

Building Effective Communications Around Student Data Privacy—Executive Summary

In Spring 2017, a team of graduate students from the School of Public Policy and Management at Carnegie Mellon University, H.J. Heinz III College (Heinz College) examined current practices of a select group of education technology (EdTech) startups in the K-12 space around student data privacy issues. Through a series of semi-structured interviews, the team explored how each startup develops public-facing communications regarding data use, privacy, and security policies. From analyzing the findings, the team garnered key insights and identified themes, which were used as a foundation for developing recommendations to the industry on building effective communications around student data privacy issues.

Objectives

- ❖ To capture the status quo of how nascent EdTech startups interface with stakeholders about student data privacy practices; and
- ❖ To report findings and identify best practices for communications about student data privacy to key players in the EdTech industry.

Team

Six second-year candidates of the Master of Science in Public Policy and Management program at Heinz College were members of this team. They included Niels Smith, Mandi Prichard, Elizabeth Martin, Daisy Huang, Flora Horvath, and Joseph Babler. They were advised by a panel of subject matter experts and a faculty advisor.

Methodology

In fall 2016, the team initially developed a problem statement about student data privacy and commercialism in schools in the United States to use as a starting point for conducting a comprehensive literature review of over 135 articles (Figure 1) and refining the project objective.

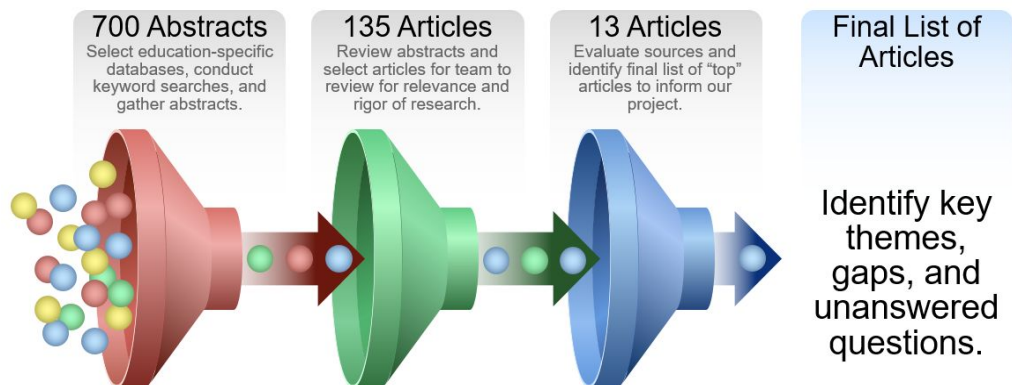


Figure 1. Literature Review Process

After initial research and consultation with an advisory board of subject matter experts, the team worked toward defining the project's objective, scope, timeline, and deliverables. Employing a qualitative case methodology, the team examined the current practices of a select group of emerging startups in the K-12 space, including how they develop public-facing communications regarding their data use, privacy, and security policies. The intent was to find best practices regarding how emerging EdTech startups relay data privacy practices to the public and achieve meaningful transparency with stakeholders. Using a merged database of startups that combined startup information from multiple sources, our team filtered 450 known EdTech startups down to a list of 120 EdTech startups and then selected 18 finalists based on criteria such as student data privacy risk, staff size, reputation, revenue growth, customer base, and value proposition (Figure 2).

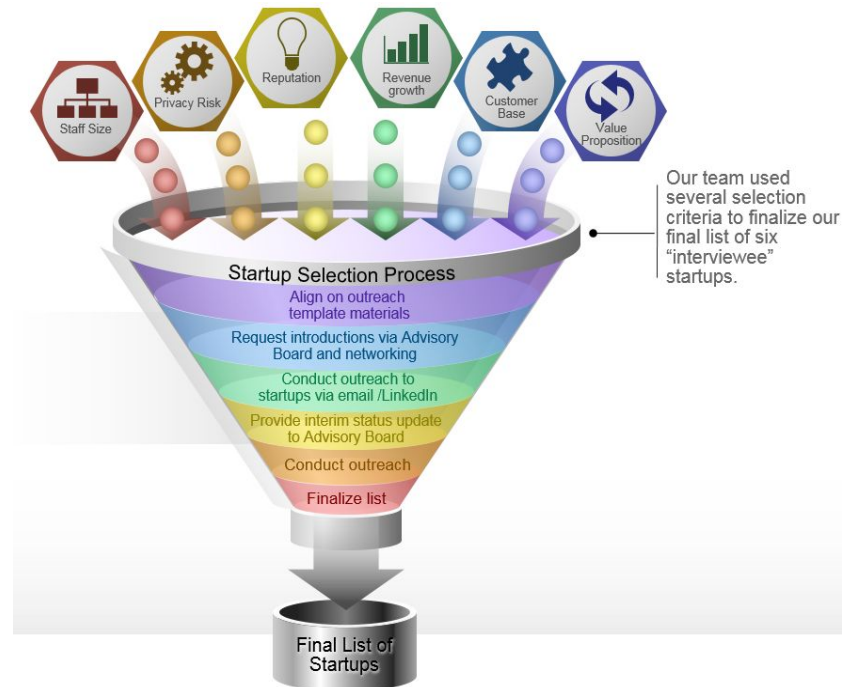


Figure 2. Process for Selecting EdTech Startups

After a few weeks of standardized communications outreach and recruiting, six startups ultimately agreed to participate in this project, sitting for multiple hour-long interviews with one to three staff about their privacy practices and communications. Since the team had a limited sample of six startups, the report about this project’s findings aimed to be exploratory, rather than empirically conclusive.

Key Findings

- ❖ Beyond complying with federal and state-level requirements, EdTech startups do not prioritize student data protections, as compared to customer acquisition and product development in their first five years.
- ❖ Due to factors such as limited resources and little demand from customers, EdTech startups do not establish formal strategies around public-facing communications about student data privacy for external stakeholders.
- ❖ Most EdTech startups use an open source, standardized privacy policy as a foundation for informing users about student data practices, which is customized as they scale up. Common practices include borrowing and/or adapting sections from competitors’ privacy policies, as well as adding in sections based on customer demand and changes in federal or state-level requirements.
- ❖ Concerns about complying with privacy regulation and guidance do not seem to inhibit innovation at EdTech startups.

Recommendations

- ❖ In a rapidly evolving industry landscape, the process of improving privacy practices and communications in EdTech startups should be dynamic, as opposed to one-time or periodic.
- ❖ As EdTech startups scale up, they should encourage a shared responsibility for staying vigilant about changing technical standards across team members, increasing awareness of data security practices and instilling a culture of respect for sensitive student data in staff.
- ❖ Instead of taking a piecemeal approach to developing privacy practices over time, young startups should consider building front-end processes and standards that guarantee evolutionary flexibility downstream.

- ❖ EdTech startups should resist collecting or storing unnecessary student data and establish strong internal controls to preclude doing so.
- ❖ EdTech startups should consider using strong and proactive public-facing communications about student data privacy as a product differentiator to stand out among competitors.

Further, these cases offer important lessons for others within the EdTech ecosystem:

- ❖ *For investors:*
 - A theme emerged among these interviews about a perceived lack of meaningful interest about student data privacy from investors. The team views this as a missed opportunity for everyone involved and recommends that investors consider systematically assisting startups in ensuring strong privacy practices.
- ❖ *For school districts:*
 - School districts were the greatest force for our startups to change their privacy behaviors. The team believes that more research needs to be done assessing whether school districts across the U.S. are capable of examining the technology that comes into their schools.

Potential Sources of Error

- ❖ *Response rate from prospective startups*
 - When initially reaching out to startups, not every startup responded or agreed to participate that we had initially chosen. It is possible that startups with serious problems related to privacy communications or standards simply opted themselves out of our review. This may have affected the measured value of findings or skewed conclusions to be more optimistic than they otherwise would be.
- ❖ *Digital Recording or transcription of interviews*
 - To ensure the privacy of the startups the team interviewed, the team did not record and/or transcribe the interviews, which prevented use of qualitative coding techniques to limit interview bias and interpretation in final results. To compensate, team members took comprehensive notes during each interview, talked regularly across research teams to facilitate a common understanding, and collaborated closely on writing final results.
- ❖ *Standardization across interviews*
 - While each two-person research team utilized the same moderator template when conducting interviews, factors like differences in follow-up questions, clarifications during the interview, and the organic flow of conversation likely led to some differences in tone and emphasis in interviews.

Conclusion

The team proposes that implementing these recommendations will benefit startups, customers, and district and school-level stakeholders in the EdTech space. By employing a more proactive strategy to student data protection from day one, EdTech startups can position their vigilance as a key differentiator for their product, capture a broader market share, and share in the responsibility for protecting sensitive student data.

For more information or a copy of the report, please contact studentdatacmu@gmail.com.