

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 560** HLS 14RS 1184

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|-------------------------------------|-------------------------------|
| Date: March 18, 2014 3:17 PM | Author: IVEY |
| Dept./Agy.: Education | Analyst: Jodi Mauroner |
| Subject: Student information | |

STUDENTS OR DECREASE FF RV See Note Page 1 of 2

Provides for limitations and prohibitions on the collection and sharing of student information and provides penalties for violations

The proposed legislation prohibits the collection of personally identifiable student information including but not limited to, social security numbers and student disability by a parish, city, public school board or school. The bill states that student information shall not be transmitted or shared with any entity, including a local school board and the Department of Education (DOE) without full disclosure to and written consent of the student's parent or legal guardian. Requires the Board of Elementary and Secondary Education (BESE) to promulgate rules to provide for a process of disclosure that information will be transmitted or shared. The bill provides that any member of a city, parish, local school board, school, BESE or the DOE that violates the provisions of the bill shall be punished by imprisonment for not more than six months or fines of not more than ten thousand dollars.

| EXPENDITURES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Local Funds | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Annual Total | | | | | | |

| REVENUES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Local Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There will be a reduction in the distribution of federal funding by the DOE to local school systems in an amount up to **\$893,769,422** to the extent student level data required by multiple federal grant programs is no longer available. In addition, the bill could potentially reduce state general fund distributions from the MFP and other DOE programs by up to **\$793,865,656** if local school systems can no longer identify students with special characteristics.

Pursuant to state and federal eligibility criteria, the DOE requires local schools to transfer certain student data which is used to determine the allocation and distribution of state and federal funds. Data from the DOE's Student Information System (SIS) is used to allocate federal funds based on the characteristics of children who are neglected and delinquent, homeless, migrant, receive food and nutrition supplements and participate in early childhood programs. For MFP funds, the data helps determine whether students meet the special needs criteria, (such as at-risk, special education, and gifted and talented), to receive special funding consideration, and residency data allows DOE to charge student costs to the correct school district for schools such as Special School District, the School for the Deaf and Visually Impaired, the Louisiana School for Math, Science and the Arts, and the Office of Juvenile Justice. Continued on Page 2

REVENUE EXPLANATION

To the extent student level data required by multiple federal grant programs is no longer available, the proposed legislation will result in a potential decrease of up to \$893,769,422 in federal funding to the state and subsequent transfers from the DOE to the local school systems. The DOE requires local schools to transfer certain student data which is used to determine the allocation and distribution of state and federal funds. The bill would prohibit the schools and school systems from sharing this data without the written consent of the student's parent or legal guardian. If only a portion of parents from a specific school provided the required consent, the school would not be able to provide the DOE with the total student population data which would reduce the information DOE has to comply with federal funding eligibility and audit requirements and restrict the flow of funds to the state and local school systems.

There is a potential increase in revenues for local governments as a result of the fines authorized by the bill. Any revenue generated through the imposition of fines would accrue to local governments.

| | | | | |
|---|----------------------------|--|---|---|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | <i>Evan Brasseaux</i> <hr/> Evan Brasseaux Staff Director |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} | | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | | |

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CONTINUED EXPLANATION from page one:

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Additionally, there will be an increase in state general fund expenditures for the Office of Financial Assistance (OSFA) to implement an alternative data sharing system. OSFA uses student data (ACT scores, course and grade information) to determine a student's TOPS eligibility. Until the office is able to develop an alternative to the current student information system, there will be a delay in eligibility determinations as well as tuition payments to the campuses. Additionally, OSFA, through a third party administrator, manages Louisiana Connect, an online college and career planning resource which allows students and their parents to track individual academic progress, build profiles to highlight skills and achievements and engage in career planning strategies. If third party administrators are restricted access to student information, OSFA would be required to hire staff to manage the program. The increase will depend upon the alternatives developed and OSFA was unable to provide a cost projection at this time.

Finally, there is a potential increase in the expenditures for local law enforcement agencies as a result of the penalties authorized by the bill. The penalty is a misdemeanor; therefore, these offenders are not sentenced to the Department of Public Safety and Corrections. Local law enforcement agencies may realize an indeterminable increase in expenditures associated with prison costs. The cost increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director