

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1236 (Delegate Lee, *et al.*)
Health and Government Operations

State Government - Demographic Data Collection - Asian Americans and Pacific Islanders

This bill requires a State unit that collects ancestry or ethnic origin demographic data to use separate collection categories for each major Asian group and each major Pacific Islander group. In addition, the Department of Labor, Licensing, and Regulation (DLLR); the Governor's Office of Community Initiatives; and the Maryland Commission on Civil Rights are required to use additional specified collection categories for major Asian groups and Pacific Islander groups. A State unit must include the data collected under the bill in every demographic report on ancestry or ethnic origins of State residents that is published on or after July 1, 2013. Beginning July 1, 2013, and each year thereafter, a State unit must post any data collected under the bill on its website.

Fiscal Summary

State Effect: Potential significant increase in expenditures for State agencies to collect, maintain, and report information using additional demographic categories required by the bill. Additional one-time costs to upgrade data collections and reporting systems could total approximately \$9.5 million in FY 2013, based on responses from three State agencies; with annual ongoing expenditures totaling approximately \$321,000.

Local Effect: Local school boards, local workforce investment boards, and other local entities that collect demographic data for State agencies will incur increased expenditures associated with database programming and reporting of demographic data.

Small Business Effect: Small businesses that provide database programming services, especially regarding collection and maintenance of demographic information, to State and local governments may benefit from increased consulting revenues.

Analysis

Bill Summary: Each State unit that collects demographic data must use separate collection categories for each major Asian group, including: Chinese, Asian Indian, Korean, Filipino, Vietnamese, Japanese, Cambodian, and Laotian. Each State unit must also use separate collection categories for each major Pacific Islander group, including: Native Hawaiian, Guamanian, and Samoan. In addition, DLLR, the Governor's Office of Community Initiatives, and the Maryland Commission on Civil Rights must use the following additional major Asian groups as collection categories: Bangladeshi, Hmong, Indonesian, Malaysian, Pakistani, Sri Lankan, Taiwanese, and Thai; and the following additional major Pacific Islander groups as collection categories: Fijian and Tongan.

Within 18 months after the 2020 decennial U.S. census is released to the public, DLLR, the Governor's Office of Community Initiatives, and the Maryland Commission on Civil Rights must update the data collection categories to reflect the additional Asian groups and Pacific Islander groups as they are reported by the U.S. Census Bureau. A State unit must make the data collected under the bill available to the public. The data that is made available to the public may not include any personal identifying information.

Current Law: The federal Office of Management and Budget (OMB) revised standards for the collection and reporting of racial and ethnic data in October 1997. This included expansion of the minimum set of racial categories by separating the category of "Asian or Pacific Islander" into two separate categories: one for "Asian" and one for "Native Hawaiian or Other Pacific Islander." The other categories in this minimum set are "American Indian or Alaska Native," "Black or African American," and "White."

Background: The U.S. Census Bureau expanded its collection of demographic information about race and ethnicity for the 2010 census. The question on race allowed respondents to write-in their race or to choose from 15 response categories, of which 7 were Asian groups and 4 were Pacific Islander groups. As with the 2000 census, respondents were allowed to choose more than one race.

In 2010, 5.5% of Marylanders were Asian and 0.1% of Marylanders were Pacific Islander. Individuals of Asian Indian descent comprise 25% of all Marylanders of Asian descent, and individuals of Chinese descent comprise 21% of all Marylander of Asian descent. The majority of other individuals of Asian descent were of Korean, Filipino, Vietnamese, Pakistani, Japanese, Taiwanese, Thai, Burmese, Bangladeshi, Nepalese, or Sri Lankan heritage.

In 2011, California enacted legislation that requires each state agency, board, and commission that collects demographic data to use separate collection categories for each major Asian and Pacific Islander group, including, but not limited to, Chinese, Japanese,

Filipino, Korean, Vietnamese, Asian Indian, Hawaiian, Guamanian, Samoan, Laotian, and Cambodian. Based on the 2010 census, Asians comprise 13% of the total population in California.

State Fiscal Effect: State agencies will be required to expand demographic collection categories for purposes of data collection and reporting. Of the State agencies that provided a fiscal estimate for this bill, one indicated minimal or no impact (Maryland Department of Planning); and four indicated significant fiscal and operational impact (Department of Labor, Licensing, and Regulation; Department of Health and Mental Hygiene; Department of Budget and Management; and the Maryland State Department of Education). The Maryland Commission on Civil Rights was unable to determine the fiscal impact of the proposed requirement on commission expenditures. Based on agency responses, additional one-time costs to upgrade data collection and reporting systems could total approximately \$9.5 million with annual ongoing expenditures totaling approximately \$321,000.

Maryland Department of Planning

The Maryland Department of Planning (MDP) advises that it does not collect information on Asian populations and is not mandated to generate reports which would require detailed data on the Asian populations, and therefore, MDP is not affected by the bill. MDP is a recipient of census data (including demographic data on race and ethnic origin) through a joint statistical agreement with the U.S. Census Bureau's National State Data Center Program.

Department of Labor, Licensing, and Regulation

The Workforce Development and Adult Learning Division within DLLR operates the Maryland Workforce Exchange, an online job portal designed for job seekers, students, and employers. During registration, users are asked to voluntarily provide certain information regarding race and ethnicity. DLLR advises that all aspects of the Maryland Workforce Exchange, including its design, content, and implementation, are federally funded. DLLR anticipates that it will be unable to use federal resources to implement changes under the bill and indicates that federal law may prohibit such changes from taking place. However, if more precise data must be collected and reported, significant State funding will be needed.

Department of Health and Mental Hygiene

The Vital Statistics Administration within the Department of Health and Mental Hygiene advises that it will need to update birth, death, and fetal death forms; data collection systems; and data reports in order to collect additional demographic information. The

Vital Statistics Administration finds that the following actions and related expenditures will be required: programming changes to the software used to collect, store, and analyze data (\$100,000 one-time expenditure); preparation of new forms for printing copies of records (\$1,000 one-time expenditure); additional staff time to prepare the new data required in reports; additional fees for the contractor who keys death data (\$15,000 annually); and additional fees for printing reports due to the increased size of reports that would include more detailed race data (\$6,000 annually).

Department of Budget and Management

The Department of Budget and Management advises that to include additional demographic categories in the State Personnel Management System's recruitment/selection software will cost \$100,000 with an additional \$2.5 million being needed to modify all related reports. An estimate of expenditures for subsequent years is not available at this time.

Maryland State Department of Education

The Maryland State Department of Education (MSDE) reports on race and ethnicity categories based on U.S. Department of Education guidelines and federal law. MSDE advises that capturing and reporting additional data on national origin for the additional Asian and Pacific Islander categories will impact data collection from local education agencies, assessment vendors, and any other data source that provides data to MSDE for students and educators. MSDE advises that it captures individual student and teacher data from all 24 local school systems at multiple times during the school year.

There are approximately 12 computer applications that handle the data. As examples, data sets on student attendance; on suspension and discipline of students; on each student's courses, grade, and teacher; and on school staff all include race and ethnicity information. Each of the 12 computer applications will need to be modified to capture the new data fields required under the bill. The Maryland Longitudinal Data System (MLDS), Education Data Warehouse, and five additional computer systems and 42 dashboards being developed under the Race to the Top (RTTT) grant are impacted by the proposed legislation.

MSDE estimates that \$6.8 million in contractual expenditures will be required in fiscal 2013. The estimate is based on procuring three vendors for each system for a period of 16 weeks to make the changes for 17 systems (12 plus 5 RTT systems) along with a team of technical consultants to modify the Education Data Warehouse and Maryland Longitudinal Data System. MSDE estimates that, based on existing contracts for support and maintenance of database systems, an additional \$300,000 will be expended in each

subsequent year. Legislative Services finds that to the extent necessary database changes are similar across systems, MDSE expenditures may be substantially lower.

Maryland Commission on Civil Rights

The Maryland Commission on Civil Rights advised that it does not collect data at the level of detail required by the bill and would have to either obtain or develop the capacity to capture the information. The commission was unable to provide an estimate of needed expenditures.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning; Maryland State Department of Education; Department of Health and Mental Hygiene; Maryland Commission on Civil Rights; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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