With the initial Memorandum of Agreement (MOA) nearing final signatures and the newly revised regulations to FERPA going into effect, the time has come to begin a serious conversation about what a governance structure might look like for the multistate data exchange. It has always been the intent that the role for WICHE (along with SHEEO and NCHEMS, its partners on this project) would take on a more directive bent and more active leadership for the data exchange during its development period than would be the case in the longer term. Our goal has always been to make it possible for participating states to assume ownership of the data exchange. Essential to that end is to consider both sustainability and governance.

One task is to create a governance document that states, through their relevant agencies, could ratify. Such a step would put participating states fully in the driver's seat with respect to how the data exchange operates, who manages the exchange's activities, what data are collected under what procedures, and to what purposes the exchange is put. If we are successful in forging a long-term governance structure, WICHE stands ready to transition into more of a management role, in which it – based on the wishes of the governance body – convenes meetings, manages contracts that allow for data to flow among participating states, serves as the credible third-party responsible for delivering periodic aggregated reports, and so on.

The second major linchpin for the long-term success of this exchange is a sustainability plan to fund its activities. The current economic climate presents a serious challenge to sustainability after the original grant ends, so clearly there needs to be some advance planning. Options include support by participating states on the basis of a "membership fee," user fees based on levels of utilization, and probably many others. Determining the required amount of support, in turn, will require modeling what the exchange would cost to continue operation and how frequently to exchange data, produce reports, etc. (i.e., would states need data exchanged and aggregated reports generated on a semi-annual, annual, bi-annual, or some other schedule?) In any event, it will be important to have a more tangible sense of the value of the data exchange before any definitive decisions can be made about how the project will be supported and at what level in the years to come. Some evidence will be provided through the MOA and the associated merging of data that is currently in the final stages of negotiation.

Sustainability and a reasonable governance structure are inextricably linked. The data exchange project to date has benefited from the active involvement of key personnel in every relevant education and workforce data agency in all four participating states. During the data exchange project's initial meeting, representatives from participating state agencies acknowledged that, over time, the data exchange activities would need to be governed by a smaller body of individuals who could be empowered to represent the interests and perspectives not just of themselves, but of others within their states or sectors. At the time, participants urged us to continue to convene the full group during the "development phase" of the project in order to build trust and so that each could ensure that the project was proceeding along a productive and useful path. While we hope we have created the conditions for the necessary trust to be built, we would agree that we still have work to do to realize our first exchange of data among states and sectors. So we aren’t suggesting that we’re ready to move beyond this
“development phase” just yet and we do not intend to start restricting invitations to our planning meetings. But in keeping with the sense of the group from our first meeting, we believe the time has come to start discussing how we might begin to transition toward a smaller body of representatives that would eventually take formal ownership of the exchange and of putting its governance principles and rules into implementation. This document is a first attempt to put some ideas down for reaction. After these ideas evolve and find acceptance through discussion, they can be adopted as a set of formalized governance documents.

Principles (drawn from documents put together for and generally agreed upon after discussion at the first two meetings) include:

- The exchange will be fully FERPA-compliant and compliant with all relevant state and federal statute and regulations.
- The exchange will not involve any new data collection.
- The process for producing any aggregated reports will be transparent.
- Consistent interpretation of data is necessary to provide meaningful reporting, which requires common definitions or agreed-upon translations.
- Data in the exchange are not primarily intended for accountability, which remains the responsibility of the states. They also are not intended to replicate institutional, transactional-based systems or the individual state’s own data systems.
- The analytical focus will be on transition points and student success.
- The multistate data exchange is intended to be a service to the states, helping them to incorporate information about relevant human capital development and mobility beyond their state lines into their understanding of those processes internally.

Governance structure: Three related bodies are proposed.

1. A steering committee: this will be the largest group and the one in which authority is legally vested. The steering committee will have responsibility for: selecting the contractors to manage the exchange on their behalf (i.e., convening the board, tracking its finances, overseeing subcontractors, etc.), fiduciary management, implementing the governance documents and approving modifications as needed, approving expansion to other states, ensuring that representation is provided by participating states.

We propose that appointments to the steering committee be made collectively by the heads of sectors (those with authority to sign the MOA) in a state. This would imply that representatives come from the state agencies rather than from the legislature or from lay sources. Given that the ownership of data remains vested within each state agency, this does not seem unreasonable. Steering committee members would be appointed for three-year terms and could be recalled at any time, with the replacement serving out the original representative’s term (rather than getting a fresh three-year term of their own).

Effective representation on the steering committee will engage two overlapping communities of interest: one based on state context and one based on the sector an agency has responsibility for. All sectors and states must be represented, keeping in mind that the number on the committee cannot become so unwieldy that the exchange cannot be effectively governed or sustained, especially if
more states come aboard over time. The steering committee can meet in person or electronically once annually, perhaps concurrent with the release of an annual aggregated report (remember that costs for in-person meetings will be real costs that must be paid once grant funding ends). For example, the overlapping communities of interest, as depicted in Figure 1 below, suggest that an individual situated in the University of Hawaii system might find common interests both with her peers in Hawaii from the K-12 and workforce segments, as well as common interests with her colleagues from the postsecondary communities in Idaho, Oregon, and Washington.

### Figure 1

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<th>K-12</th>
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Figure 1 suggests that effective governance of the data exchange requires the interests of both states and segments must be represented. Thus, every agency, depicted here as cells, should be represented by at least two individuals, one that shares an agency’s state context and one that shares its sector-based context. Individuals with responsibility for making decisions for the data exchange must consult carefully both with their colleagues in their own states and their counterparts in their sector from other states. In order to ensure that such representation exists, the steering committee may elect to invite one representative from any segments that are not included in the normal process of selecting members. In other words, if every state opts to appoint its member from the ranks of the postsecondary community, then the assembled steering committee may invite one individual each from the K-12 and workforce segments to ensure their respective interests are represented on the committee.

Among the many important aspects of difference that this oversimplification obscures is the wide disparity in interests within the postsecondary community among two- and four-year institutions, as well as private colleges and universities located within the states. We certainly think it’s possible, and maybe necessary, to use finer distinctions for defining the community of interest on the sector dimension. The temptation to do so must be weighed against the project’s status as a pilot and the expressions of some participating pilot states that more states might eventually be invited to join the data exchange, at which point they would rightfully expect to have a governance role as well. Nevertheless, there may come a day when the steering committee opts to delegate its authority to an executive council comprised of members selected from the steering committee’s wider membership. The executive council may be better positioned to make decisions about the management of the exchange in the interim between steering committee meetings.

2. A policy advisory and data access group: this group will consist of appointments made by the steering committee. The policy advisory group would serve to inform the data exchange’s steering committee and WICHE about the research agenda for the data exchange. It would also assist with interpretations of analyses and monitor changes in the data collection activities of states to ensure that the data exchange is meeting the needs of the education and policy communities. It would also
advise on how to make data available to the broader public, a duty under which the steering committee might give approval authority to this group for requests for access to data from outside researchers.

Members of this group need not be members of the steering committee, nor must they be representatives from the state agencies involved. Likely members would be drawn from: state agency leadership, legislative staff members, governor’s staff members, and leaders from organizations that directly serve individuals (such as schools, school districts, or institutions). Appointments would be staggered and be for a length of 3 years as long as the member was retained in their professional position. In an effort to keep the size of this group reasonable, members might be appointed by each participating state agency, from which group the steering committee selects no more than nine. In making appointments, the steering committee should take into account the extent to which its own representation is tilted in favor of one segment or community over others (i.e., postsecondary having disproportionate influence). Intentionally appointing individuals from the other communities to the policy advisory group in greater numbers is one way any perceived bias could be partially addressed.

3. A technical advisory group: this group would assist the steering committee and WICHE in sorting through the technical issues of data exchange. It would be a critical resource for ensuring compliance with privacy protections and security issues. It would have an intimate understanding of the data being collected and matched in the exchange and advise on making appropriate derivations for analysis variables.

Like the policy group, members of the technical advisory group need not be members of the steering committee, but they would need to have detailed knowledge of how data are collected and matched in the exchange. That means they probably would be staff members at participating state agencies, likely with direct responsibility for data an agency collects, stores, and analyzes. WICHE proposes that members of this group serve like the policy advisory group members with staggered three-year terms and with only a small membership.