

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 10, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1026, As Introduced: a negative impact of (\$5,500,000) through the biennium ending August 31, 2005.

The bill would prohibit the use of social security numbers as the primary means of student identification. Reported costs vary among the reporting institutions.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$3,500,000)
2005	(\$2,000,000)
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2004	(\$3,500,000)
2005	(\$2,000,000)
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)

Fiscal Analysis

The institutions of higher education are already working towards eliminating the use of social security numbers as the primary means of identification. Institutions would incur costs associated with accelerating efforts in this direction, including some staffing costs and related upgrades to student information systems.

Methodology

Responses from the system offices indicate total costs would vary from system to system. The

Texas A&M University System reported biennial costs of \$1,190,047; University of North Texas reported biennial costs of \$30,000; University of Houston System reported biennial costs totaling \$378,800, Texas Tech reported costs in 2004 of \$357,971 and \$42,971 each year thereafter. The greatest costs reported were from the University of Texas System, which reported costs in 2004 of \$2,496,457, additional costs in 2005 of \$1,602,229, costs in 2006 of \$416,615, and \$362,661 each year thereafter.

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 Administration, 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

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