

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 850

(Delegate Smith)

Ways and Means

Education, Health, and Environmental Affairs

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**Maryland Longitudinal Data System - Transfer of Student Data - Modifications**

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This bill, in general, transfers the responsibility for providing specified professional and occupational license and industry certificate data to the Maryland Longitudinal Data System (MLDS) Center from the Maryland Higher Education Commission (MHEC) as an intermediary directly to the specified State licensing authorities and specified third-party industry certifiers.

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**Fiscal Summary**

**State Effect:** The data can likely be transferred in the manner specified by the bill using existing resources, as explained below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** The bill repeals provisions of the Career Preparation Expansion Act (Chapters 694 and 695 of 2018), which requires MHEC to collect and provide to the MLDS Center specified identifying information on specified business licensees and students receiving industry and vocational certificates.

Instead, the bill requires specified State licensing authorities that issue occupational or professional licenses under the Business Occupations and Professions Article, the Business Regulation Article, or the Health Occupations Article to *make every effort* to (1) comply with specified data requirements and the implementation schedule for MLDS as set forth

by the governing board and (2) transfer student data to MLDS in accordance with the center’s data security and safeguarding plan.

In addition, an industry certifier that receives State funds *must* (1) comply with the data requirements and implementation schedule for MLDS as set forth by the governing board and (2) transfer student data to MLDS in accordance with the center’s data security and safeguarding plan. An “industry certifier” is defined as a nationally recognized, third-party entity using predetermined standards for knowledge and skills that prepare an individual to work in a career field.

Further, the bill adds a representative of the executive directors of the health occupations boards, appointed by the Governor with the advice and consent of the Senate to the governing board of the MLDS Center.

### **Current Law:**

#### *Maryland Longitudinal Data System Center*

Chapter 190 of 2010 established MLDS to collect and maintain individual-level student data and workforce data from all levels of education and the State’s workforce. The legislation also established the MLDS Center within State government to serve as a central repository for the data, to ensure compliance with federal privacy laws, to perform research on the data sets, and to fulfill education reporting requirements and approved public information requests. The MLDS Center is administratively housed within the Maryland State Department of Education.

The purpose of the data system is to facilitate and enable the exchange of student data among agencies and institutions within the State as well as generate timely and accurate information about student achievement that can be used to improve the State’s education system and guide decision makers at all levels. The data system allows users to effectively organize, manage, disaggregate, and analyze individual student data and to examine student progress and outcomes over time, including preparation for postsecondary education and the workforce.

The MLDS Center may only use de-identified data in the analysis, research, and reporting conducted by the center. The center may only use aggregate data in the release of data in reports and in response to data requests.

Student data collected by MLDS includes State and national assessments; course-taking and completion; grade point average; remediation; retention; degree, diploma, or credential attainment; enrollment; demographic data; juvenile delinquency records; and elementary and secondary school disciplinary records. Criminal records, children in need of assistance

records, and medical and health records are specifically excluded from the types of data that MLDS may collect.

Local school systems, community colleges, public four-year institutions of higher education, and State agencies are required to transfer student-level and transcript-level data as well as workforce data to MLDS.

#### *Career Preparation and Expansion Act – Collection of Identifying Information*

“Identifying information” is defined as demographic information and, if applicable, information about students that includes (1) program sequences taken; (2) start and end dates of enrollment; (3) program completion status; and (4) credentials earned.

MHEC must collect the following identifying information:

- from the Maryland Department of Labor (MDL) and the Maryland Department of Health (MDH), identifying information on each holder of a business license granted under specified articles of State law;
- from postsecondary educational institutions, identifying information on each student who has earned a vocational certificate, as specified; and
- from any nationally recognized third-party entity that uses predetermined standards for knowledge and skills to teach individuals, identifying information on each individual who holds an industry certificate awarded by the entity.

MHEC must provide MLDS with the identifying information it collects so that MLDS can link student data and workforce data. By December 1 of each year, MLDS and the Governor’s Workforce Development Board must report specified workforce information to the Governor and General Assembly.

#### *Data Security and Safeguarding Plan*

The governing board of the MLDS Center must develop a data security and safeguarding plan that includes:

- authorizing access and authentication for authorized access;
- privacy and compliance standards;
- privacy and security audits;
- breach notification and procedures; and
- data retention and disposition policies.

**Background:** The MLDS Center advises that a number of legal and procedural issues have been identified with Chapters 694 and 695 of 2018. Under current law, sensitive data must be transferred two times, from the State licensing authority to MHEC and then from MHEC to the MLDS Center, which is inefficient and exposes the data to increased risk. Second, the assistant Attorney General for MDH noted that there is no explicit requirement to provide personally identifiable information (PII) for MLDS under current law. Without a direct legal requirement, MDH has stated PII cannot be provided to the center. Third, MDH also noted that current law requires the Secretary of Health to transfer the data, even though the Secretary does not have authority over the data collected by the 20 independent health occupations boards. Finally, MDH notes that the interests of the health occupations boards are not represented on the MLDS governing board.

**State Expenditures:** Overall, the data can likely be transferred to MLDS using existing resources. MLDS advises that the data transferred to it under the bill can be collected and integrated into the system using existing resources. However, minimal additional staff time may be required to manage data collection if each of the 20 health occupations boards report their license information separately, as opposed to a single combined report created by MDH. It is assumed that MDH can create a single combined report using existing resources, as the health occupations boards report only an operational impact. MDL reports that an automated process, whereby data is transferred on an as-needed or continuous basis, can be implemented using existing resources.

MHEC expenditures do not decrease as its staff are fully subscribed with other duties. Further, MHEC did not receive the additional staff or information technology resources needed to implement Chapters 694 and 695 of 2018. MHEC advises it still needs at least three additional staff members and significant information technology resources to implement the requirements of Chapters 694 and 695 that are not altered by the bill. Specifically, MHEC does not collect student-level identifying information for noncredit programs.

**Small Business Impact:** It is unknown whether any national third-party industry certifiers that receive State funding are small businesses. However, to the extent they are, it is assumed they can transfer the required licensing data using existing resources.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Maryland Higher Education Commission; Maryland Department of Health; Maryland Department of Labor; Department of Legislative Services

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