff: UP, JBi, JSc