

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 3, 2019

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2097 by Krause (Relating to a pilot program for the provision of health coverage for school district employees in certain school districts.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow certain school districts to leave the TRS-ActiveCare program and establish a pilot program to provide employee health coverage.

The Teacher Retirement System assumes that the provisions of the bill could be implemented using existing resources. However, TRS assumes that to the extent that districts leaving the ActiveCare program pay more in contributions than they incur in claims costs, there could be additional costs to the program which may result in the need for higher contribution rates from the State, employers, or members to the program.

Local Government Impact

This analysis assumes the bill would have no statewide impact to school districts. TRS states that the district described by the bill currently incurs more in claims costs than it pays to ActiveCare in premiums. TRS assumes this district would incur between \$1.0 million to \$5.0 million in additional costs per year to provide similar benefit levels under the pilot program, plus additional costs for administration and stop loss premiums.

Source Agencies: 323 Teacher Retirement System

LBB Staff: WP, HL, AM, ASa, AF