

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3963
By: Capriglione et al. (Paxton)
Health & Human Services
5/22/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

An Early Childhood Integrated Data System (ECIDS) is designed to provide integrated data across federal and state agencies' systems so that agency staff and policymakers have the information they need to make decisions supporting Texas' early childhood needs and priorities. Texas needs a coordinated, data-driven approach to early childhood programs, as current data is scattered across agencies, complicating assessments of effectiveness and resource allocation. H.B. 3963 will consolidate the early childhood education (ECE) data systems across Texas and federal agencies into a single comprehensive platform to identify gaps in services, underserved populations, and opportunities to align programs and services, thereby coordinating needs across agencies.

In doing so, H.B. 3963 enhances policymaking and service delivery to improve outcomes for Texas children and their families, while emphasizing privacy and security. It reflects national data-driven governance trends and focuses on workforce readiness by monitoring early education's impact on future success. It pursues federal funding for compliance and sustainability and it establishes a structured timeline and accountability to improve transparency and oversight in early childhood education services.

Committee Substitute:

The committee substitutes for H.B. 3963 adds a Nelson Amendment to lower the bill's fiscal note.

Key Provisions

- Early Childhood Interagency Workgroup
 - Consisting of representatives from:
 - Department of Family and Protective Services (DFPS)
 - Department of State Health Services (DSHS)
 - Health and Human Services Commission (HHSC)
 - Texas Education Agency (TEA)
 - Texas Workforce Commission (TWC)
 - TEA is the Lead Agency
 - Implements and maintains ECIDS
 - Provides staffing to operate ECIDS
 - Enters into a memorandum of understanding (MOU) with cooperating entities for ECIDS
- Early Childhood Integration Data System (ECIDS)
 - Facilitates data sharing between agencies
 - Aggregates outcome measures without personally identifying information
 - Stated purpose is to identify gaps in services, underserved populations, and coordination opportunities between agencies
 - Complies with privacy, cybersecurity, and data collection laws
- Cooperating entities are required to participate and share data.
- Reporting Requirements
 - Early Childhood Interagency Workgroup must submit a report to the legislature detailing ECIDS' progress
 - Initial report must include:
 - An interagency data governance plan

- A design plan for data security, storage, and management
 - Status updates on hiring, grant funding, and a public website
- Subsequent reports must update this information and provide:
 - Business use cases supported by ECIDS
 - Development of analytical tools
- The initial report is due by January 1, 2026.
- Effective September 1, 2025

C.S.H.B. 3963 amends current law relating to an early childhood integrated data system.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 2, Education Code, by adding Chapter 10, as follows:

CHAPTER 10. EARLY CHILDHOOD INTEGRATED DATA SYSTEM

Sec. 10.001. DEFINITIONS. Defines "cooperating entity," "early childhood interagency work group," "lead agency," and "system."

Sec. 10.002. INITIAL DEVELOPMENT OF EARLY CHILDHOOD INTEGRATED DATA SYSTEM. (a) Requires the early childhood interagency work group (work group), subject to Section 10.003(1), to initiate the development of the early childhood integrated data system (system) for the purpose of facilitating the sharing of data from early childhood programs across state agencies to inform policy related to early childhood programs at the state level and guide improvements to early childhood programs to provide better outcomes for children and families.

(b) Requires that the system be developed in a manner that:

- (1) allows for the integration of existing state and federal data systems that are accessible to the cooperating entities and that contain data derived from early childhood services and programs;
- (2) allows for the identification of and reporting on certain information; and
- (3) complies with state and federal laws relating to privacy, cybersecurity, and data collection, including rules establishing procedures to ensure that there is no unauthorized duplication or removal of confidential information.

(c) Prohibits this chapter from being construed to authorize the collection of data other than that described by Subsection (b)(1).

Sec. 10.003. LEAD AGENCY DUTIES. Requires the Texas Education Agency (TEA) to:

- (1) oversee the completion of the system initially developed under Section 10.002 in a manner consistent with the requirements of that section;
- (2) implement and maintain the system with assistance from the work group;
- (3) provide staff to operate the system;

(4) using system data, conduct data matching using a protocol approved by the cooperating entities; and

(5) in coordination with the cooperating entities, oversee research projects related to the system.

Sec. 10.004. COOPERATING ENTITIES. (a) Requires TEA and each cooperating entity to enter into a memorandum of understanding regarding the sharing of data for purposes of the system. Requires that the memorandum of understanding specify the data to be shared consistent with Sections 10.002(b)(1) and (c) and the frequency and manner of that data sharing.

(b) Requires each cooperating entity to participate in the system and share data for purposes of the system as required by the memorandum of understanding.

Sec. 10.005. REPORTING REQUIREMENTS. (a) Requires TEA, not later than September 1 of each year, to submit to the governor and the legislature a report on the progress in developing, establishing, and operating the system.

(b) Requires that the initial report required by Subsection (a) include certain information.

(c) Requires that each report required by Subsection (a) following the initial report include:

(1) updates to the information required by Subsection (b);

(2) an overview on business use cases the system can support; and

(3) information on the development of analytic tools based on the business use cases described by Subdivision (2).

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

(a) Authorizes the work group, the cooperating entities, and TEA to use any available state or federal money to develop the system.

(b) Requires TEA to actively pursue grants or other money available from the state and federal government to operate the system.

(c) Authorizes the work group, the cooperating entities, and TEA to accept gifts, grants, and donations from any source for the purposes of this chapter.

SECTION 2. Provides that an entity to which Chapter 10, Education Code, as added by this Act, applies is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. Provides that, if the legislature does not appropriate money specifically for that purpose during a state fiscal biennium, an entity is authorized to, but is not required to, implement a provision of this Act using other money available for that purpose.

SECTION 3. Requires TEA to undertake to ensure that the system established under Section 10.002, Education Code, as added by this Act, is completed not later than January 1, 2027.

SECTION 4. Effective date: September 1, 2025.