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Shawn Sullivan, Director of the Budget

Sam Brownback, Governor

February 11, 2015

The Honorable Ronald Highland, Chairperson House Committee on Education Statehouse, Room 561-W Topeka, Kansas 66612

Dear Representative Highland:

SUBJECT: Fiscal Note for HB 2262 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2262 is respectfully submitted to your committee.

HB 2262 would require the Kansas Department of Education to receive and investigate any written complaints received alleging a school district is not in compliance with the Student Data Privacy Act. Upon the completion of an investigation, the Department would report any findings and conclusions, along with the original complaint, to the State Board of Education. If the Department finds that a school district is not in compliance, the Board would notify the district in writing of the noncompliance. The district would have 30 days from the date of the notice to remedy the noncompliance and submit evidence of the compliance to the Board.

If the Board did not receive evidence of compliance within 30 days, it would impose a civil penalty of \$5,000 for each day a district is not in compliance. All penalties would be remitted to the State Treasurer for deposit in the State General Fund. On or before August 1, 2015, the Board would be required to adopt rules and regulations necessary to enforce provisions of the bill.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|---------|-----------|----------|-----------|
| | FY 2015 | FY 2015 | FY 2016 | FY 2016 |
| | SGF | All Funds | SGF | All Funds |
| Revenue | | | | |
| Expenditure | | | \$46,500 | \$46,500 |
| FTE Pos. | | | | 0.50 |

According to the Department, enactment of HB 2262 would require the agency to investigate noncompliance complaints and report any findings to the Board. As a result, the agency would require additional expenditures totaling \$46,500, all from the State General Fund, beginning in FY 2016. Of this estimate, \$39,500 would be for the salaries and wages for 0.50 FTE Attorney II position and \$7,000 for other operating expenditures, including \$5,000 for travel and subsistence expenditures and \$2,000 for office equipment and communications. In addition, the bill would allow the Board to assess civil fines, which could increase revenues to the State General Fund. However, an estimate of additional State General Fund Revenues revenues cannot be made. Any fiscal effect associated with HB 2262 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

Shawn Sullivan, Director of the Budget

cc: Dale Dennis, Education