

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 3, 2005**

**TO:** Honorable Kent Grusendorf, Chair, House Committee on Public Education

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB827** by Branch (Relating to the designation of research centers to evaluate state or federally funded education programs and the sharing of student data.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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This bill would authorize various state agencies involved in providing elementary, secondary, or higher education services to designate research centers to evaluate higher education institutions or school districts that are supported by state or federal funds. The bill takes effect September 1, 2005.

According to the Texas Education Agency, the language of the bill does not satisfy the requirements established by the federal Family Educational Rights and Privacy Act (FERPA) with regard to the sharing of confidential student data by a state educational agency (SEA). Specifically, the U.S. Department of Education has issued an opinion on this matter, finding that an authorized representative of the SEA must be under direct control of the SEA in order to satisfy FERPA requirements. See the following internet address for this opinion:

<http://www.ed.gov/policy/gen/guid/fpco/ferpa/library/ca21804.html>

As a result, it is assumed that the Texas Education Agency would not be able to designate a research center under the provisions of the bill, and the bill would have no significant fiscal impact. Any designation of research centers by agencies of higher education is not anticipated to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

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