

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3963 by Capriglione (Relating to an early childhood integrated data system.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3963, As Engrossed: a negative impact of (\$3,259,064) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$1,220,673)
2027	(\$2,038,391)
2028	(\$849,373)
2029	(\$849,373)
2030	(\$849,373)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,220,673)	5.0
2027	(\$2,038,391)	5.0
2028	(\$849,373)	5.0
2029	(\$849,373)	5.0
2030	(\$849,373)	5.0

Fiscal Analysis

The bill would create an Early Childhood Interagency Work Group, consisting of multiple state entities identified by the bill, that would develop an Early Childhood Integrated Data System (ECIDS). The bill would name the Texas Education Agency (TEA) as the lead agency.

The bill would require an initial and subsequent annual reports to inform policy related to the state's early childhood goals and priorities.

Methodology

TEA assumes an initial cost of \$62,500 in fiscal year 2026 and a subsequent annual cost of \$125,000 for reporting requirements.

The analysis assumes that TEA would require an additional 5.0 FTEs to implement provisions of the bill at a cost of \$0.6 million annually.

The analysis assumes that the Health and Human Services Commission (HHSC) could implement provisions of this bill within existing agency resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$1.8 million for the 2026-27 biennium and \$0.1 million in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency, 720 The University of Texas System Administration

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