

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 18, 2015)

Drafting Number: LLS 15-0279	Date: March 10, 2015
Prime Sponsor(s): Sen. Holbert Rep. Pabon	Bill Status: Senate Second Reading
	Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: SCHOOL DISTRICT DATA PROTECTION AND TRANSPARENCY

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Workload increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill, **as amended by the Senate Education Committee**, restricts third-party vendors from sharing, mining, selling, or using personally identifiable student data collected by schools and school districts. The bill also prohibits vendors operating an internet website, online service, or mobile application from using, disclosing, or compiling personal information of a public school student in order to amass a profile of the student or to market or advertise a commercial product or service. The bill identifies exceptions to these prohibitions, for example allowing data sharing in furtherance of law enforcement, or to permit student access to student-created data or documents.

The amended bill also requires that vendors:

- implement and maintain reasonable security procedures;
- delete a student's covered information if requested by a public school;
- publicly and conspicuously post the name, contact information, location, and purpose of data repositories that maintain covered information;
- publicly and conspicuously post a data dictionary of covered information, the process by which data are collected, and vendor policies related to storage, access, retention, and disposal of covered information; and
- retain personal information for no more than three years.

Any interested party may report alleged violations of the bill to the Colorado Department of Education (CDE), who may investigate the allegations. If the CDE continues to receive complaints, the department may refer the matter to the Attorney General for review by the Department of Law.

Beginning with the 2015-16 academic year, and at the start of each year thereafter, local education providers (LEP), i.e., school districts, charter schools, and the Charter School Institute (CSI), are required to provide an annual notice to parents and legal guardians listing all operators with whom the LEP has a negotiated contract providing for the transfer of covered information in the upcoming year. Further, any LEP that uses cloud computing services or other online

applications that collect and store covered information must develop an education technology plan. The plan must include an annual notice to parents about the type of data transferred to the cloud, and training for students and staff concerning the appropriate and safe use of technology. Rural school districts and rural charter schools are exempt from these provisions.

State Expenditures

The bill increases workload for the Colorado Department of Education, the Department of Law, and the courts. CDE will have slight workload increases to investigate alleged violations of the law, and the Department of Law and courts will have slight workload increases to enforce compliance. This fiscal note assumes that affected vendors will comply with the bill's requirements and that complaints, investigations, and legal remedy will be minimal and infrequent. For this reason, no additional state appropriations are required for any state agency.

School District Impact

The bill increases workload for school districts, schools, charter schools, and the CSI to formalize technology plans and make required information available to parents. The bill may also increase technology costs for school districts that rely on outside vendors to store required data. Because the bill requires that third-party data vendors delete all student data after three years, school districts may have to create secondary systems to maintain federally required data for longer than three years. As additional information becomes available on the cost to create these systems, this fiscal note will be revised.

Pursuant to Section 22-32-143, C.R.S., school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Education

Judicial

Law