

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

April 19, 2018

3:04 p.m.

DRAFT

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Cathy Giessel
Senator John Coghill
Senator Shelley Hughes

MEMBERS ABSENT

Senator Tom Begich

COMMITTEE CALENDAR

HOUSE BILL NO. 221

"An Act relating to the duties of the Alaska Commission on Postsecondary Education; relating to a statewide workforce and education-related statistics program; relating to information obtained by the Department of Labor and Workforce Development; and providing for an effective date."

- MOVED HB 221 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 221

SHORT TITLE: WORKFORCE & ED RELATED STATISTICS PROGRAM

SPONSOR(S): REPRESENTATIVE(S) DRUMMOND

04/08/17	(H)	READ THE FIRST TIME - REFERRALS
04/08/17	(H)	EDC, FIN
02/09/18	(H)	EDC AT 8:00 AM CAPITOL 106
02/09/18	(H)	Scheduled but Not Heard
03/05/18	(H)	EDC AT 8:00 AM CAPITOL 106
03/05/18	(H)	Heard & Held
03/05/18	(H)	MINUTE(EDC)
03/07/18	(H)	EDC RPT 4DP 1NR
03/07/18	(H)	DP: PARISH, KOPP, JOHNSTON, DRUMMOND
03/07/18	(H)	NR: TALERICO
03/07/18	(H)	EDC AT 8:00 AM CAPITOL 106

03/07/18 (H) Moved HB 221 Out of Committee
03/07/18 (H) MINUTE(EDC)
04/02/18 (H) FIN AT 1:30 PM ADAMS ROOM 519
04/02/18 (H) Heard & Held
04/02/18 (H) MINUTE(FIN)
04/11/18 (H) FIN RPT 4DP 5NR
04/11/18 (H) DP: GARA, GUTTENBERG, GRENN, FOSTER
04/11/18 (H) NR: WILSON, PRUITT, ORTIZ, THOMPSON,
TILTON
04/11/18 (H) FIN AT 9:00 AM ADAMS ROOM 519
04/11/18 (H) Moved HB 221 Out of Committee
04/11/18 (H) MINUTE(FIN)
04/15/18 (H) TRANSMITTED TO (S)
04/15/18 (H) VERSION: HB 221
04/17/18 (S) READ THE FIRST TIME - REFERRALS
04/17/18 (S) EDC
04/19/18 (S) EDC AT 3:00 PM FAHRENKAMP 203

WITNESS REGISTER

REPRESENTATIVE HARRIET DRUMMOND, Bill Sponsor
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 221.

STEPHANIE BUTLER, Executive Director
Alaska Commission on Postsecondary Education (ACPE)
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Testified on HB 221.

KERRY THOMAS, Director of Operations
Alaska Commission on Postsecondary Education (ACPE)
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Testified on HB 221.

PAUL PRUSSING, Director
Division of Teaching and Learning Support
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Testified on HB 221.

PALOMA HARBOUR, Director
Division of Administrative Services
Department of Labor and Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Testified on HB 221.

ACTION NARRATIVE

[3:04:52 PM](#)

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 3:04 p.m. Present at the call to order were Senators Hughes, Giessel, and Chair Stevens.

HB 221-WORKFORCE & ED RELATED STATISTICS PROGRAM

[3:05:04 PM](#)

CHAIR STEVENS announced the consideration of HB 221.

[3:05:08 PM](#)

REPRESENTATIVE HARRIET DRUMMOND, Bill Sponsor, Alaska State Legislature, presented HB 221. She said HB 221 is part of ongoing efforts to take a detailed look at ways to improve how the state spends money on education and job training. Alaska spends more than \$2 billion annually on education and workforce training, but she asked does the state know which program produces trained Alaskans who are more likely to stay in Alaska. She asked, "What is the return we receive on these huge and critical investments?"

REPRESENTATIVE DRUMMOND said that HB 221 will help the legislature answer these questions by clarifying the authority of the Alaska Commission on Postsecondary Education (ACPE) to receive and analyze existing data from state entities through a statewide workforce and education-related statistics program. HB 221 changes the law to permit the Department of Labor and Workforce Development (DOLWD) to share existing unemployment insurance data for the purposes of this statistics program as permitted in federal regulation and contingent upon a written agreement with ACPE. HB 221 is not about tracking individuals or collecting data on them. It is about statistical outcomes, taking a bird's eye view of spending results based on analyzing and aggregating data that already exists. Failure to pass HB 221 this session will result in wasted work, wasted money, and lost opportunities. Without the authority provided by HB 221 to ACPE to receive and analyze needed data, it is highly unlikely that the memorandum of understanding between the four partner agencies, which expires this fiscal year, will be renewed.

[3:07:29 PM](#)

REPRESENTATIVE DRUMMOND said the potential losses include the destruction of about ten years of deidentified data that is already loaded into the system and a severe reduction in the likelihood of attracting additional funds. About 20 to 25 percent of the federal grant, or about \$800,000 to \$1 million, was invested in developing file preparation related to loading the data. If Alaska realizes it needs this data, it would have to be redone. A database that is not used would require extensive testing when use is re-established.

[3:08:02 PM](#)

REPRESENTATIVE DRUMMOND said the state would lose the ability to respond to statistical outcomes or requests to perform cross-sector analyses, such as the Alaska Performance Scholarship Outcomes Report, at a savings of 20 to 25 percent per report generated. HB 221 is designed to allow Alaska to realize the potential of the original \$4 million federal grant, which created the outcomes system. This will help the legislature to allocate and utilize increasingly scarce resources available for education and workforce training. It has no additional cost to the state. Twenty-eight states have similar longitudinal outcomes databases. More are being added all the time. Alaska should not waste this opportunity.

[3:09:14 PM](#)

STEPHANIE BUTLER, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development (DEED), testified on HB 221. She said the Outcomes Database is a system to deidentify and link existing data in order to provide policy makers with information on the outcomes of the state's education programs to answer questions like what is the return on investment for ACPE programs, are the programs the most effective way to increase higher education access and success, and are limited funds being used in way to produce the best returns for students and the Alaska public. Easy things to measure such as number of program participants or completers cannot answer that return on public investment question. They need to know long-term outcomes across different public sectors. Alaska spends about \$5 million annually on the Alaska Education Grant program. She asked if recipients graduate at higher rates, do the grants help recipients enter the workforce sooner, and do they earn more. Earlier in the session they had questions about whether loan forgiveness is successful. Cross-sector outcomes database would give the answer.

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MS. BUTLER said that without long-term, cross-sector information, they do not know if they are spending public money in smart ways. The challenge to answering these questions is not that they do not have data, but the data is housed in separate databases at each of the partner organizations. Each time there is a question, agencies must put together a data-sharing memorandum of understanding, extract the data, match it, link it, and after getting the answers, the data must be destroyed in accordance with federal law to protect privacy because it is identifiable data. If they have a follow-up question or want to do the report again, the process must start all over again. It is inefficient and expensive and can result in the duplication of identifiable citizen data. HB 221 will allow ACPE to efficiently use this data while enhancing privacy by ensuring the data is deidentified. It streamlines the process and addresses data privacy by allowing Department of Labor to share unit-level wage records with the Outcomes Database, which will securely house, deidentify, and link statistics from ACPE, the university, the Department of Education, and the Department of Labor.

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SENATOR COGHILL arrived.

[3:12:51 PM](#)

MS. BUTLER said right now they have only GED data and training data from Labor. With HB 221, the database will house wage-record statistics. Alaska spends more than \$2 million annually on K-12 postsecondary and technical workforce training, but they do not have the database that can provide efficient, cost-effective, secure, outcomes statistics. The Outcomes Database will enhance Alaska's ability to provide feedback in several ways:

- allows Labor to provide unit-level wage data to the Outcomes Database (something 28 states already share);
- prohibits sharing of any unit-level data from the database with the federal government;
- to maximize privacy, it codifies in law that the data must be deidentified;
- and clarifies ACPE's ability to maintain longitudinal data.

MS. BUTLER said HB 221 provides a more secure method of transporting data between agencies. It lowers costs to access and analyze information. It combines multiple processes into a secure and highly automated process. It provides greater access

to longitudinal information and it reduces the time and cost to produce program outcomes reporting. HB 221 has a zero fiscal note. The Outcomes Database was created with a federal grant and built to accept this workforce data. In the longer term, they will seek resources, perhaps with a federal grant, to provide outcomes reports once these additional data are available. There is significant opportunity to attract grant dollars to this project. In tough budget times, cross-sector data is needed to evaluate outcomes. The outcomes and analyses will not be available immediately, but HB 221 gets them closer to being able to provide those analyses as they seek grants or other funds. Alaska will not be competitive in attracting grant dollars without the changes of HB 221. The long-term goal is to have the ability to quickly and inexpensively produce reports, so they know not just how much programs cost, but what the return is on the investment.

3:15:53 PM

MS. BUTLER said the organizations providing data have a great deal of experience and expertise with data privacy and security. They recognize their sober responsibility of ensuring that state data is private and secure. They have built the Outcomes Database and reporting protocols as follows:

- No new data is collected. All data is existing data only.
- Data is deidentified or stripped of personal information, such as date of birth, social security number, before the linked data is stored.
- Data going into the system is not a dump of all the data the providing agency maintains. It is only relevant data for evaluating program outcomes.
- Personal information is never stored in the same database as the deidentified information. All data is also encrypted.
- Deidentification and encrypted processes are automated, meaning they cannot be turned off or circumvented.
- Access to the system is automatically logged and reported.
- The database is physically housed in Alaska in a secure data center. Staff with access to the system must undergo a background check.
- The system undergoes an annual security audit. The results are public.

[3:18:06 PM](#)

MS. BUTLER said a final important point is that the purpose of the Outcomes Database is not to track individual student data over a student's career. The system was specifically designed not to do that. The purpose is to create aggregated statistical outcomes information to evaluate whether education programs and interventions work over the long term.

CHAIR STEVENS said he appreciated the zero fiscal note and that no funds will be spent until and unless a grant is received.

[3:18:12 PM](#)

SENATOR HUGHES said assurances of privacy is one of their mandates under the state constitution. She shared that she does have a seat on the ACPE. She wants to make sure there is no loophole regarding privacy, although she is excited about what they will learn. She visualized a stack of education data and a stack of workforce data. Once this information is in the database, they can be reassured that personal information will not be shared with other agencies or organizations. Lines 10-12 of Section 2 specify that information can be shared. She asked if that information could ever be taken from the stacks that will have personally identifiable information or can she be assured that it will only be shared after personally identifiable data has been removed.

SENATOR HUGHES said she asks because they are specifying that they are not providing unit records, which is that personal information, to the federal government, but they are not addressing not providing it to anyone else. She wondered if they needed to add federal government "and other agencies and organizations." She wondered whether they were leaving a loophole that could be used to share information that would have personal information before it is entered into the database.

[3:20:25 PM](#)

MS. BUTLER responded that the data in the system will be deidentified and ACPE cannot share that data under existing law with an organization that doesn't already have a right to receive it at a unit level. The purpose of the language about not sharing it with the federal government was to ensure that were the federal government to ask for it, they would not share it. They have built the database so that it would be extraordinarily difficult, even for ACPE, to get unit-level data.

[3:21:11 PM](#)

SENATOR HUGHES said that she understood the situation for data coming out of the database and felt comfortable with that. Her question was about the data before it is put into the database. Line 10-12 of Section 2 says ACPE can share data and information, but it doesn't specify "share data and information from the database." She wants to make sure that there is not a loophole wherein information with identifiable information that has not been entered into the database could be shared.

[3:21:53 PM](#)

MS. BUTLER answered that before data, which is personally identifiable, goes into the database, the data is managed by the organization responsible for it, such as the Department of Labor for the wage records. All of laws that apply to the data continue to apply to it. The commission would have no authority to share data from another organization with anybody. The organization providing the data would have the authority to do that, not the commission.

[3:22:28 PM](#)

SENATOR HUGHES responded that she is concerned that once it comes from Department of Labor and is in Ms. Butler's possession, the law gives her permission to share data information, but it doesn't specify that the data Ms. Butler can share is from the database.

[3:22:59 PM](#)

KERRY THOMAS, Director of Operations, Alaska Commission on Postsecondary Education (ACPE), Department of Education and Early Development (DEED), testified on HB 221. She said that partner organizations that contribute data to the outcomes system do not give up control of data. They upload data that then goes through a matching process where files are separated into deidentified records and then [assigned] random id's that follow records into the deidentified system. Then the source files that are sent to the system are deleted once they go through the matching and deidentification process. If someone asked ACPE for data, ACPE would refer that person to the partner organization that provided the data. The full set of data does not exist in the outcomes system.

[3:25:09 PM](#)

PAUL PRUSSING, Director, Division of Teaching and Learning, Department of Education and Early Development (DEED), testified on HB 221. He said DEED has been working on this project since 2012. The commissioner appreciates data-informed decision

making. Making better use of any data they have in a secure fashion to help inform policy makers is a good direction to go.

[3:26:06 PM](#)

PALOMA HARBOUR, Director, Division of Administrative Services, Department of Labor and Workforce Development (DOLWD), testified on HB 221. She said they have specific data security standards for their data. They cannot share it with ACPE for this purpose without a statutory change. The data security requirements and standards that apply to them apply to anyone they share the data with. ACPE cannot reshare the data with anyone and they must destroy the data after they are done with it in their system.

[3:27:21 PM](#)

SENATOR HUGHES said in Section 3 there are certain requirements for ACPE to share with other state agencies but not other organizations. She asked if DOLWD standards apply to any organization they share data with or just other state agencies.

[3:27:54 PM](#)

MS. HARBOUR answered any organization that they share with. They cannot disclose unit data. They can report outcomes.

[3:28:30 PM](#)

SENATOR HUGHES said perhaps the sponsor could answer why they are only making requirements about sharing with other state agencies and not any agency.

[3:28:42 PM](#)

CHAIR STEVENS asked if passing HB 221 makes the state more competitive for grants.

[3:28:56 PM](#)

MS. HARBOUR replied that they would be more competitive if they had legislative approval for this work.

[3:29:46 PM](#)

At ease for technical reasons.

[3:34:48 PM](#)

CHAIR STEVENS apologized that because of technical difficulties, the three invited testifiers, Gwendolyn Gruening, Cari-Anne Carty, and Doug Walrath, cannot testify. He understands that the three are in favor of the bill. He asked them to submit any information in writing.

[3:35:28 PM](#)

SENATOR HUGHES said that the Department of Labor has high standards to share data with any organization or a state agency. In Section 3 of the bill, there are requirements regarding disclosure, but that section only refers to information being shared with another state agency. She asked what about other organizations.

[3:36:29 PM](#)

MS. BUTLER answered that Section 3 applies to the Department of Labor data, specifically allowing the department to share that data with ACPE. All other requirements for the Department of Labor continue and persist, so ACPE would not be allowed to share it further.

[3:37:00 PM](#)

MS. HARBOUR said AS 23.20.110 covers the Labor unemployment insurance data that they are talking about. There are sections for different criteria for sharing the data. This section of the bill is just adding ACPE Outcomes Database to that statute, so it is not all inclusive.

[3:38:01 PM](#)

SENATOR HUGHES said then they are applying the high standard Ms. Harbour described earlier to ACPE.

MS. HARBOUR answered correct.

SENATOR HUGHES said that is reassuring.

[3:38:21 PM](#)

CHAIR STEVENS opened public testimony and then closed public testimony.

[3:38:39 PM](#)

At ease.

[3:38:45 PM](#)

CHAIR STEVENS asked the will of the committee.

SENATOR COGHILL moved HB 221 with individual recommendations and attached fiscal note.

[3:39:58 PM](#)

There being no objection, the motion passed.

[3:40:03 PM](#)

At ease.

3:40:06 PM

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee at 3:40 p.m.