



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: 02/21 /25

Bill No: SB480

Agency Name and Code: PED - 924

Sponsor: Nava/Trujillo/Brandt

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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
Total	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](#) 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. House Bill 2 further proposes \$1.25 million from the general fund to HED for high school equivalency tests.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 480 (SB480) would enact a new section of the Public School Code to require the Public Education Department (PED) to create an annual report identifying all “out-of-cohort students,” defined as students who are school-age and have not graduated from high school within four years of entering the ninth grade.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

The report would provide 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 may create competition for out-of-cohort students and may increase enrollment in adult basic education program 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 would require PED to create and disseminate 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 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 PED’s 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, 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 frequently 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.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

PED would be required to provide the report to certain recipients who provide adult education or programming to attain a high school equivalency credential. The data for the required report is readily available to the PED as Nova data submissions from school districts and charter schools.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

If the intent for the required report would be to include school and individual contact information enabling entities to communicate with students who did not graduate, that has not been specified. Providing entities with a deidentified list, records without contact information, or aggregating counts of students would have no clear purpose.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.