

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 13, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1444 by Taylor (Relating to participation in the uniform group coverage program for active school employees and to a study concerning health coverage for school district employees.), **As Engrossed**

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.

The bill requires regional service centers to create a regional school district health coverage advisory committee to conduct a study with specific requirements and report their findings to the governor, the lieutenant governor, the speaker of the house of representatives, each standing committee of the senate or house of representatives having primary jurisdiction over public education or public retirement systems, the commissioner of the Texas Education Agency, and the executive director of the Teacher Retirement System of Texas.

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