SENATE AMENDMENTS

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By: Capriglione, Bhojani, Hull   H.B. No. 3963

A BILL TO BE ENTITLED

1   AN ACT

2   relating to an early childhood integrated data system.

3   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4   SECTION 1. Subtitle B, Title 2, Education Code, is amended

5   by adding Chapter 10 to read as follows:

6   CHAPTER 10. EARLY CHILDHOOD INTEGRATED DATA SYSTEM

7   Sec. 10.001. DEFINITIONS. In this chapter:

8   (1) "Cooperating entity" means the:

9   (A) Children's   Learning   Institute   at   The

10 University of Texas Health Science Center at Houston;

11   (B) Health and Human Services Commission;

12   (C) Texas Education Agency; and

13   (D) Texas Workforce Commission.

14   (2) "Early childhood interagency work group" means the

15 work group established to promote collaboration across state

16 agencies serving families with young children and that consists of

17 representatives from the following state agencies:

18   (A) Department   of   Family   and   Protective

19 Services;

20   (B) Department of State Health Services;

21   (C) Health and Human Services Commission;

22   (D) Texas Education Agency; and

23   (E) Texas Workforce Commission.

24   (3) "Lead agency" means the Texas Education Agency.

1   (4) "System" means the early childhood integrated data

2 system established under this subchapter.

3   Sec. 10.002. INITIAL DEVELOPMENT OF EARLY CHILDHOOD

4 INTEGRATED DATA SYSTEM. (a) Subject to Section 10.003(1), the

5 early childhood interagency work group shall initiate the

6 development of the early childhood integrated data system for the

7 purpose of facilitating the sharing of data from early childhood

8 programs across state agencies to:

9   (1) inform policy related to early childhood programs

10 at the state level; and

11   (2) guide improvements to early childhood programs to

12 provide better outcomes for children and families.

13   (b) The system must be developed in a manner that:

14   (1) allows for the integration of existing state and

15 federal data systems that are accessible to the cooperating

16 entities and that contain data derived from early childhood

17 services and programs;

18   (2) allows for the identification of and reporting on:

19   (A) specific outcome measures using aggregated

20 data that does not contain any identifying information, to the

21 extent state or federal law, as applicable, expressly authorizes

22 that use of the information;

23   (B) gaps in services;

24   (C) opportunities to align services and

25 programs; and

26   (D) coordination needs across services and

27 programs; and

1   (3) complies with state and federal laws relating to

2 privacy, cybersecurity, and data collection, including rules

3 establishing procedures to ensure that there is no unauthorized

4 duplication or removal of confidential information.

5   (c) Nothing in this chapter may be construed to authorize

6 the collection of data other than that described by Subsection

7 (b)(1).

8   Sec. 10.003. LEAD AGENCY DUTIES. The lead agency shall:

9   (1) oversee the completion of the system initially

10 developed under Section 10.002 in a manner consistent with the

11 requirements of that section;

12   (2) implement and maintain the system with assistance

13 from the early childhood interagency work group;

14   (3) provide staff to operate the system;

15   (4) using system data, conduct data matching using a

16 protocol approved by the cooperating entities; and

17   (5) in coordination with the cooperating entities,

18 oversee research projects related to the system.

19   Sec. 10.004. COOPERATING ENTITIES. (a) The lead agency and

20 each cooperating entity shall enter into a memorandum of

21 understanding regarding the sharing of data for purposes of the

22 system. The memorandum of understanding must specify the data to be

23 shared consistent with Sections 10.002(b)(1) and (c) and the

24 frequency and manner of that data sharing.

25   (b) Each cooperating entity shall participate in the system

26 and share data for purposes of the system as required by the

27 memorandum of understanding.

1   Sec. 10.005. REPORTING REQUIREMENTS. (a) Not later than

2 September 1 of each year, the lead agency shall submit to the

3 governor and the legislature a report on the progress in

4 developing, establishing, and operating the system.

5   (b) The initial report required by Subsection (a) must

6 include:

7   (1) an interagency data governance plan that includes:

8   (A) objectives relevant to the system and a

9 framework for achieving those objectives;

10   (B) the roles and responsibilities of all state

11 entities involved in establishing and maintaining the system; and

12   (C) documentation of relevant state and federal

13 privacy, cybersecurity, and data collection laws, including rules;

14   (2) a design plan that includes:

15   (A) data integration, security, storage,

16 retention, management, processing, and analytics and other

17 products; and

18   (B) roles and responsibilities of relevant state

19 entity personnel regarding data integration; and

20   (3) information on the status of:

21   (A) hiring staff described by Section 10.003(3);

22   (B) funding applied for and secured; and

23   (C) the development of an Internet website that

24 includes a preliminary, publicly available consumer data

25 dashboard.

26   (c) Each report required by Subsection (a) following the

27 initial report must include:

1   (1) updates to the information required by Subsection

2 (b);

3   (2) an overview on business use cases the system can

4 support; and

5   (3) information on the development of analytic tools

6 based on the business use cases described by Subdivision (2).

7   Sec. 10.006. FUNDING; ACCEPTANCE OF GIFTS, GRANTS, AND

8 DONATIONS. (a) The early childhood interagency work group, the

9 cooperating entities, and the lead agency may use any available

10 state or federal money to develop the system.

11   (b) The lead agency shall actively pursue grants or other

12 money available from the state and federal government to operate

13 the system.

14   (c) The early childhood interagency work group, the

15 cooperating entities, and the lead agency may accept gifts, grants,

16 and donations from any source for the purposes of this chapter.

17   SECTION 2. The Texas Education Agency shall undertake to

18 ensure that the early childhood integrated data system established

19 under Section 10.002, Education Code, as added by this Act, is

20 completed not later than January 1, 2027.

21   SECTION 3. This Act takes effect September 1, 2025.

By: _Angela S. Paxton_

Substitute the following for H.B. No. 3963 :

By: _Charlie Geren_

H.B. No. 3963

C.S. H.B. No. 3963

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13   (D) Texas Workforce Commission.

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[P.6]

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4 INTEGRATED DATA SYSTEM. (a) Subject to Section 10.003(1), the

5 early childhood interagency work group shall initiate the

6 development of the early childhood integrated data system for the

7 purpose of facilitating the sharing of data from early childhood

8 programs across state agencies to:

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10 at the state level; and

11   (2) guide improvements to early childhood programs to

12 provide better outcomes for children and families.

13   (b) The system must be developed in a manner that:

14   (1) allows for the integration of existing state and

15 federal data systems that are accessible to the cooperating

16 entities and that contain data derived from early childhood

17 services and programs;

18   (2) allows for the identification of and reporting on:

19   (A) specific outcome measures using aggregated

20 data that does not contain any identifying information, to the

21 extent state or federal law, as applicable, expressly authorizes

22 that use of the information;

23   (B) gaps in services;

24   (C) opportunities to align services and

25 programs; and

26   (D) coordination needs across services and

27 programs; and

1   (3) complies with state and federal laws relating to

2 privacy, cybersecurity, and data collection, including rules

3 establishing procedures to ensure that there is no unauthorized

4 duplication or removal of confidential information.

5   (c) Nothing in this chapter may be construed to authorize

6 the collection of data other than that described by Subsection

7 (b)(1).

8   Sec. 10.003. LEAD AGENCY DUTIES. The lead agency shall:

9   (1) oversee the completion of the system initially

10 developed under Section 10.002 in a manner consistent with the

11 requirements of that section;

12   (2) implement and maintain the system with assistance

13 from the early childhood interagency work group;

14   (3) provide staff to operate the system;

15   (4) using system data, conduct data matching using a

16 protocol approved by the cooperating entities; and

17   (5) in coordination with the cooperating entities,

18 oversee research projects related to the system.

19   Sec. 10.004. COOPERATING ENTITIES. (a) The lead agency and

20 each cooperating entity shall enter into a memorandum of

21 understanding regarding the sharing of data for purposes of the

22 system. The memorandum of understanding must specify the data to be

23 shared consistent with Sections 10.002(b)(1) and (c) and the

24 frequency and manner of that data sharing.

25   (b) Each cooperating entity shall participate in the system

26 and share data for purposes of the system as required by the

27 memorandum of understanding.

1   Sec. 10.005. REPORTING REQUIREMENTS. (a) Not later than

2   September 1 of each year, the lead agency shall submit to the

3   governor and the legislature a report on the progress in

4   developing, establishing, and operating the system.

5   (b) The initial report required by Subsection (a) must

6   include:

7   (1) an interagency data governance plan that includes:

8   (A) objectives relevant to the system and a

9   framework for achieving those objectives;

10   (B) the roles and responsibilities of all state

11 entities involved in establishing and maintaining the system; and

12   (C) documentation of relevant state and federal

13 privacy, cybersecurity, and data collection laws, including rules;

14   (2) a design plan that includes:

15   (A) data integration, security, storage,

16 retention, management, processing, and analytics and other

17 products; and

18   (B) roles and responsibilities of relevant state

19 entity personnel regarding data integration; and

20   (3) information on the status of:

21   (A) hiring staff described by Section 10.003(3);

22   (B) funding applied for and secured; and

23   (C) the development of an Internet website that

24 includes a preliminary, publicly available consumer data

25 dashboard.

26   (c) Each report required by Subsection (a) following the

27 initial report must include:

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1   (1) updates to the information required by Subsection

2 (b);

3   (2) an overview on business use cases the system can

4 support; and

5   (3) information on the development of analytic tools

6 based on the business use cases described by Subdivision (2).

7   Sec. 10.006. FUNDING; ACCEPTANCE OF GIFTS, GRANTS, AND

8 DONATIONS. (a) The early childhood interagency work group, the

9 cooperating entities, and the lead agency may use any available

10 state or federal money to develop the system.

11   (b) The lead agency shall actively pursue grants or other

12 money available from the state and federal government to operate

13 the system.

14   (c) The early childhood interagency work group, the

15 cooperating entities, and the lead agency may accept gifts, grants,

16 and donations from any source for the purposes of this chapter.

17   SECTION 2. An entity to which Chapter 10, Education Code, as

18 added by this Act, applies is required to implement a provision of

19 this Act only if the legislature appropriates money specifically

20 for that purpose. If the legislature does not appropriate money

21 specifically for that purpose during a state fiscal biennium, an

22 entity may, but is not required to, implement a provision of this

23 Act using other money available for that purpose.

24   SECTION 3. The Texas Education Agency shall undertake to

25 ensure that the early childhood integrated data system established

26 under Section 10.002, Education Code, as added by this Act, is

27 completed not later than January 1, 2027.

1   SECTION 4.   This Act takes effect September 1, 2025.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3963 by Capriglione (Relating to an early childhood integrated data system.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, As Passed 2nd House: a negative impact of ($3,259,064) through the biennium ending August 31, 2027.

The Texas Education Agency is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Texas Education Agency may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	($1,220,673)
2027	($2,038,391)
2028	($849,373)
2029	($849,373)
2030	($849,373)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2025
2026	($1,220,673)	5.0
2027	($2,038,391)	5.0
2028	($849,373)	5.0
2029	($849,373)	5.0
2030	($849,373)	5.0

Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). The bill would name the Texas Education Agency (TEA) as the lead agency.

The bill would require an initial and subsequent annual reports to inform policy related to the state's early childhood goals and priorities.

Methodology

TEA assumes an initial cost of $62,500 in fiscal year 2026 and a subsequent annual cost of $125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 5.0 FTEs to implement provisions of the bill at a cost of $0.6 million annually.

The analysis assumes that the Health and Human Services Commission (HHSC) could implement provisions of this bill within existing agency resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total $1.8 million for the 2026-27 biennium and $0.1 million in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3963 by Capriglione (Relating to an early childhood integrated data system.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, Committee Report 2nd House, Substituted: a negative impact of ($3,259,064) through the biennium ending August 31, 2027.

The Texas Education Agency is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Texas Education Agency may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

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2026	($1,220,673)
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Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). The bill would name the Texas Education Agency (TEA) as the lead agency.

The bill would require an initial and subsequent annual reports to inform policy related to the state's early childhood goals and priorities.

Methodology

TEA assumes an initial cost of $62,500 in fiscal year 2026 and a subsequent annual cost of $125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 5.0 FTEs to implement provisions of the bill at a cost of $0.6 million annually.

The analysis assumes that the Health and Human Services Commission (HHSC) could implement provisions of this bill within existing agency resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total $1.8 million for the 2026-27 biennium and $0.1 million in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency, 720 The University of Texas System Administration

LBB Staff: JMc, NPe, SL, RStu, ASA, NV, LBl

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3963 by Capriglione (Relating to an early childhood integrated data system.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, As Engrossed: a negative impact of ($3,259,064) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	($1,220,673)
2027	($2,038,391)
2028	($849,373)
2029	($849,373)
2030	($849,373)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2025
2026	($1,220,673)	5.0
2027	($2,038,391)	5.0
2028	($849,373)	5.0
2029	($849,373)	5.0
2030	($849,373)	5.0

Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). The bill would name the Texas Education Agency (TEA) as the lead agency.

The bill would require an initial and subsequent annual reports to inform policy related to the state's early childhood goals and priorities.

Methodology

TEA assumes an initial cost of $62,500 in fiscal year 2026 and a subsequent annual cost of $125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 5.0 FTEs to implement provisions of the bill at a cost of $0.6 million annually.

The analysis assumes that the Health and Human Services Commission (HHSC) could implement provisions of this bill within existing agency resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total $1.8 million for the 2026-27 biennium and $0.1 million in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency, 720 The University of Texas System Administration

LBB Staff: JMc, NPe, SL, RStu, ASA, NV, LBl

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 13, 2025

TO: Honorable Giovanni Capriglione, Chair, House Committee on Delivery of Government Efficiency

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3963** by Capriglione (relating to an early childhood integrated data system.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, Committee Report 1st House, Substituted: a negative impact of ($3,259,064) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	($1,220,673)
2027	($2,038,391)
2028	($849,373)
2029	($849,373)
2030	($849,373)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2025
2026	($1,220,673)	5.0
2027	($2,038,391)	5.0
2028	($849,373)	5.0
2029	($849,373)	5.0
2030	($849,373)	5.0

Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). The bill would name the Texas Education Agency (TEA) as the lead agency.

The bill would require an initial and subsequent annual reports to inform policy related to the state's early childhood goals and priorities.

Methodology

TEA assumes an initial cost of $62,500 in fiscal year 2026 and a subsequent annual cost of $125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 5.0 FTEs to implement provisions of the bill at a cost of $0.6 million annually.

The analysis assumes that the Health and Human Services Commission (HHSC) could implement provisions of this bill within existing agency resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total $1.8 million for the 2026-27 biennium and $0.1 million in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency, 720 The University of Texas System Administration

LBB Staff: JMc, RStu, ASA, SL, NV, LBl

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 1, 2025

TO: Honorable Giovanni Capriglione, Chair, House Committee on Delivery of Government Efficiency

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3963** by Capriglione (Relating to an early childhood integrated data system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, As Introduced: a negative impact of ($5,880,848) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	($2,533,366)
2027	($3,347,482)
2028	($2,158,464)
2029	($2,158,464)
2030	($2,158,464)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Federal Funds 555	Probable Savings/(Cost) from GR Match For Medicaid 758	Change in Number of State Employees from FY 2025
2026	($2,060,272)	($485,298)	($473,094)	5.0
2027	($2,874,388)	($485,298)	($473,094)	5.0
2028	($1,685,370)	($485,298)	($473,094)	5.0
2029	($1,685,370)	($485,298)	($473,094)	5.0
2030	($1,685,370)	($485,298)	($473,094)	5.0

Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). This analysis assumes the Texas Education Agency (TEA) would function as the lead agency for the group and would maintain the ECIDS.

The bill would require an initial and subsequent annual reports to inform policy related the state's early childhood goals and priorities.

Methodology

TEA assumes an inital cost of $62,500 in fiscal year 2026 and a subsequent annual cost of $125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 4.0 FTEs to implement provisions of the bill at a cost of $0.6 million annually.

The Health and Human Services Commission (HHSC) estimates the need for 1.0 FTE at a cost of $0.2 million annually to develop an internal coordination integrated data system.

Technology

TEA assumes IT costs to implement the provisions of the bill would total $1.8 million for the 2026-27 biennium and $0.1 million in subsequent years.

HHSC estimates an annual All Funds cost of $1.8 million to implement IT provisions of the bill including development of an internal integrated data system and file sharing requirements and capabilities with the lead agency.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency, 720 The University of Texas System Administration

LBB Staff: JMc, RStu, ASA, SL, NV, LBl