

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 28, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2974** by Flynn (Relating to the systems and programs administered by the Teacher Retirement System of Texas.), **As Passed 2nd House**

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

The bill would make technical and administrative changes related the definitions of annual compensation and employees, membership requirements, refunds, out-of-state service credit, open meetings, and contributions from employers to TRS-Care, the retiree health benefit plan, due to the employment of retired return-to-work employees.

The bill would create a joint interim committee comprised of three members each of the Senate and the House of Representatives to study and propose reforms to the two healthcare plans (TRS-Care and TRS-ActiveCare) administered by the Teacher Retirement System of Texas. The joint interim committee would be required to examine and assess the financial soundness of the plans, the cost and affordability of plan coverage, and the sufficiency of access to physicians and health care providers. As part of the study of TRS-ActiveCare, the committee study would specifically assess the impact of allowing participating entities to opt out, and the impact of allowing previously participating entities back into the program. The committee would also study the impact of establishing a regional rating method for determining premiums charged in different regions of the state for TRS-ActiveCare. A report with recommendations would be required by January 15, 2017.

According to TRS, the bill would have no significant fiscal impact.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, AG, AM, PFe