LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 23, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2911** by Frank (relating to participation in the uniform group coverage program for active school employees and additional state aid for public schools that do not participate in that program.), **Committee Report 1st House, Substituted**

The fiscal implications to the Foundation School Program for additional state aid for certain group health coverage could not be determined as the cost would be dependent on future legislative appropriations that are not statutorily required.

There would be no significant fiscal impact to the Teacher Retirement System (TRS)-ActiveCare program.

This bill would allow certain employers to return to the TRS-ActiveCare public school active employee group uniform insurance program prior to the expiration of the 5-year commitment period required under current statute and would require a risk stabilization fee. TRS indicates that, with the risk stabilization fee, costs to TRS-ActiveCare could be absorbed with existing resources.

The bill would provide additional state aid for certain school districts not participating in TRS-ActiveCare. This additional aid would be effective September 1, 2027. This analysis assumes that the cost of additional state aid for health insurance for certain public schools cannot be determined, as the total cost of the support would be dependent on appropriations made by future Legislatures to the TRS-ActiveCare program above statutorily-required amounts.

Local Government Impact

Participating public school employers could experience changes in costs for providing health insurance under TRS-ActiveCare versus other providers; however, the fiscal implication cannot be determined.

Certain public schools not participating in TRS-ActiveCare could receive additional funding under provisions of the bill if the Legislature were to appropriate supplemental state funding for TRS-ActiveCare after fiscal year 2027.

Source Agencies: 323 Teacher Retirement System, 454 Department of Insurance, 701 Texas Education Agency

LBB Staff: JMc, NC, ASA, ENA