Liberty Brief
Wyoming Liberty Group

State Leviathan to Consume Children's Private Information

*Education spending will be most effective if it relies on parental choice and private initiative --
the building blocks of success throughout our society – **Milton Friedman***

Forward by Susan Gore, M.A.

If our legislature is to ensure an education appropriate for every child in Wyoming it must, first, deregulate to free the private and public initiatives that create educational options; second, put funding allocation choices into the hands of parents via backpacking of opportunity scholarships; and third, defend local control from state and national bribes such as those described here. Then educators will provide what parents want instead of being distracted by expensive irrelevancies such as inordinate data collection. When parents are no longer restrained from expanding home schooling or choosing which schools their children will attend, they will be able to hold their own *vis* a *vis* special interests, including a distant bureaucracy and curriculum and testing companies. The presumption to categorize and manage from afar on the basis of data collection brings to mind an out-of-touch factory manager who never walks the production floor but, relying on misleading reports and oblivious to what is really going on, attempts to micro-manage from his office. America does not work that way; we are a hands-on culture, and we don't need a data Leviathan. But unfortunately, privacy concerns and common sense aside, there is money to be had. This paper tells the money story.

Introduction

The data Leviathan enables manipulation of information on the part of a collective of those whose intention is to undermine the freedom of creative thought and action, based on the assumption that they know better.

At a time when parents are protesting privacy invasions associated with federal intervention in the education system, the Wyoming state government is in the process of building a centralized data storage system to track your child's personal information from pre-kindergarten through their post-secondary years. This State Longitudinal Data System (SLDS) is a data Leviathan that will not only include your child's private information from the education system, but also their personal data from other state agencies such as health, corrections and family services. This type of system is in various stages of development in every state.

We hear all the usual feel-good rationales to justify this privacy invasion, mostly revolving around how it will make the education system in particular more accountable. The problem, however, is that it will make the system more accountable to the very politicians and bureaucrats who are creating the downward spiral in educational outcomes in the first place.

Instead of building a data Leviathan to increase accountability to the political system and hence the politically powerful, it is time to return education accountability to parents, teachers and schools. As Ronald Reagan wisely said, government is the problem -- and government interference in education is probably the best example of a government-created downward spiral.

Data System Holdings

Wyoming already has a data system retaining a wide variety of a child's private information housed in the Department of Education (WDE). Known as the Wyoming Integrated Statewide (WISE) data system, it includes a unique student ID number, school test scores by year, and graduation and dropout data. The Data Quality Campaign, a non-profit Washington D.C. lobby group, put together a list of 10 essential elements[1] of a statewide data system in 2005. The America Competes Act of 2007 imposed 12 essential elements,[2] 10 of which match the Data Quality Campaign's list. The essence of these lists gives an indication of the range of information held in one place.

1. The unique identifier connecting information about individual students across data systems over the years.

2. Student-level enrollment, demographic and program-participation information.

3. The ability to match individual students' test records from year to year to measure academic growth.

4. Information on untested students and the reasons they were not tested.

5. A teacher identifier system with the ability to match teachers to students.

6. Student-level transcript information, including information on courses completed and grades earned.

7. Student-level college readiness test scores.

8. Student-level graduation and dropout data.

9. The ability to match student records between the pre-K through 12th grade and higher education systems.

10. A state data audit system that assesses data quality, validity and reliability.

The WISE achieved all 10 elements by the 2009-10 school year.

According to a report by the Department of Enterprise Technology Services (ETS), the state bureaucracy that will review and report on the administration and implementation the larger statewide data collection project, this system may be built upon to create Leviathan.

Wyoming's Rationale for a Data Leviathan

What we hear as a rationale for Leviathan sounds utopian. According to the Needs Assessment report ETS completed in December 2012, Leviathan will reduce waste; make sure programs are effective; produce safe, educated, productive Wyoming citizens; and use data to drive decisions and policy. All this will, somehow, give policy makers and educators information to "assess the effects of their reform policies and program efforts, and adjust policies and practices to improve student achievement."[3]

However, the real rationale for building Leviathan is that it was a condition for receiving federal stimulus (American Recovery and Reinvestment Act of 2009) funding.

Back in 2009, as a condition for receiving any stimulus funds from the federal government, states had to agree to build Leviathan. Wyoming state agencies received a total of $527.4 million in stimulus funding; the education system alone received $139.9 million.[4] Although accepting these funds committed the state to build Leviathan, none of it went to Leviathan specifically. Wyoming did apply to the Institute of Education Sciences State Longitudinal Data Grant program and Race to the Top for money to build Leviathan. Wyoming's application, however, was denied.

Meanwhile almost every other state government received federal funds for their own Leviathan.

Source of Federal Funds for Leviathan

The push from the federal government for access to your child's private information started with the Educational Technical Assistance Act of 2002, Title II, which created the Institute of Education Sciences. The IES manages the SLDS grants — one source of federal handouts for Leviathan.

According to the National Governors Association Center for Best Practices, no state had all 10 of the essential elements of a state data system in 2005. By 2008, however, six states (Utah, Louisiana, Alabama, Florida and Arkansas) had all 10 elements.

This could very well have been a direct result of the handout program, which started distributing other people's money to states in 2005.

Handouts are spread over three to five years for up to $20 million per state. In November 2005, the first handout year, 14 states hit the jackpot. Twelve more states and the District of Columbia were lucky winners in June 2007. Twenty-seven states received grants in March 2009 (FY 2009), and 20 states in May 2010 (FY 2009 ARRA). In the latest windfall, announced May 2012 (FY 2012), a total of 24 states scored, including eight first-time winners.

In fact, Wyoming's WDE asked for $13.2 million in 2009 under ARRA but didn't get it.

Now, only Wyoming, New Mexico and Alabama have missed the mark.

IES Winners and handouts are as follows:		
State	**FY 2009 (ARRA) (millions)**	**FY 2012 (millions)**
Alaska	-	$4.0
Arizona	-	$5.0
Arkansas	$9.8	-
Colorado	$17.4	-
Delaware	-	$4.6
District of Columbia	-	$4.0
Florida	$10.0	-
Hawaii	-	$3.4
Idaho	-	$3.1
Illinois	$11.9	-
Indiana	-	$4.0
Iowa	-	$3.7
Kansas	$9.1	-
Kentucky	-	$3.6
Maine	$7.3	-
Maryland	-	$4.0
Massachusetts	$13.0	-
Michigan	$10.6	-
Mississippi	$7.6	-
Montana	-	$4.0
Nebraska	-	$4.4
Nevada	-	$4.0
New Hampshire	-	$5.0
New Jersey	-	$4.0
New York	$19.7	-
North Carolina	-	$3.6
North Dakota	-	$3.9
Ohio	$5.1	-
Oklahoma	-	$5.0
Oregon	$10.5	-
Pennsylvania	$14.3	-
Puerto Rico	-	$4.7
Rhode Island	-	$4.0
South Carolina	$14.9	-
South Dakota	-	$3.0
Texas	$18.2	-
Utah	$9.6	-
Vermont	-	$4.9
Virginia	$17.5	-
Virgin Islands	-	$2.6
Washington	$17.3	-
West Virginia	-	$4.8
Wisconsin	$13.8	-

Sources: http://nces.ed.gov/programs/slds/fy09arra_announcement.asp, http://nces.ed.gov/programs/slds/fy12_announcement.asp

IES is not the only source of federal funds for Leviathan. Some states have also used the $4.35 billion in Race to the Top funds. Race to the Top includes $4 billion for statewide reform grants and $350 million to support states working together to improve the quality of their assessments.

The purpose of the Race to the Top handout sounds great. States must:

- Adopt standards and assessments that prepare students to succeed in college and the workplace;

- **Construct data systems that measure student growth and success, and inform teachers and principals how to improve instruction [emphasis added];**

- Recruit, develop, reward and retain effective teachers and principals, especially where they are needed most; and

- Turn around their lowest-performing schools.

It seems unlikely, however, that more government spending and collectivizing children's private data will achieve these lofty goals. The cost to create and maintain this fiction, needless to say, is steep.

Phase I

The spreading around of Race to the Top handouts started slowly but involved amounts that dwarfed the previously mentioned IES handouts. In Phase I, Delaware and Tennessee struck Race to the Top gold. Delaware got about $100 million and Tennessee $500 million to fund their reform plans for four years.

Phase II

Phase II application winners raked in lots of cash as well.

	Phase 2 Winner	Maximum Budget (millions)
1	Massachusetts	$250
2	New York	$700
3	Hawaii	$75
4	Florida	$700
5	Rhode Island	$75
6	District of Columbia	$75
7	Maryland	$250
8	Georgia	$400
9	North Carolina	$400
10	Ohio	$400

Phase III

Phase III awarded a piece of the $200 million Race to the Top pie to seven states including: Arizona, Colorado, Illinois, Kentucky, Louisiana, New Jersey and Pennsylvania. The seven winning applications include commitments to **enhance data systems**; raise academic standards; improve principal and teacher support and evaluation systems; and implement school interventions in underperforming schools.

As we can see, some states have received millions of dollars from the federal government in programs that involve a commitment to build Leviathan.

Leviathan in Wyoming

Wyoming lost out in the federal fund lottery to build Leviathan, but took stimulus money to spend on other things. That means state taxpayers seem to be on the hook to pay the full cost of the system, not to mention funding the IES and Race to the Top handouts to other states through their federal tax burden.

Source of Funding in Wyoming

According to the state's Needs Assessment, the cost for Wyoming's Leviathan is expected to be $18 million in its first five years.

Where will that money come from?

Normally, when bureaucrats or legislators want money for a project, they write up a bill, initiate discussion during a legislative session, and – if deemed worthy – get it passed in the legislature and financed from the general fund. Something different happened with Wyoming's data Leviathan. Instead of the general fund, startup funds are to come from a *special* account known as the E-Rate excess-revenue account.

As a result, your state representatives never debated whether or not a centralized system holding a massive amount of your child's private data was a good idea.

E-Rate Revenue

Wyoming has been a participant in the Schools and Library Program of the Universal Service Fund's E-Rate program since 1996.

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The Universal Service Fund gets its money from a federal tax on your telecommunications and Internet bills. Part of this federal tax goes back to states via the Universal Service Administrative Company (USAC). One of USAC's programs is the E-Rate program. It reimburses schools and libraries when they expand their telecommunications and Internet capabilities.

During the 2012 budget session, a section was added to the budget bill that raided $7.3 million from the E-Rate excess revenue account housed in the Department of Education (WDE). This is a *special* account that is supposed to get the data Leviathan's ball rolling. The $7.3 million went to a number of government agencies, including the Enterprise Technology System (ETS), the Wyoming Community College Commission and Workforce Services. That amount totaled $3.65 million. The rest went into the school foundation program account, as would any future excess in the E-Rate account.

Most of the initial distribution, $2.6 million of the $3.65 million, goes to ETS. Between July 1, 2012 and July 1, 2014, $280,000 pays for one full-time employee, $300,000 to contract someone to help share and access the information from all the education data holders in the state, and yet another $1,687,000 to implement an online educator credentialing assignment validation and reporting system. Just so costs don't go overboard, hardware and system costs are capped at $1,128,000 for online certification and certification renewal. The department gets another $331,254 for two more employees to do the data analysis.

The Wyoming Community College Commission receives $280,000 for a full time employee and *another* $188,000 to contract for "data definition" -- whatever that means.

It doesn't stop there, though. Workforce Services receives $500,000 for data monitoring and data collection.

But it's not over yet because, of course, systems need to be maintained – just ask the Cheyenne Public Library.[5] Up to $184,000 can be used for maintenance and operating costs of the online system to be shared by the WDE and the Wyoming Professional Teaching Standards Board, $375,000 for additional data storage in some yet-to-be-defined government agency enterprise solution – oh joy.

Of their share and between July 1, 2012 and November 30,

2012, ETS spent $304,743.04; and between July 1, 2012 and October 31, 2012, Workforce Services spent $108,947.

These state agencies are currently spending E-Rate money to kickstart Leviathan, but a centralized state database isn't a school or library. How did these agencies get E-Rate money?

By employing a great deal of creativity.

For five years, USAC denied Wyoming's application for an E-Rate fund reimbursement. The state appealed this decision, the appeal was settled and in 2009, the state received about $8 million in a lump sum. That lump went to the WDE. The WDE had already spent other funds for school and library telecommunications and Internet connectivity, so the $8 million infusion meant the E-Rate account held a pile of surplus cash. Instead of being used to reimburse school and library spending, or spent on extra school and library Internet connectivity, that money was moved into the school foundation account, making it unavailable to the WDE, but available for building Leviathan. In fact, some at WDE weren't so sure the money could be used for anything other than school and library interconnectivity. The state checked, and in a conference call with USAC Vice President Mel Blackwood, it was assured it could use the money for whatever it wanted.

Hence the creation of the Leviathan slush fund.

Also in 2012, the legislature authorized ETS to apply for E-Rate funds that year and every future year. According to an official at the USAC, a government department such as the ETS can apply for funding if it is acting as a consortium for a larger group of schools and/or libraries. Put another way, ETS would be acting as a centralized purchaser and would then distribute project funding to the schools.

However, a state agency would not get E-Rate funding to build one centralized data system, the above-mentioned USAC official confirmed.

Leviathan Seed Already Sown in Wyoming

The all-encompassing state data Leviathan will build on existing data systems in Wyoming. One of those, as mentioned earlier, is in the Department of Education and known as the Wyoming Integrated Statewide Education (WISE) data system. This

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connects data management applications within local school districts. Your child's data goes into the local school district's data system and is then disseminated to other school districts. WISE captures, stores, organizes and reports your child's education data to interested stakeholders. This database was developed and built between 2005 and 2010 at a cost of about $5 million.

The database contains a unique record identifier for each student, an item identified in the 10 essential element list, as well as a unique identifier for every school district staff member

Just to give readers an idea of how costs for a fully developed Leviathan will likely escalate, in its 2013-14 biennium budget request, the WDE asked for an additional $3 million to expand the WISE infrastructure for "additional data projects that will be coming on board in the near future, like the [SLDS] which will place large demands on the data storage at WDE, a new educator licensing system and a new system to help place district staff." After all, the report reasons, "support costs of those cooperative systems have gone up."

Gov. Mead wisely rejected this request, which would have increased WDE's WISE 2013-14 biennium implementation budget from $2.1 million to $5.3 million. Recall, the WDE spent $5 million over five years to set the system up in the first place. That is some cost escalation!

If one agency, albeit a large and complex one like WDE, needs $5 million over two years to add extra functions, imagine how much will be needed when the University of Wyoming, the community colleges, Workforce Services and other to-be-announced agencies jump on board.

Experience in Other Jurisdictions

Wyoming would do everyone a favor if it took a look at what has happened in other jurisdictions with similar grandiose centralized data schemes.

Integrated Case Management System (ICM)

The Canadian province of British Columbia started to build a centralized computer system that would join the databases of all the social services ministries – including the Ministries of Social Development; Children and Family Development; and Technology, Innovation and Citizens Services – to manage individual's

files between social programs. Sold as an easy-to-use system that would allow staff to spend more time working with *clients* than on data entry, it is expected to cost $182 million between 2008 and 2014. The idea was to allow frontline workers to spend more time with people in the social ministry system. Things haven't worked out that way, though.

The feedback in a November 2012 interim assessment report was less than positive.[6] It found:

- As a result of the implementation of ICM, [Ministry of Children and Family Development] staff have been required to adopt terminology that is not standard practice nomenclature;

- It is very difficult for social workers to easily convert the "story" of the family or child (i.e. unstructured information) into the user interface as currently structured;

- ICM has many screens and each screen has many fields; entering data can be time consuming and requires users to know where and how to find the appropriate section;

- The user interface is overly complicated: too many screens, too many clicks and not intuitive;

- Search functionality does not meet the Ministry of Children and Family Development requirements;

- The application is not able to produce acceptable court documentation; and

- There are concerns with data integrity.

Back in 2006, after a number of deaths of children in government "care," the British Columbia government created a new bu-

"… the system has an overwhelming number of technical issues that have burdened workers already facing work pressures…"

reaucracy that would act as an advocate for children, named the B.C. Representative for Children and Youth. This office is supposed to help families find their way through the child welfare system morass. Additionally, the office can initiate reviews of government agencies that provide services to families and children.

In a press release on July 19, 2012 regarding the ICM, the representative, Mary Ellen Turpel-Lafond said:

My Office has been inundated with calls and emails from child welfare workers and others using ICM who take their responsibility regarding child safety very seriously. Far from "…enabling ministry staff to spend more time working directly with clients and less time on data entry … and other administrative tasks" … the system has an overwhelming number of technical issues that have burdened workers already facing work pressures…. A system that cannot generate a paper report, for example for court purposes, or which limits the ability of staff to connect adults to children, track and understand the "story" of what is happening in their lives, is not adequate."

"I have reached the point where I am making a rare public statement as I strongly believe that ICM is not adequate to provide safety to vulnerable children, youth and families, in B.C."[7]

The July 2013 Final Assessment report[8] looked at what had happened in other jurisdictions. It found that a similar system in Australia was abandoned in 2012.

Australian Minister for Family and Community Services Pru Goward said that the benefits of revamping the system aren't worth the necessary costs.
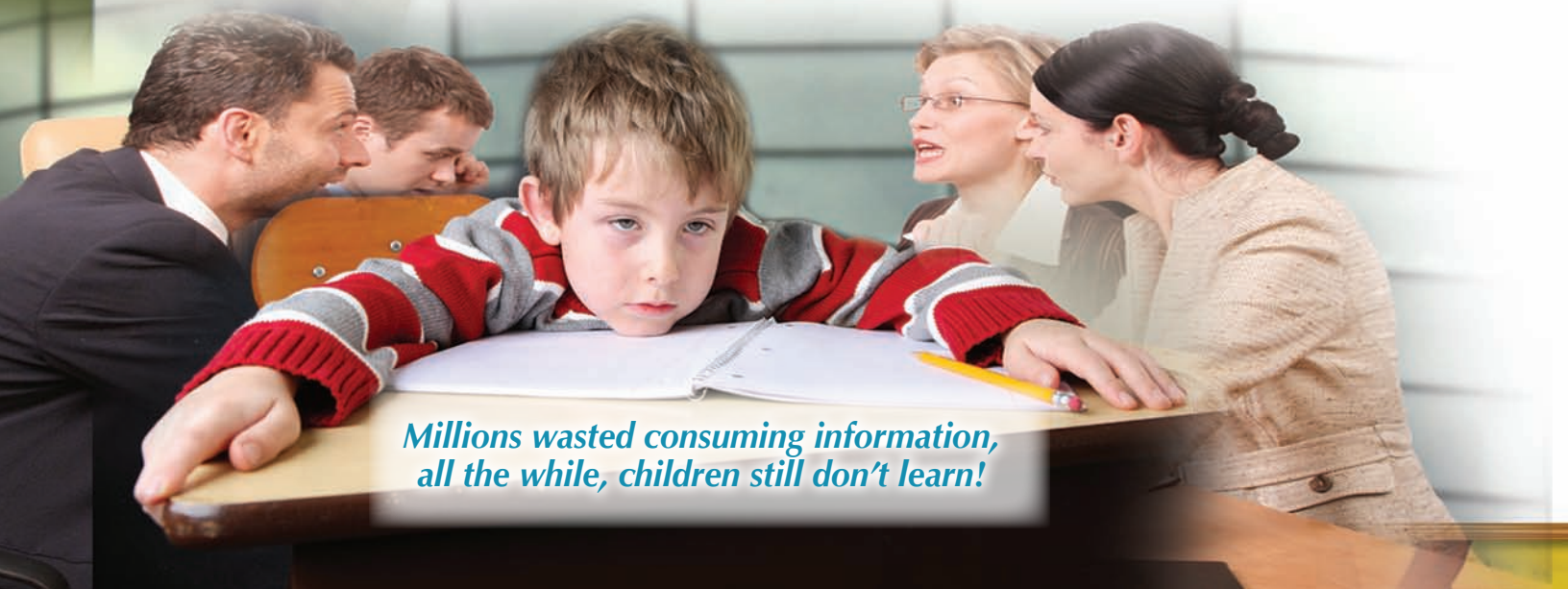
Millions wasted consuming information, all the while, children still don't learn!

"Given the problems with [the Australian system], upgrades developed since 2010 under Labor have been terminated, as the costs of continuing those projects outweighed what the department advised were limited benefits to community services of successful implementation," she said in a statement.[9]

The report concluded:

"The difficulty in implementing information technology into the practice of social work/child welfare and the potential for negative unanticipated consequences or impacts to practice were consistent themes throughout the literature reviewed for the Interim Assessment Report, the jurisdictional review and the site visits."

Even so, the main recommendation in the Canadian report was to carry on with the same system — and oh yes, be sure to fix those child-protection issues.[10]

What else did government do to remedy the situation? It hired 100 more bureaucrats.

Too bad the B.C. government didn't take a look at the experience in other jurisdictions before spending millions of tax dollars. At least the Australians decided to stop throwing good money after bad. Seems it is much more difficult to derail the gravy train in Canada than in Australia.

Reaction in the United States

Governments have a track record with centralized data systems, and it is not a good one.

As discussed earlier, many states have already received millions of dollars to build their own Leviathan so tend to be farther ahead than Wyoming. Parent groups in those states, however, are not sitting still.

According to a Washington Post article,[11] a Gates-Foundation-funded database pilot project called InBloom saw a pullback in states including Louisiana, Georgia and five others, leaving New York and Illinois alone to participate in the project. Privacy was the main issue — InBloom couldn't guarantee the security of the data, in particular Social Security numbers.

Closer to home, Jefferson County School District in Colorado

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has slowed its participation in the InBloom data collection pilot project after parent outcry. According to the district's website:

"The plan to use InBloom, a 501c3, as the "middleware" in the classroom dashboard system has resulted in questions related to student privacy and data security. The Data Management Advisory Council, made up of parents, educators, IT and IT security experts and business leaders was created to examine the issues relating to student data management and make recommendations.

The committee will "make a "stop" or "go" recommendation regarding InBloom by January of 2014."[12]

At the moment, much of the countrywide battle against the data system is tied up with the battle against the Common Core education standards. However, Leviathan has been around for longer. Even if Common Core goes the way of the federal education dinosaurs that preceded it, that is no guarantee that Leviathan itself will disappear.

A group called Montanans against Common Core spoke out against the data collection system in at least one article.[13]

In Florida, Parents Against Common Core[14] also protested against Leviathan.

In North Caroline, Stop Common Core NC is particularly concerned about data mining from Preschool to Workforce.[15]

According to a CBS News report,[16] parent groups vented their outrage with the New York City Department of Education's allowing private companies to collect student data, including personal and health information.

Sheila Kaplan of Education New York[17] has initiated a national opt-out campaign[18] that is encouraging parents to protect the privacy of their children's school records. Under the Family Educational Rights and Privacy Act (FERPA), Kaplan says that parents can restrict third-party access to their children's information.[19]

In Utah, parent groups are also concerned about government tracking children without parental consent or knowledge.[20]

But even here in Wyoming, parent groups are not sitting still. Groups such as the Wyoming Liberty Group, Wyoming Citizens Opposing Common Core and others have spoken out against government control of children's personal data. Wyoming parents and teachers must know they are not alone in their concern about federal and state government data mining of their children's personal information.

Conclusion

In its effort to race to the top of the federal funding heap, and benefit from the Santa Claus state, Wyoming put itself on the hook to spend millions of Wyoming taxpayer's dollars to build a Leviathan that may waste millions and endanger the private personal information of vulnerable children.

An education system in crisis puts politicians into "do something" mode, but instead of looking at existing data within a dysfunctional system to somehow make that system work – for government, that is – government should extract itself from the equation and make the education system answerable to parents, teachers and schools.

We can implement the conditions for an education system that works for the people who use it — parents and their children. People appreciate the need for teachers who know how to convey a love of learning. To make schools answer to the people they are supposed to serve, parents must be free to choose the education option best suited to their children.

Instead of spending millions of dollars to finance another failed attempt to make an education system accountable to the whims of the government of the day, the federal government should 1) get out of the education business and 2) respect parental authority. If an organization is accountable to its customers, it will better serve their needs instead of bureaucrats and administrators. Wyoming doesn't need a centralized data system holding the personal information of all the children in the state, and taxpayers shouldn't be forced to fund it. ∎

Endnotes

1 http://dataqualitycampaign.org/

2 http://www.gpo.gov/fdsys/pkg/ PLAW-110publ69/pdf/PLAW-110publ69.pdf

3 http://legisweb.state.wy.us/InterimCommittee/2012/JECCIO.pdf

4 www.recovery.gov

5 Cheyenne Residents pay about $70,000 per year to maintain an automated book check in system (http://www.wyomingnews.com/ articles/2012/08/18/news/19local_08-18-12.txt) that doesn't work very well in the cold.

6 http://www.integratedcasemanagement.gov.bc.ca/documents/icm-mcfd-iar.pdf

7 http://www.rcybc.ca/Images/PDFs/Statements/ICM%20Statement%20 July%202012%20FINAL.pdf

8 http://www.integratedcasemanagement.gov.bc.ca/documents/icm-mcfd-far.pdf

9 http://www.integratedcasemanagement.gov.bc.ca/documents/icm-mcfd-far.pdf

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11 http://www.washingtonpost.com/blogs/answer-sheet/wp/2013/06/09/ privacy-concerns-grow-over-gates-funded-student-database/

12 http://www.jeffcopublicschools.org/community/data_advisory/index. html

13 http://montanansagainstcommoncore.com/?p=223

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15 http://stopcommoncorenc.org/2013/05/28/data-mining-from-pre-school-to-workforce/

16 http://www.cbsnews.com/8301-201_162-57582057/parents-irate-over-nyc-plan-to-give-student-data-to-non-profit/

17 http://www.educationnewyork.com/

18 http://educationnewyork.com/files/opt-out-3-9913.pdf

19 http://www.breitbart.com/Big-Government/2013/09/10/Parents-Refused-Right-To-Opt-Out-Of-Children-s-Private-Data-Sharing

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personal data