

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0735 **Date:** March 6, 2014
Prime Sponsor(s): Rep. Murray **Bill Status:** House Education
 Sen. Steadman; Jahn **Fiscal Analyst:** Josh Abram (303-866-3561)

SHORT TITLE: STUDENT DATA PRIVACY ACT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures General Fund	\$45,000 \$45,000	
Centrally Appropriated Costs**	7,419	
FTE Position Change	0.7 FTE	
Appropriation Required: None required. See State Appropriations section.		

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

**These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Student level data are collected and stored by the Colorado Department of Education (CDE) and are included in a student's educational record. Such data includes assessment results, academic transcripts and completion records, attendance and mobility information, and special education data, among other elements. This bill requires that the State Board of Education (SBE) publish an index of the student data collected by the CDE. The CDE is required to develop a privacy policy regarding accessibility to student data and a data security template for use by districts.

Specifically, the bill requires that the SBE make publicly available a data inventory and dictionary of data elements for students currently used in the data system. The SBE must also develop policies and procedures to comply with the federal Family Educational Rights and Privacy Act of 1974 (FERPA) and other relevant privacy laws. Finally, the SBE must ensure that agreements involving the disclosure of student data for research conducted by a third party must require that the organization:

- specify the purpose, scope, and duration of the study and the information to be disclosed;
- use student data exclusively to meet the requirements of the study;
- conduct the study in a manner that does not permit access to personally identifiable student data by persons or organizations not involved in the study; and
- destroy all personally identifiable student data when the data are no longer needed for the study.

The CDE is required to develop a process to consider and review all outside requests for student data by individuals not employed by the state. The bill specifies the conditions under which the CDE may share juvenile delinquency or criminal records, medical records, student social security numbers, student biometric information, or student data requested by a federal, state, or local agency outside of Colorado. Finally, the bill requires that the CDE develop a data security template for use by local education agencies.

State Expenditures

Generally, this bill codifies existing practice and ongoing initiatives in student data security currently being conducted by the CDE. Adopting new rules to implement the bill will require approximately \$15,000, or 0.2 FTE of a General Professional V in FY 2014-15. The department can absorb this expense within existing appropriations.

The bill will also require that the CDE modify data security hardware and infrastructure, create and manage protocols for outside entities to request student or school data collected by the department, and create a security template for use by schools and districts. This work is anticipated to require approximately \$40,000, or 0.5 FTE of an Information Technology Professional IV beginning in FY 2014-15. This expense was anticipated by the CDE and included in the department's FY 2014-15 budget request.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB 14-1294*	
Cost Components	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,293
Supplemental Employee Retirement Payments	3,126
TOTAL	\$7,419

**More information is available at: <http://colorado.gov/fiscalnotes>*

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

No appropriation is required for this bill. The CDE can absorb the cost to adopt new rules in FY 2014-15 within the department's existing appropriation.

The cost to update data security protocols and prepare a data security template for district use is included in the department's budget request for FY 2014-15. If the General Assembly accepts the department's budget request, funding for this bill will be included in the annual appropriations act (the Long Bill) and no further appropriation is required.

State and Local Government Contacts

Education