

## **BILL ANALYSIS**

Senate Research Center  
78R9928 JSA-D

H.B. 1026  
By: Hupp (Fraser)  
Education  
5/20/2003  
Engrossed

### **DIGEST AND PURPOSE**

The majority of public and private universities and colleges in Texas use part or all of students' social security numbers as identification numbers. With the rise in "identity theft," the use of a person's social security number can pose a threat to individual protection and privacy. H.B. 1026 regulates the posting, display, and use of social security numbers by institutions of higher education and provides for sanctions.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 51.981, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter Z, Chapter 51, Education Code, by adding Section 51.981, as follows:

Sec. 51.981. USE OF STUDENT'S SOCIAL SECURITY NUMBER. (a) Defines "institution of higher education" and "coordinating board."

(b) Prohibits an institution of higher education from:

- (1) using a student's social security number, or another number that includes consecutively four or more consecutive digits of a student's social security number, as the student's primary student identification number;
- (2) printing or including in electronic or coded form a student's social security number on a student's identification card, library card, or other card or document required for a student to use or access services, information, or facilities;
- (3) requiring a student, former student, or applicant for admission to the institution to use or transmit the individual's social security number over the telephone or Internet to obtain information or access services, unless the connection is secure or the number is encrypted in a manner approved by rule of the Texas Higher Education Coordinating Board (THECB);
- (4) posting or displaying a student or former student's social security number, with or without the individual's name, in any place or manner accessible to the public or to students or personnel of the institution generally; and
- (5) including the social security number of a student, former student, or applicant for admission to the institution in any information that is mailed to the student, former student, or applicant.

(c) Provides that this section does not prohibit an institution of higher education from:

- (1) requiring a student or applicant for admission to the institution to disclose

the individual's social security number to the institution in person or in an application;

(2) maintaining a confidential record of a student's social security number if the institution meets certain requirements;

(3) using social security numbers to comply with state or federal law; or

(4) disclosing a student's social security number with the student's express consent to enable the student to participate in a program or activity conducted by another person who requires disclosure of the student's social security number.

(d) Authorizes THECB to adopt rules for the administration of this section. Authorizes THECB by rule to permit institutions of higher education to use a student's social security number in a manner otherwise prohibited by this section that THECB determines is necessary to enable an institution to carry out its mission or programs effectively. Requires THECB, in a rule adopted under this subsection, to attempt to minimize the risk of disclosure of a student's social security number to unauthorized persons.

(e) Requires an institution of higher education to be in compliance with this section and any rules of THECB adopted under this section not later than September 1, 2007.

(f) Provides that if an institution of higher education is not in compliance with this section and the rules of THECB as required by Subsection (e) in an academic year, the institution is ineligible to receive additional TEXAS grant funding through reallocation for that year, and the amount of TEXAS grant funds allocated to the institution for the following academic year is one-half of the amount for which the institution would otherwise be eligible.

(g) Requires THECB, if it determines that an institution of higher education is not in compliance with this section and the rules of THECB as required by Subsection (e) in an academic year, to notify the president of the institution in writing of that determination and of the sanctions to be imposed under Subsection (f). Authorizes the president of the institution, not later than the 30th day after the date the notice is delivered, in the manner stated in the notice to request a hearing before the commissioner of higher education (commissioner) to show cause why the sanctions should not be imposed. Provides that the determination of the commissioner after the hearing is final and may not be appealed.

SECTION 2. Effective date: September 1, 2003.