Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: SB1111 Patron: Williams Graves

Bill Title: Public schools; student support services; student personal information and data security;

registration; requirements; grants; report.

Bill Summary: Requires any student support agency, as defined by the bill, to register with the Department of Education in order to provide any student support programs, as defined by the bill, to students enrolled in any public elementary or secondary school in the Commonwealth. The bill establishes several requirements for the registration of any student support agency relating to the protection of any student personal information collected by any student support agency, including (i) requiring such agencies to adopt certain policies, procedures, and protocols designed to ensure the continued security, integrity, and confidentiality of student personal information; (ii) requiring the Department to ensure any student support agency obtains informed consent from the parent of any student or, if such student is 18 years of age or older, the student prior to collecting or using any student personal information; (iii) requiring the Department to develop a standard memorandum of understanding and each student support agency and school board to execute a memorandum of understanding establishing authorizations and limitations relating to the transmission, collection, and use of student personal information; (iv) requiring the Department to establish and administer a grant program for the purpose of awarding grants to certain student support agencies for data security upgrades, training for staff, and third-party audits; (v) prohibiting any student support agency from using or sharing student personal information for certain purposes set forth in the bill, including sharing any such student personal information for use in targeted advertising; (vi) requiring the Department to establish certain programs and provide certain resources to support certain registered student support agencies and school boards in effectively and efficiently providing student support programs in compliance with the provisions of the bill; and (vii) requiring the Department to conduct an annual audit of a certain percentage of registered student support agencies to ensure compliance with the provisions of the bill and establishing provisions relating to consequences for failure of the audit or otherwise being found in violation of the provisions of the bill.

Budget Amendment Necessary: Yes Items Impacted: 118

Explanation: The Department of Education anticipates the need for additional funding and positions to

support the work required by this bill. The bill also establishes a grant program with such funds as may be appropriated; therefore a budget amendment for that requirement is necessary only if funds are provided for grants. The bill also establishes a fine, but any revenue generated as a result is indeterminate. Any impact to local school divisions is

indeterminate.

Fiscal Summary: The Department of Education estimates the need for two positions at a total cost of \$306,798 general fund per year beginning in FY26 as well as \$100,000 general fund per year to support

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additional software and training costs. Any funding for grants would depend on the amount appropriated. Any revenue generated from the fine created by the bill is indeterminate, so it is not possible to determine if these fines could offset the additional costs required by DOE to administer the program.

General Fund Expenditure Impact:

<u>Agency</u>	FY2025	FY2026	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	FY2030
2 01 (DOE)	\$ 0	\$406,798	\$406,798	\$406,798	\$406,798	\$406,798
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TOTAL	\$0	\$406,798	\$406,798	\$406,798	\$406,798	\$406,798

Position Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
2 01 (DOE)	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

Fiscal Analysis: This bill places several new requirements on the Department of Education (DOE). DOE would be required to: develop and maintain a registry of student support agencies; develop policies related to student personal information; develop and implement compliance monitoring; develop a model MOU and guidelines for implementation; develop new forms, procedures and guidelines related to student consent and information and data security programs, systems, and protocols and best practices relating to information and data security; develop and maintain a publicly accessible website on student support agencies; administer a grant program if funded; and conduct an annual audit of a certain percentage of registered student support agencies.

DOE anticipates that two additional positions would be required to complete this work. One position would oversee the registry program and the grant program, and the other position would be a technology/security specialist to maintain the systems and provide technical expertise. DOE estimates a total cost of \$306,798 general fund per year beginning in FY26 including salary, benefit, and technology costs. This assumes \$95,000 for salary, \$48,399 for benefits, and \$10,000 for technology and travel for each position.

DOE also estimates that \$100,000 general fund per year beginning in FY26 will be needed for system costs to maintain the online registry. This includes software licensing, cybersecurity tools and training as required by the bill.

The bill also establishes a grant program for student support agencies to fund data security updates, training for staff, and third-party audits. The impact of this grant program would depend on the amount appropriated.

The bill establishes a fine to be imposed on any student support agency that fails the DOE audit created by the bill. The bill indicates that any moneys collected from fines shall be deposited into a fund dedicated to and used solely for the purpose of administering the grant program created by the bill. Any revenue generated as a

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result of the fine is indeterminate at this time; therefore, it is not possible to determine if these fines could offset the additional costs required by DOE to administer the program.

Other: This bill is identical to HB2017 as introduced.