

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 24, 2003

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1026 by Hupp (Relating to regulating the use of social security numbers by institutions of higher education.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1026, Committee Report 1st House, Substituted: a negative impact of (\$2,898,766) through the biennium ending August 31, 2005.

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
2004	(\$1,449,383)
2005	(\$1,449,383)
2006	(\$1,449,383)
2007	(\$1,449,383)
2008	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2003
2004	(\$1,449,383)	14.6
2005	(\$1,449,383)	14.6
2006	(\$1,449,383)	14.6
2007	(\$1,449,383)	14.6
2008	(\$500,000)	4.7

Fiscal Analysis

The committee substitute would prohibit institutions of higher education from using social security numbers as the primary student identification number. Compliance is required not later than September 1, 2007. (The original legislation required compliance by September 1, 2005.)

Methodology

Nearly every university system that responded indicated that they are already working towards eliminating the use of social security numbers as the primary means of identification. Responses from the system offices indicated substantial differences in the fiscal implications for the various systems. Only one institution decreased the estimated fiscal implications for the committee substitute relative to their estimate for the original legislation.

For purposes of this fiscal note, we have assumed that the extension of the deadline for compliance would result in the original cost for implementing the legislation being spread evenly over the four years provided for compliance. The University of Texas System was the only entity to specifically reference the need for additional employees. This fiscal note spreads the increase across the four years provided to implement the legislation.

Technology

A portion of the costs to implement this legislation would include additional computer software and programming.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Community/junior colleges would be required to comply and may incur costs to upgrade student information systems.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JK, JO, CT, PF, DSB