

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

FY26 and \$878,000 general fund in FY27 would be required for system upgrades needed to implement the bill. Any funding for grants and support to school divisions would depend on the amount appropriated. VITA estimates the need for an additional \$50,000 in non general fund appropriation in FY26 to support the audit.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
201 (DOE)	\$0	\$4,185,216	\$1,651,216	\$773,216	\$773,216	\$773,216
TOTAL	\$0	\$4,185,216	\$1,651,216	\$773,216	\$773,216	\$773,216

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
136 (VITA)	\$0	\$50,000	indeterminate	indeterminate	indeterminate	indeterminate
TOTAL	\$0	\$50,000	indeterminate	indeterminate	indeterminate	indeterminate

Position Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
201 (DOE)	0	5	5	5	5	5
TOTAL	0	5	5	5	5	5

Fiscal Analysis: This bill would require the Department of Education (DOE) to establish uniform processes for the standardization of student data in each school division and the integration of data into the Virginia Longitudinal Data System (VLDS). The bill also directs DOE, with such funds as may be appropriated, to provide funding and support to local school divisions for improvements necessary for the data standardization and to create a statewide dashboard providing real-time data analytics. The current data system in use by DOE and local school divisions does not allow for automated data feed. DOE anticipates there will be additional costs to update the data system in order ensure that standardized data can be efficiently and seamlessly integrated into VLDS, as well as to create a statewide dashboard. DOE estimates one-time costs of \$3,412,000 general fund in FY26 and \$878,000 general fund in FY27 for contractors to update the data system and IT implementation costs. DOE also estimates the need for five positions at a total cost of \$773,216 general fund each year beginning in FY26, including salary and benefits. This assumes a salary of \$90,000 for a data testing and validation analyst, a salary of \$90,000 for an API support lead, a salary of \$110,000 for a developer, a salary of \$100,000 for a visualizer, and a salary of \$90,000 for a cyber security position.

This estimate assumes that DOE would be responsible for creating a system to facilitate the submission of data from local school divisions to VLDS, as required by the bill, through DOE, and not directly to VLDS or the State

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Council for Higher Education for Virginia (SCHEV). If local school divisions were required to submit data directly to SCHEV, then there would be an indeterminate impact to SCHEV to create a system for receiving and validating data.

This bill could result in increased costs for local school divisions for time spent on data validation and entry and for IT improvements. The bill directs that DOE shall provide funding and support to local school divisions with any funds as may be appropriated. Any state impact to support local school divisions would depend on the amount appropriated. Any actual impact to local school divisions is indeterminate.

Any impact for the other named agencies to participate in and provide data to VLDS is indeterminate.

This bill requires the Office of Data Governance and Analytics (ODGA) to annually audit VLDS for compliance with relevant state and federal privacy laws. While initially the focus of a VLDS privacy audit likely would be on DOE and SCHEV, VLDS is a multi-agency partnership that would involve auditing the individual agencies' handling of the data they are responsible for. Neither ODGA nor VITA currently performs such auditing. The audit would need to identify the data, look at the existing data governance processes and controls to assess how the data is being protected, trace the business processes involved in accessing the data, and produce the mandated privacy law audit. If each of 6 primary involved agencies may take about 4 weeks, the total estimated audit time would be approximately 6 months. ODGA, in consultation with VITA, estimate an initial cost of \$50,000. VITA would require additional nongeneral fund appropriation to support this expenditure as a part of the existing chargeback rates applied to agencies. After the first year the scope, cost, and staffing can be reevaluated and budgeted accordingly, therefore future costs are indeterminate.

Other: None.