

- SUBJECT:** State health benefits for certain retired local juvenile probation officers
- COMMITTEE:** Pensions, Investments, and Financial Services — favorable, without amendment
- VOTE:** 7 ayes — Truitt, Anderson, Flynn, Hernandez, Parker, Veasey, Woolley
0 nays
2 absent — Anchia, Hopson
- WITNESSES:** For — John Perry, Juvenile Justice Association of Texas; (*Registered, but did not testify*, Joanne Bradley, Kendall County Juvenile Probation Department; Debra Byler, Fayette Co. Juvenile Probation Department; Toby Goodman, Ronnie Hardin, Matt Henderson, Juvenile Justice Association of Texas; David Hollis, Juvenile Justice Association of Texas and Northeast Texas Chiefs Association; Davis Jason)

Against — Gary Anderson, Texas Public Employees Association
- DIGEST:** HB 2986 would extend to employees of juvenile probation departments who retire from departments in counties with a population of less than 150,000 the same life, accident, and health benefit coverages as provided to retired state employees.
- The bill would apply to retired employees of juvenile probation departments who, on August 31, 2009, are employed by juvenile probation departments in counties with populations of less than 150,000. The retired employee would have to have:
- retired on or after September 1, 2009;
 - have at least 10 years of creditable service earned at one or more juvenile probation departments; and
 - meet all the requirements for retirement benefits prescribed by the Texas County and District Retirement System.
- The department from which the officer retired could not provide retired employees access to a health benefit plan or provide access to a health

benefit plan with coverage that is less comprehensive than the coverage provided under the state's basic coverage.

Other employees retired from departments in counties of less than 150,000, who were employed on or after September 1, 2009, could participate in the state group benefits program if they:

- retired on or after September 1, 2019;
- had at least 10 years of creditable service earned at one or more juvenile probation departments on or after September 1, 2009; and
- met all the requirements for retirement benefits prescribed by the Texas County and District Retirement System.

In these cases, the department from which the person retired could not provide retired employees access to a health benefit plan or provide access to a health benefit plan that provided coverage that is less comprehensive than the coverage provided under the state's plan.

These employees would be eligible to receive state contributions for premiums just as other eligible participants in the benefits program. Retired employees would be required to pay the portion of the group coverage they select that exceeded the state contribution.

By June 1 of each year, juvenile probation departments in counties of less than 150,000 would have to submit to ERS an estimate of the number of retired employees and active employees employed on June 1 who are expected to retire in the next year that may elect to enroll in the group benefits program.

The bill would take effect September 1, 2009. ERS would be required to develop a plan to implement the bill and would have to adopt rules to implement it by September 1, 2010. Coverage under the bill would become effective September 1, 2010.

**SUPPORTERS
SAY:**

HB 2986 would give local juvenile probation departments and the state another tool to help reduce turnover among juvenile probation officers. While juvenile probation officers are county employees, the state has an interest in keeping experienced officers in their jobs because they play a vital role in the state's juvenile justice system. About 95 percent of the youths in Texas' juvenile justice system are overseen by local probation departments, and in fiscal 2008, local juvenile probation departments

supervised about 108,500 youths. Juvenile probation officers are on the front line working with youths, and the state has been increasingly relying on them to divert juveniles from the Texas Youth Commission, especially since problems with that agency surfaced in 2007.

Upon retirement many juvenile probation officers, especially those in smaller counties, have access to meager or no health insurance benefits. This contributes to high turnover among these employees which, in turn, hurts the state because less-experienced officers are working with juvenile offenders. High turnover means higher costs to the counties for recruitment and training of new officers. HB 2986 would address this problem by allowing juvenile probation officers employed by certain counties to participate in the state's group benefits program upon retirement as a way to encourage them to stay on the job.

HB 2986 would not be a significant departure from current law. In 1993, the state allowed adult probation officers and some retired adult probation officers to join the state group benefits program, and it should do the same for certain retiring juvenile probation officers. Because of the situation with current law, juvenile probation officers often leave the juvenile arena to become adult probation officers, and HB 2986 could help stem that tide.

HB 2986 is limited to counties with populations of less than 150,000 because these counties have the greatest need and the fewest resources to retain juvenile officers. Juvenile probation departments in larger counties generally offer retirement benefits to their employees. The fiscal notes estimates that HB 2986 would apply to only about 2,109 employees, but for those officers, it could make a big difference.

The criteria in HB 2986 for officers to join the state benefits program are reasonable and appropriate and modeled after those enacted in 2003 for adult probation officers, including having 10-years of creditable service and meeting the requirements prescribed by the Texas County and District Retirement System.

The state would see a good return on any money it spent under HB 2986. Retaining juvenile probation officers would mean better services for juvenile offenders, which could reduce recidivism rates and save the state money in the long run.

OPPONENTS
SAY:

Benefits for retired state employees should not be extended to non-state employees. When the state assumes the obligations of other units of government, it diverts resources that it needs to meet its own responsibilities. State benefit programs should be reserved for state employees, who are governed and overseen by state agencies and who receive state benefits as part of their compensation package. This bill could lead to other groups seeking to receive state employee benefits.

HB 2986 would result in a large and increasing cost to the state. In fiscal 2011 the cost would be \$764,585, and it would be \$1.8 million in fiscal 2012-13, according to the fiscal note. In addition, the bill would add to the state's other post-employment benefits (OPEBs) liabilities at a time when reductions in benefits or increases to costs for state employees also are being discussed. HB 2986 also could result in additional costs to the state to administer the benefits, especially since juvenile probation employees are not employed by a central administrative authority.