

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 10, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4078 by Bonnen (relating to participation in the uniform group coverage program for active school employees.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would prohibit an entity participating in TRS-ActiveCare from offering competing coverage to its employees. The bill would also provide that beginning September 1, 2022, a participating entity may elect to discontinue TRS-ActiveCare by providing written notice to the Teacher Retirement System (TRS no later than December 31st of the year preceding where the election will be effective). If a participating entity elects to discontinue the entity may not reenter the program until the fifth anniversary of the effective discontinue date. The bill would also provide that beginning September 1, 2022, a participating entity may elect to participate in TRS-ActiveCare by providing written notice to TRS no later than December 31st of the year preceding where the election will be effective. The entity would be prohibited from discontinuing the participation until the fifth anniversary of the effective election date.

According to analysis by TRS, the combined provisions of the bill would produce an indeterminate savings to TRS-ActiveCare.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 454 Department of Insurance

LBB Staff: JMc, AAL, AH, RSTE, SL