



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0118.02: Generally revise student data laws to enhance privacy

Primary Sponsor: Daniel Zolnikov Status: As Amended in Senate Committee

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$732,429	\$732,429	\$733,815	\$735,223
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$732,429)</u>	<u>(\$732,429)</u>	<u>(\$733,815)</u>	<u>(\$735,223)</u>
General Fund Balance				

Description of fiscal impact

SB 118 establishes the right to be forgotten, allowing students or parents to submit a verifiable request to delete certain student data from the statewide K-12 data system. The state cost is \$733,000 per year.

FISCAL ANALYSIS

Assumptions

Office of Public Instruction

1. Section 2 of SB 118 requires that all OPI contracts contain data privacy and security provisions and include penalties for non-compliance. The SOC (Security Operations Center) 2 Type II report is the benchmark for adhering to security requirements and can add up to \$150,000 per contract. SOC 2 Type II assessments are required annually. OPI contracts with four major vendors for systems that collect and communicate student data. Ensuring compliance with the security provisions in this bill would cost OPI up to \$600,000 annually.
2. SB 118, Section 4(2)(a) requires the superintendent to consult with the K-12 data task force to develop a detailed security plan, including data security audits for the K-12 data system. OPI has internally built and managed data systems that would incur an annual cost of \$40,000 to perform audits for security compliance.
3. The bill provides definition of "deidentified data" and a re-identification code.
4. OPI would be required to ensure only allowable data is extracted from larger data sets in all state managed K-12 data systems.
5. School's SIS uploads occur regularly to the OPI data base so this could lead to continual/regular scrubbing of data.
6. The OPI would require 1.00 FTE to extract certain data from larger data sets in the K-12 data system and to process the requests and data deletions. The annual cost for a Data Information Specialist is \$92,429 for salary and benefits.

Department of Labor and Industry

7. SB 118 establishes the right to be forgotten. The Department of Labor and Industry (DLI) assumes that this right only applies to data housed within the state educational data system. DLI assumes that existing and future data sharing contracts between the state education and workforce agencies will not be subject to these restrictions.

Department of Administration

8. This bill would see the board ensure compliance with the right to be forgotten, which includes prohibiting the use of a student's social security number in whole or in part as a unique identifier. No fiscal impact is anticipated for DOA.

Fiscal Analysis Table

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Personal Services	\$92,429	\$92,429	\$93,815	\$95,223
Operating Expenses	\$640,000	\$640,000	\$640,000	\$640,000
TOTAL Expenditures	<u>\$732,429</u>	<u>\$732,429</u>	<u>\$733,815</u>	<u>\$735,223</u>
<u>Funding of Expenditures</u>				
General Fund (01)	\$732,429	\$732,429	\$733,815	\$735,223
TOTAL Funding of Expenditures	<u>\$732,429</u>	<u>\$732,429</u>	<u>\$733,815</u>	<u>\$735,223</u>
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	<u>(\$732,429)</u>	<u>(\$732,429)</u>	<u>(\$733,815)</u>	<u>(\$735,223)</u>

Technical Concerns

Office of Public Instruction

1. A clarification of which data components are to be deleted would be needed to assure data is properly deleted.
2. If parents opt out or request a right to forget, would OPI be allowed to keep the data intact and not involve data scrubbing, therefore only sharing of data would be disallowed. Some of the data requested to be deleted could be needed and legally required for federal and state reporting of those that opt out?

Commissioner of Higher Education

1. Without social security number identifiers, the ability to accurately match records from K-12 for longitudinal workforce and higher education outcomes is hindered.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

2/26



Budget Director's Initials

2/25/2025

Date