



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT  
BILL ANALYSIS  
2025 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

Check all that apply:

Original  Amendment   
Correction  Substitute

Date Prepared: 03/05 /25  
Bill No: SB480/SECS

**Agency Name and Code:** PED - 924

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**Short Title:** STUDENT GRADUATION REPORTING

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**SECTION II: FISCAL IMPACT**

(Parenthesis ( ) Indicate Expenditure Decreases)

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: The [House Appropriations and Finance Committee Substitute for House Bill 2 \(HB2\)](#) contains a proposed appropriation from federal funds to the Income Support Program of the Health Care Authority of \$4 million for transfer to the Higher Education Department (HED) for adult basic education, and \$1 million for integrated education and training programs, including integrated basic education and skills training.

It also contains a proposed appropriation from the general fund to the Policy Development and Institutional Financial Oversight Program of HED that includes approximately \$7.8 million to provide adults with education services and access to high school equivalency test preparation and exam costs; \$1.25 million for adult literacy programming; and \$600 thousand to the tribal college dual credit program. HB2 further proposes \$1.25 million from the general fund to HED for high school equivalency tests.

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis of Senate Education Committee Substitute: The Senate Education Committee (SEC) substitute to Senate Bill 480 (SB480/SECS) specifies the type of student information the Public Education Department (PED) would be required upon request to report for students who did not graduate. Although the change may be intended to ensure the information would conform to criteria for exception to the [Family Educational Rights and Privacy Act](#) (FERPA) of 1974, it would carry with it potentially harmful, and thus protected information about the students, i.e., that they did not graduate with their ninth-grade cohort in four years.

The [US Department of Education \(ED\)](#) defines directory information as “information contained in the education records of a student that would not generally be considered harmful or an invasion of privacy if disclosed.” The PED would be obligated to protect students from such a breach of their privacy as SB480/SECS would require, conditionally sharing data showing they did not graduate in four years from high school.

#### **FISCAL IMPLICATIONS**

The report would provide directory information about out-of-cohort students, not students who have dropped out of school. Many of the students in the required reports would be enrolled for the coming year in their local schools. The provisions of SB480/SECS may create competition for out-of-cohort students, may increase enrollment in adult basic education programs or other high-school equivalency programs, and may reduce the number of students in local schools. This could reduce funding for local schools and K-12 education.

#### **SIGNIFICANT ISSUES**

Federal law safeguards student privacy by restricting the disclosure of personally identifiable information (PII) by state and local educational agencies. Pursuant to the [Family Educational Rights and Privacy Act](#) (FERPA) of 1974, such protections take precedence over the reporting requirements set forth in the bill, thereby imposing conditions on the dissemination of information to the designated recipients.

No later than July 15 of each school year, SB480/SECS would require PED to create an annual report identifying all school-age students who had not yet graduated after four years with others who entered ninth grade in the same year. Recipients of the report upon request may include:

- the higher education department (HED);
- public post-secondary educational institutions;
- adult basic education providers;
- workforce development programs; and

- school districts or charter schools that provide programming for out-of-cohort students attaining a high school diploma or high school equivalency credential.

To manage data-sharing agreements, the PED has a Data Owners' Council (DOC). According to the DOC's [Charter](#), the council exists to provide data governance oversight and ensure agency-wide compliance with data standards and policies, as well as alignment with the mission, vision, and strategic goals of the PED. Among the council's primary responsibilities is to regulate data-sharing with particular concern for ethical and appropriate external use of data and under the legal obligation to protect student privacy pursuant to FERPA.

Before receiving reports as specified by SB480/SECS, recipients of PII would be required to enter into data-sharing agreements to assert their understanding, capacity, and commitment to observing mandatory ethical and legal standards that protect student privacy, including FERPA. The department enters into such agreements with other state agencies and educational entities, as well as with researchers conducting private research studies, usually under the auspices of a post-secondary educational institution or nonprofit.

ED provides the following [definition](#) of directory information in its public-facing, *Protecting Student Privacy* glossary:

Directory information is information contained in the [education records](#) of a [student](#) that would not generally be considered harmful or an invasion of privacy if disclosed. Typically, "directory information" includes information such as name, address, telephone listing, date and place of birth, participation in officially recognized activities and sports, and [dates of attendance](#). A school may disclose "directory information" to third parties without consent if it has given public notice of the types of information which it has designated as "directory information," the parent's or [eligible student's](#) right to restrict the disclosure of such information, and the period of time within which a parent or eligible student has to notify the school in writing that he or she does not want any or all of those types of information designated as "directory information." [34 CFR § 99.3 and 34 CFR § 99.37](#).

Thus, under FERPA, it is the public schools, not state education agencies, who have the responsibility of determining what is "directory information," declaring it in a public notice to students and families, and deciding whether and how to restrict its disclosure. Further, public notice from schools and school districts must also offer families the opportunity to opt out of this disclosure of directory information. This raises several potential issues. Since schools are the determining entity, different school districts and charter schools might have different data points designated as "directory information," which may lead to unequal or inequitable results among schools and identified populations. Further, certain students could be exempted entirely from the disclosure of directory information under federally mandated opt-out requirements, potentially impacting the effectiveness and accuracy of the required information, as well as the legal ability to supply it in the first place. Finally, the disclosure of any information that may lead to the identification of an individual student must be masked in some way to prevent such inadvertent disclosure. Numbers of "out-of-cohort" students may be so small in certain districts or charter schools as to effectively disclose their identities with the submission of the required information, triggering data-masking that may obviate the utility of the data covered by the bill.

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

Upon request, PED would be required to provide the report to certain recipients who provide adult education or programming to attain a high school equivalency credential. To process each request related to private information, such as information about a student's graduation status required of SB480/SEC, would require a significant amount of time for department personnel, which may accumulate to a substantial administrative burden with many requestors.

The DOC point person for the data requested would communicate with requestors to help them submit their request using an Administrative Data Request Form (ADRF). A small working group of the DOC would determine the need for PII and work with the requestor to develop a satisfactory Data Sharing Agreement (DSA). Only with approval of the legal terms of the DSA, which include assurance provided on the ADRF, may the PED release records to requestors.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

## **TECHNICAL ISSUES**

The intent of specifying in SB480/SECS "directory information" as the type of information to be shared may be intended to imply it would satisfy criteria for an exemption to FERPA. However, providing directory information about students who have not graduated would be potentially harmful to the students, and thereby not meet criteria for exemption. Requests for these data would still be processed like other requests for PII, and only requestors who have completed the data governance process would receive the information by the bill's deadline of July 15 of each year.

## **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

## **AMENDMENTS**

None.