

BILL ANALYSIS

C.S.H.B. 2911
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Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that some public school districts discontinued their participation in the TRS-ActiveCare program during the pandemic because they believed they could find better health plans for their employees, that some of these districts faced challenges with these alternative plans, and that the issue was compounded when the legislature appropriated additional funding exclusively for the TRS-ActiveCare program, disadvantaging the districts that left the program. The bill author has also informed the committee that while some of these districts would like to rejoin the program, under state law, they must wait five years before being eligible to do so. C.S.H.B. 2911 seeks to address these issues by authorizing certain entities that previously elected to discontinue participation in the TRS-ActiveCare program to participate in the program before the fifth anniversary of the entity's election to discontinue participation in the program and by providing for additional state aid for a district or charter school that does not participate in the program for purposes of paying contributions in an applicable group health coverage plan in an amount that is proportionate to the number of employees of districts or charter schools that participate in the program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2911 amends the Insurance Code to authorize a participating entity of the TRS-ActiveCare program that elected to discontinue the entity's participation in the program between September 1, 2021, and September 1, 2023, to elect to participate in the program before the fifth anniversary of the effective date of the entity's election to discontinue participation in the program. For each plan year beginning after the date of a participating entity's election to participate in the program under the bill's provisions until the plan year beginning after the fifth anniversary of that election, the Teacher Retirement System of Texas (TRS) must impose a risk stabilization fee in an amount determined by TRS on the premiums of the participating entity. These provisions expire September 1, 2033.

C.S.H.B. 2911, effective September 1, 2027, amends the Education Code to entitle a public school district or open-enrollment charter school that does not participate in the TRS-ActiveCare program to additional state aid for a state fiscal year in an amount equal to the product of the following:

- the quotient of the amount appropriated in the General Appropriations Act to TRS for purposes of health care for public education active employees for a state fiscal year and the total number of employees; and
- the number of individuals employed by the district or school.

The bill defines "employee" by reference, for purposes of the entitlement calculation, as a participating member of TRS who is employed by a participating entity of the TRS-ActiveCare program and who is not receiving coverage from another specified group benefit program. The bill restricts the use of money to paying contributions under a group health coverage plan for district or charter school employees.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2911 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement absent from the introduced for TRS to impose a risk stabilization fee for each plan year beginning after the date of a participating entity's election to participate in the program under the bill's provisions until the plan year beginning after the fifth anniversary of that election.

The substitute postpones the expiration date of the bill provisions relating to a participating entity's election to participate in the program from September 1, 2030, as in the introduced, to September 1, 2033.

While the introduced and substitute both entitle a district or charter school that does not participate in the program to additional state aid in an amount in accordance with a prescribed formula, the substitute specifies that the additional state aid to which the district or charter school is entitled is for a state fiscal year. With respect to the prescribed formula, the substitute makes the following revisions to the factors used to determine the quotient that is multiplied by the number of individuals employed by the district or charter school:

- specifies that the amount appropriated in the General Appropriations Act to TRS for purposes of health care for public education active employees is for a state fiscal year, whereas the introduced did not; and
- changes the employees used as a factor from the employees employed by the district or charter school, as in the introduced, to the participating members of TRS who are employed by an entity participating in the TRS-ActiveCare program and who are not receiving coverage from another specified group benefit program.