

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 24, 2015

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB640 by Garcia (Relating to automatic employee participation in and administration of a deferred compensation plan provided by certain hospital districts.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Government Code relating to certain hospital districts deferred compensation plans. The bill would permit a hospital district to elect to require automatic employee participation in a deferred compensation plan. The bill would establish an auto enrollment for employees of certain hospitals to enroll unless the employee elects to opt out of the plan. Under the provisions of the bill, hospital districts may transfer certain monies from an investment product to the trust fund of the compensation plan or to a qualified investment product. The district may contract for certain services connected with the deferred compensation plan.

Local Government Impact

There could be some administrative costs to a hospital district that elected to require automatic employee participation. However, it is assumed a hospital district would elect to require automatic employee participation only if sufficient funds were available or it would not result in a negative fiscal impact; therefore, no significant fiscal impact is anticipated.

Source Agencies:

LBB Staff: UP, AG, KVe, SD, EK