

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 4, 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 and rates for coverage provided under the uniform group coverage program for active school employees.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to participation in and rates for coverage provided under the uniform group coverage program for active school employees. The bill allows the Teacher Retirement System (TRS) to establish by rule a regional rating method for determining premiums charged in different regions of the state for TRS-ActiveCare. The bill provides that effective September 1, 2021, a school district or a risk pool that is in existence on January 1, 2021, and whose members are school districts may elect to participate in TRS-ActiveCare, and establishes that a school district or risk pool may elect not to participate in TRS-ActiveCare notwithstanding any previous election or requirement to participate.

Based on information provided by TRS, the fiscal impact of allowing districts to leave TRS-ActiveCare cannot be assessed. Therefore, the bill would have an undetermined impact on TRS ActiveCare for the 2022-23 biennium; although, no significant fiscal impact to the General Revenue Fund is anticipated. However, additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS ActiveCare program. Furthermore, the fiscal impact of implementing a regional rating method cannot be assessed.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

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

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