

1-1 By: Capriglione, et al. (Senate Sponsor - Paxton) H.B. No. 3963  
 1-2 (In the Senate - Received from the House May 8, 2025;  
 1-3 May 9, 2025, read first time and referred to Committee on Health &  
 1-4 Human Services; May 26, 2025, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
 1-6 May 26, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3963 By: Perry

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to an early childhood integrated data system.  
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-23 SECTION 1. Subtitle B, Title 2, Education Code, is amended  
 1-24 by adding Chapter 10 to read as follows:

1-25 CHAPTER 10. EARLY CHILDHOOD INTEGRATED DATA SYSTEM  
 1-26 Sec. 10.001. DEFINITIONS. In this chapter:

- 1-27 (1) "Cooperating entity" means the:  
 1-28 (A) Children's Learning Institute at The  
 1-29 University of Texas Health Science Center at Houston;  
 1-30 (B) Health and Human Services Commission;  
 1-31 (C) Texas Education Agency; and  
 1-32 (D) Texas Workforce Commission.

- 1-33 (2) "Early childhood interagency work group" means the  
 1-34 work group established to promote collaboration across state  
 1-35 agencies serving families with young children and that consists of  
 1-36 representatives from the following state agencies:

- 1-37 (A) Department of Family and Protective  
 1-38 Services;  
 1-39 (B) Department of State Health Services;  
 1-40 (C) Health and Human Services Commission;  
 1-41 (D) Texas Education Agency; and  
 1-42 (E) Texas Workforce Commission.

- 1-43 (3) "Lead agency" means the Texas Education Agency.  
 1-44 (4) "System" means the early childhood integrated data  
 1-45 system established under this subchapter.

1-46 Sec. 10.002. INITIAL DEVELOPMENT OF EARLY CHILDHOOD  
 1-47 INTEGRATED DATA SYSTEM. (a) Subject to Section 10.003(1), the  
 1-48 early childhood interagency work group shall initiate the  
 1-49 development of the early childhood integrated data system for the  
 1-50 purpose of facilitating the sharing of data from early childhood  
 1-51 programs across state agencies to:

- 1-52 (1) inform policy related to early childhood programs  
 1-53 at the state level; and  
 1-54 (2) guide improvements to early childhood programs to  
 1-55 provide better outcomes for children and families.

- 1-56 (b) The system must be developed in a manner that:  
 1-57 (1) allows for the integration of existing state and  
 1-58 federal data systems that are accessible to the cooperating  
 1-59 entities and that contain data derived from early childhood  
 1-60 services and programs;

2-1                   (2) allows for the identification of and reporting on:  
2-2                    (A) specific outcome measures using aggregated  
2-3 data that does not contain any identifying information, to the  
2-4 extent state or federal law, as applicable, expressly authorizes  
2-5 that use of the information;  
2-6                    (B) gaps in services;  
2-7                    (C) opportunities to align services and  
2-8 programs; and  
2-9                    (D) coordination needs across services and  
2-10 programs; and  
2-11                   (3) complies with state and federal laws relating to  
2-12 privacy, cybersecurity, and data collection, including rules  
2-13 establishing procedures to ensure that there is no unauthorized  
2-14 duplication or removal of confidential information.  
2-15                   (c) Nothing in this chapter may be construed to authorize  
2-16 the collection of data other than that described by Subsection  
2-17 (b)(1).  
2-18                   Sec. 10.003. LEAD AGENCY DUTIES. The lead agency shall:  
2-19                    (1) oversee the completion of the system initially  
2-20 developed under Section 10.002 in a manner consistent with the  
2-21 requirements of that section;  
2-22                    (2) implement and maintain the system with assistance  
2-23 from the early childhood interagency work group;  
2-24                    (3) provide staff to operate the system;  
2-25                    (4) using system data, conduct data matching using a  
2-26 protocol approved by the cooperating entities; and  
2-27                    (5) in coordination with the cooperating entities,  
2-28 oversee research projects related to the system.  
2-29                   Sec. 10.004. COOPERATING ENTITIES. (a) The lead agency and  
2-30 each cooperating entity shall enter into a memorandum of  
2-31 understanding regarding the sharing of data for purposes of the  
2-32 system. The memorandum of understanding must specify the data to be  
2-33 shared consistent with Sections 10.002(b)(1) and (c) and the  
2-34 frequency and manner of that data sharing.  
2-35                    (b) Each cooperating entity shall participate in the system  
2-36 and share data for purposes of the system as required by the  
2-37 memorandum of understanding.  
2-38                   Sec. 10.005. REPORTING REQUIREMENTS. (a) Not later than  
2-39 September 1 of each year, the lead agency shall submit to the  
2-40 governor and the legislature a report on the progress in  
2-41 developing, establishing, and operating the system.  
2-42                    (b) The initial report required by Subsection (a) must  
2-43 include:  
2-44                    (1) an interagency data governance plan that includes:  
2-45                        (A) objectives relevant to the system and a  
2-46 framework for achieving those objectives;  
2-47                        (B) the roles and responsibilities of all state  
2-48 entities involved in establishing and maintaining the system; and  
2-49                        (C) documentation of relevant state and federal  
2-50 privacy, cybersecurity, and data collection laws, including rules;  
2-51                    (2) a design plan that includes:  
2-52                        (A) data integration, security, storage,  
2-53 retention, management, processing, and analytics and other  
2-54 products; and  
2-55                        (B) roles and responsibilities of relevant state  
2-56 entity personnel regarding data integration; and  
2-57                    (3) information on the status of:  
2-58                        (A) hiring staff described by Section 10.003(3);  
2-59                        (B) funding applied for and secured; and  
2-60                        (C) the development of an Internet website that  
2-61 includes a preliminary, publicly available consumer data  
2-62 dashboard.  
2-63                    (c) Each report required by Subsection (a) following the  
2-64 initial report must include:  
2-65                    (1) updates to the information required by Subsection  
2-66 (b);  
2-67                    (2) an overview on business use cases the system can  
2-68 support; and  
2-69                    (3) information on the development of analytic tools

3-1 based on the business use cases described by Subdivision (2).  
3-2 Sec. 10.006. FUNDING; ACCEPTANCE OF GIFTS, GRANTS, AND  
3-3 DONATIONS. (a) The early childhood interagency work group, the  
3-4 cooperating entities, and the lead agency may use any available  
3-5 state or federal money to develop the system.

3-6 (b) The lead agency shall actively pursue grants or other  
3-7 money available from the state and federal government to operate  
3-8 the system.

3-9 (c) The early childhood interagency work group, the  
3-10 cooperating entities, and the lead agency may accept gifts, grants,  
3-11 and donations from any source for the purposes of this chapter.

3-12 SECTION 2. An entity to which Chapter 10, Education Code, as  
3-13 added by this Act, applies is required to implement a provision of  
3-14 this Act only if the legislature appropriates money specifically  
3-15 for that purpose. If the legislature does not appropriate money  
3-16 specifically for that purpose during a state fiscal biennium, an  
3-17 entity may, but is not required to, implement a provision of this  
3-18 Act using other money available for that purpose.

3-19 SECTION 3. The Texas Education Agency shall undertake to  
3-20 ensure that the early childhood integrated data system established  
3-21 under Section 10.002, Education Code, as added by this Act, is  
3-22 completed not later than January 1, 2027.

3-23 SECTION 4. This Act takes effect September 1, 2025.

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