

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 819

(Delegate Bobo, *et al.*)

Appropriations

**Public Institutions of Higher Education - Prohibition Against Disclosure of
Student Information for Commercial Purposes**

This bill prohibits public institutions of higher education from selling, distributing, or disclosing personally identifiable information of present and former students for commercial use without the written consent of the student or, if the student is under 18, the written consent of the student's parent or guardian. Public institutions of higher education are not prohibited from furnishing personally identifiable information to another governmental agency for official use or from furnishing information for another purpose permissible under law. An entity receiving personally identifiable information from a public institution of higher education may not redisclose the information, and the institution must provide written notice of this prohibition with the student information. Any person who uses personally identifiable information obtained in violation of the bill is guilty of a misdemeanor and is subject to a fine of up \$2,500 or imprisonment for up to six months, or both.

Fiscal Summary

State Effect: Potential significant loss of higher education revenues for public institutions of higher education. Minimal increase in general fund revenues and expenditures due to the bill's penalty provision.

Local Effect: Minimal increase in revenues and expenditures due to the bill's penalty provision.

Small Business Effect: Potential minimal.

Analysis

Current Law: Public institutions of higher education are not prohibited from selling, distributing, or disclosing personally identifiable student information.

State Revenues: The University System of Maryland (USM) advises that personally identifiable information on current students is not sold to commercial marketers, but information on students and alumni is often distributed to university-affiliated foundations for use in fund raising efforts. Fund raising revenues would be adversely affected if universities had to halt this practice. The loss of revenues cannot be reliably estimated at this time, but USM advises that it could be significant.

In addition, the alumni association for at least one USM institution, the University of Maryland, College Park (UMCP), has a contract with a credit card company in which the alumni association provides information on former UMCP students for solicitation by the company. The contract, valued at \$8.5 million, is a major revenue source for the UMCP alumni association.

Morgan State University advises that it does not sell or provide student information for commercial solicitation. St. Mary's College of Maryland indicates that it has not distributed student information in the past but intends to begin a program next year in which students may pay tuition over the course of a semester. The program will be operated by a private company. St. Mary's advises that this bill could prevent the college from providing student data to the company and could potentially force the college to cancel the program.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): University System of Maryland, Morgan State University, St. Mary's College of Maryland, Maryland Higher Education Commission, Department of Legislative Services

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