

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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JOHN C. GERAGOSIAN

ROBERT M. WARD

July 31, 2015

Governor Dannel P. Malloy  
State Capitol  
Hartford, Connecticut

Dear Governor Malloy,

In accordance with Section 2-90 of the Connecticut General Statutes, we are reporting to you the following matter.

As a result of a recent review of state payroll transactions conducted by our office's Information Systems Audit Unit, we became aware of an issue that impacted the [Transparency.CT.gov](http://Transparency.CT.gov) website established by the legislature's Office of Fiscal Analysis under the provisions of Section 2-531 of the General Statutes.

Apparently, there is a provision in a federal regulation, issued pursuant to the Family Educational Rights and Privacy Act of 1974 (FERPA), codified as 20 U.S. Code §1232g, that identifies employment records of certain students as meeting the definition of the term "education records" that is included in this act. In most cases, FERPA forbids educational institutions or agencies that receive federal education grants from disclosing the education records of a given student to a third party without the prior consent of the student or the student's parent.

The aforementioned federal regulation can be found under Code of Federal Regulations Title 34, Subtitle A, Chapter I, Part 99. Paragraph (b)(3)(ii) of § 99.3 of this regulation states that "Records relating to an individual in attendance at the agency or institution who is employed as a result of his or her status as a student are education records and not excepted under paragraph (b)(3)(i) of this definition."

It should be noted that § 99.31 of the FERPA regulations does allow state educational agencies and institutions to disclose the employment records of students, including related payroll information, to the Office of the State Comptroller, without prior consent, so that this office can fulfill its statutory function as state paymaster for all state agencies. However, § 99.33 of the

FERPA regulations prohibits the Office of the State Comptroller from redisclosing this payroll information to any other party without first obtaining the consent of the parent or eligible student. Despite this regulatory limitation on redisclosure, we found that the Office of the State Comptroller had been passing on student payroll information to the Transparency.CT.gov website without first making a determination as to whether this information met the definition of an "education record" under FERPA.

Upon bringing this matter to the attention of officials of the Office of Legislative Management and the Office of the State Comptroller, procedures were quickly implemented to redact the names of student employees appearing in the state wage data captured on the Transparency.CT.gov website. It should be noted that state wage data captured on this website consists solely of employee name, employing agency, employee job title, annual earnings and related fringe benefit costs paid. No personally identifying information such as Social Security number, student ID number or date of birth was disclosed. These redaction procedures, if properly carried out, appear to address the apparent FERPA privacy violation.

Sincerely,



John C. Geragosian  
Auditor of Public Accounts



Robert M. Ward  
Auditor of Public Accounts

cc: Comptroller Kevin Lembo  
James Tracy, Executive Director, Office of Legislative Management  
Attorney General George C. Jepsen  
Treasurer Denise L. Nappier  
Garey E. Coleman, Clerk of the Senate  
Martin J. Dunleavy, Clerk of the House  
Carrie E. Vibert, Director, Office of Program Review and Investigation  
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Stephen Eckels, Deputy State Auditor  
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