

BILL ANALYSIS

C.S.H.B. 1026
By: Hupp
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The majority of public and private Universities and Colleges in Texas use part or all of students' social security numbers as Identification Numbers. With the rise in "identity theft," the use of a person's social security number poses a threat to individual protection and privacy. CSHB 1026 will regulate and prevent the posting, displaying, and disclosure of social security numbers to unauthorized persons. The bill will not, however, prohibit an institution from requiring a social security number.

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

CSHB 1026 amends Subchapter Z, Chapter 51 of the Education Code by adding Section 51.981, which prohibits an institution of higher education, a private institution of higher education, or an independent institution of higher education from printing or using a student's social security number, or another number that includes four or more consecutive digits of the student's social security number as the student's primary identification number. The bill prohibits an institution from printing or including in electronic or coded form a student's social security number on a student's identification card, library card or any other card used to access services, information or facilities.

CSHB 1026 prohibits an institution from requiring a student, a former student, or an applicant to transmit their SSN over the telephone or Internet, unless there is a secure connection or the number is encrypted. The bill prohibits an institution from posting or displaying a student or former student's social security number in a publicly accessible location. The bill prohibits an institution from including a student's, former student's, or applicant's social security number in any information that is transmitted through the mail.

CSHB 1026 provides that an institution is not prohibited from requiring a student to disclose their social security number in person or in an application. The bill provides that an institution is not prohibited from maintaining a confidential record of a student's social security number, if the institution holds the number in a secure storage location, with limited access by approved personnel. The bill does not prohibit an institution from using a social security number to comply with state or federal law, or from disclosing a student's social security number, with the student's consent, to enable the student to participate in a program or activity conducted by another person who requires disclosure.

CSHB 1026 provides that the coordinating board may adopt rules to use a student's social security number in a manner otherwise prohibited by this Act if it is determined necessary for the institution to effectively carry out its mission or programs. The bill provides that in adopting rules, the coordinating board shall do so in a manner that minimizes disclosure to unauthorized persons.

CSHB 1026 provides that an institution must be in compliance with this Section and any rules established by the coordinating board by September 1, 2007. The bill provides that an institution not in compliance

is ineligible to receive additional TEXAS Grant funding through reallocation for that year and that the amount of TEXAS grant funds allocated to the institution for the following academic year is one-half of the amount for which the institution would otherwise be eligible.

CSHB 1026 provides that if the coordinating board determines that an institution is not in compliance with this section and the rules of the coordinating board, the coordinating board shall notify the president of the institution in writing of that determination and the sanctions to be imposed under Subsection (f). The bill provides that not later than the 30th day after the date the notice is delivered, the president of the institution in the manner stated in the notice may request a hearing before the commissioner of higher education to show cause why the sanctions should not be imposed. The bill provides that the findings of the commissioner are final and may not be appealed.

EFFECTIVE DATE

This Act takes effect on September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 1026 modifies the original by providing that institutions must be in compliance by September 1, 2007, rather than September 1, 2005. The substitute provides that an institution not in compliance is ineligible to receive additional TEXAS Grant funding through reallocation for that year and that the amount of TEXAS grant funds allocated to the institution for the following academic year is one-half of the amount for which the institution would otherwise be eligible. The substitute provides that if the coordinating board determines that an institution is not in compliance with this section and the rules of the coordinating board, the coordinating board shall notify the president of the institution in writing of that determination and the sanctions to be imposed under Subsection (f). The bill provides that not later than the 30th day after the date the notice is delivered, the president of the institution in the manner stated in the notice may request a hearing before the commissioner of higher education to show cause why the sanctions should not be imposed. The substitute provides that the findings of the commissioner are final and may not be appealed. The substitute eliminates the provision that students of a private or independent institution of higher education that does not substantially comply with this section as determined by the coordinating board are ineligible for tuition equalization grants under Subchapter F, Chapter 61.