

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 378

(Delegate Vogt, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

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State Department of Education - Social Security Numbers of Students

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This bill prohibits the Maryland State Department of Education (MSDE) from collecting, the Social Security number (SSN) of any current, former, or prospective student beginning on July 1, 2018. **The bill takes effect July 1, 2018.**

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Fiscal Summary

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** The bill does not materially affect local operations or finances.

**Small Business Effect:** None.

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Analysis

**Current Law/Background:** Public schools are prohibited from using SSNs on student (and teacher) identification cards; however, there is no prohibition on collecting, holding, or storing students' (or teachers') SSNs.

MSDE advises that, beginning in 2008, Maryland implemented a statewide student identification number that replaced SSNs. According to MSDE's *Student Records Manual*, the collection of SSNs has been optional since 2011. Nevertheless, the collection of SSNs can improve the quality for data matching with other State agencies.

The Maryland Longitudinal Data System Center (MLDS) advises that it needs SSNs to match K-12 student records to workforce data. However, as several school systems have already stopped providing SSNs to MSDE, MSDE obtains data from the Motor Vehicle

Administration to fill the gaps. Therefore, while excluding SSNs from MSDE's information systems will make the data matching process more difficult, it will not prevent MLDS from matching the records.

SSNs are a crucial piece of personally identifiable information that, if stolen, can result in identity theft and fraud.

### *Protection of Information by Units of Local and State Government*

Chapter 304 of 2013 required units of local and State government – which includes public school systems – to implement and maintain reasonable security procedures and practices appropriate to the nature of the information collected and the nature of the unit and its operations. A unit that uses a nonaffiliated third party as a service provider (and discloses personal information about an individual) must require that the third party implement and maintain reasonable security procedures and practices.

If a government unit that collects computerized data containing an individual's personal information discovers (or is notified of) a breach of the security system, the unit must conduct, in good faith, a reasonable and prompt investigation to determine whether the unauthorized acquisition of personal information has resulted in (or is likely to result in) the misuse of the information – in which case the unit (or the nonaffiliated third party, if authorized under a written contract or agreement) generally must notify the individual of the breach, as specified. A unit must also provide notice of a breach of security to the Office of the Attorney General (OAG), the Department of Information Technology (DoIT), and consumer reporting agencies under specified conditions.

Similarly, a nonaffiliated third party that maintains computerized data containing personal information provided by a unit generally must notify the unit, as specified, of a breach of the security of a system if the unauthorized acquisition of the individual's personal information has occurred or is likely to occur.

### *Identity Theft in Maryland*

In March 2017, the Consumer Sentinel Network, a consortium of national and international law enforcement and private security entities, released the *Consumer Sentinel Network Data Book* for calendar 2016. In calendar 2016, the Federal Trade Commission received 399,225 identity theft complaints nationwide compared to 490,226 in calendar 2015 and 332,647 in calendar 2014.

In Maryland, residents reported 8,251 instances of identity theft in 2016, or 137.1 complaints per 100,000 population, ranking Maryland seventh in the nation for identity theft. In 2015, Maryland ranked fourth in the nation for identity theft. The most

common type of identity theft in Maryland was employment- or tax-related fraud, which comprised 39% of all complaints. The second most prevalent type of identity fraud involved credit card fraud and represented 31% of all complaints.

According to OAG, there were 790 security breach incidents in 2016 that required notifications to be sent to Maryland consumers, compared to 482 in 2015 and 333 in 2014.

#### *Frederick County Student Data Breach*

In December 2016, Frederick County Public Schools (FCPS) announced that the names, SSNs, and dates of birth of about 1,000 former FCPS students were stolen. The information belonged to students who were enrolled in 2005-2006. After discovering the breach in August 2016, FCPS launched an internal investigation and contacted local law enforcement and the Federal Bureau of Investigation. FCPS also contacted MSDE, which investigated as well. According to FCPS, several agencies were ultimately involved in the matter, including OAG, DoIT, MSDE, and the U.S. Department of Homeland Security's Multi-State Information Sharing and Analysis Center (center). The investigation ended in December 2016. According to MSDE, the center found no evidence of a breach of MSDE's data system.

FCPS is providing credit monitoring and identity restoration services for individuals who were affected by the breach for 24 months at no cost. After 24 months, FCPS will consider extending the services, if needed. FCPS reports that it has strengthened its information technology security processes and procedures and is no longer collecting students' SSNs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Office of the Attorney General; Federal Trade Commission; Frederick County Public Schools; Maryland State Department of Education; Maryland Longitudinal Data System Center; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2018  
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