LAO Publishes a Brief on Creating an Integrated Education Data System

Governor Gavin Newsom released his first State Budget blueprint in January 2019, which included several proposals that distinguish himself from his predecessor, former Governor Jerry Brown. One of those proposals includes the Governor's plan to invest $10 million in one-time, non-Proposition 98 funds to design and develop a longitudinal data system that would connect student data from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies.

To analyze this proposal, the Legislative Analyst's Office (LAO), the Legislature's nonpartisan policy and fiscal advisor, recently published a brief on the creation of an integrated data system that includes a background on the state's education data systems and past efforts to connect them, an assessment of the Governor's proposal, and recommendations for the Legislature to consider.

Background

According to the brief, while each California education segment (early childhood education [ECE], K-12, California Community Colleges [CCC], California State University, and University of California) maintains some sort of student database, this data is currently siloed and managed in several separate data systems.

While California is one of only eight states that does not currently have an integrated data system, implementing a system that tracks a student as they matriculate from ECE through college (P-20) and into the workforce has been a priority for the Legislature for nearly a decade.

In 2008, former Governor Arnold Schwarzenegger signed Senate Bill (SB) 1298 (Chapter 561/2018) into law, which created two work groups, one that looked at identifying the technical steps toward implementing an integrated education data system and another that provided recommendations on the governance of that system. The technical work group produced a roadmap for creating an integrated data system while the governance workgroup presented three governance options: creating a joint powers authority (JPA), creating a new state agency, or housing the data system within an existing state agency.

In response to the work groups' reports, the Legislature crafted a proposal in 2011 that would have created an intersegmental JPA to plan, implement, and manage a P-20 data system via SB 885 (Simitian, D-Palo Alto). While the bill received nearly unanimous support from the Legislature, it was vetoed by Governor Jerry Brown, citing concerns about costs and the state's "current fiscal restraints."

Governor Brown consistently opposed any bills that sought to create an intersegmental data system or coordinating body during his tenure as Governor. Moreover, he also vetoed funding for the California Postsecondary Education Commission (CPEC) in 2011. CPEC was a former state agency that collected information such as transfers between CCC and universities, degrees awarded across the three segments, and statewide enrollment projections.

Governor Newsom's Proposal

While the Legislature made no traction for this integrated data system under Governor Brown, it looks as though there is a champion for creating such a system under Governor Newsom.

Newsom's proposal, entitled the "Cradle-to-Career Data Insights Act," would create a work group consisting of ten education and other departmental agencies who would be selected by the Governor based on nominations from each entity. The work group would be required to produce a report by March 2020 (or later if approved by the Department of Finance [DOF]), where it would provide input on the type of data system to create, the data

elements that would receive the highest priority in the system, the entity that would manage and secure the system, the protocols for protecting student privacy and addressing data security risks, and the entities or persons that would have access to the data.

A second report by the work group, due by September 2020 (or later if approved by the DOF), would summarize the work group's recommendations for "expanded and enhanced data system functionality"—including plans to expand the data system to "incorporate workforce, financial aid, and health and human services data"—steps to increase data quality provided by each entity contributing to the data system, and a proposed timeline and budget for implementing its recommendations.

Of the $10 million allocated to the proposal, approximately $3.3 million would be used for the planning phase of the data system, while the remaining $6.7 million would be available to implement the initial phases of the system or for the subsequent "expansion and enhancements" phase, contingent on the DOF's approval.

LAO Assessment of Proposal

While the LAO agrees that having an integrated data system would be an asset for the state, it expresses the following concerns with the Governor's current proposal:

- **The Governor's proposal minimizes the Legislature's role in the creation of the integrated data system.** The only role for the Legislature in the Governor's current proposal is to appropriate the $10 million in one-time funds, while all other core responsibilities fall exclusively on the Governor and the DOF.
- **The California Department of Technology (CDT) has no planning or oversight role under the current proposal**. The DOF has indicated that the project would not include CDT, which is responsible for reviewing and approving information technology project proposals developed by most state departments, because of the Administration's desire to move quickly.
- **The state has already given much thought to creating an integrated data system.** The LAO is concerned that the Governor is creating a new work group when the state has already discussed this issue at length from the SB 1298 work groups. Additionally, the LAO argues that a JPA governing model remains the most promising approach for the system.

LAO Recommendations

The LAO provides several recommendations for the Legislature to consider for authorizing and funding the development of an integrated data system. These recommendations include:

- **Enacting legislation creating a JPA.** The LAO recommends that each education segment providing data have a member within the JPA, but that state-level, non-segmental members form the majority of the JPA.
- **Direct the JPA to focus initially on data from core education segments and the Employment Development Department (EDD).** The LAO recommends that the legislation define the initial scope and long-term vision of the project and that the initial goals be to connect data from the California Department of Education (K-12), the three public higher education segments, and EDD.
- **Specify expectations for the JPA to create a data warehouse.** The LAO recommends that the legislation also specify that the JPA develop a centralized data warehouse, update the SB 1298 technical work group's plan based on this expectation, and follow the CDT's project approval process.
- **Approve one-time funding with reporting requirements.** The LAO recommends that the Legislature approve $10 million in initial funding for the JPA and provide associated expenditure authority through June 30, 2023.

While the Governor may change aspects of his proposal via the May Revision, the Legislature could pass their own implementation plan for a statewide integrated data system in the State Budget and negotiate the details of that plan with the Governor. Either way, it looks as though California is going to join the 42 other states that have a similar integrated education data system. We will be sure to keep you posted as the details for the implementation of this system get fleshed out in the budget process.