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FISCAL IMPACT REPORT

ORIGINAL DATE 2/27/19

SPONSOR HJC LAST UPDATED 3/06/19 HB 173/HJCS/aHAFC

SHORT TITLE Child and Family Databank Act SB _____

ANALYST Courtney/Klundt

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	See Fiscal Implications	See Fiscal Implications		

(Parenthesis () Indicate Revenue Decreases)

House Bill 173 originally duplicated Senate Bill 202. Both bills have committee substitutes and no longer duplicate one another therefore the committee substitute for HB173 (CS173HJC) now conflicts with the committee substitute for SB202 (CS202SJC) as these two substitutes are different from one another.

CS173HJC relates to other bills calling for collection and use of integrated data across state agencies including House Bill 88 (Senate Bill 101 duplicate) and House Bill 267. LFC staff were recently asked to provide additional information on existing proposals for integrated data systems which is included as an attachment (Attachment A)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth, and Families Department (CYFD)
 Department of Information Technology (DOIT)
 Human Services Department (HSD)
 Department of Health (DOH)
 Administrative Office of the Courts (AOC)

Responses not received from

Office of the Governor (GOV)
 Public Education Department (PED)

SUMMARY

Synopsis of HAFC Amendment

The amendment removes the appropriation of \$3.738 million previously contained in this bill.

Synopsis of Bill

The House Judiciary Committee Substitute for House Bill 173 appropriates \$3.738 million from the general fund to the Office of the Governor in FY20 to establish a Child and Family Databank Commission (Commission) for the purposes of creating a commission, mandating data sharing across agencies, and developing a governance process to share and access administrative data for research and evaluation. HB173HJCS creates a 17 member commission, administratively attached to the Office of the Governor, that would be responsible for selecting a database host, establishing a data management and governance process, managing the databank, and facilitating evaluation and analysis. The commission would consist of agency secretaries, members of the public, advocacy organizations for underserved communities, and others. In addition to establishing a commission, the bill calls for an executive director, staff, or a qualified nonprofit entity to carry out the charge of the committee. The bill provides guidelines for creation of the Commission and for hiring or contracting of staff and services by the Commission. The Commission would also be tasked with promulgating rules, selecting a databank host, charge reasonable fees for various tasks related to data management and analysis, and ensure data provided by agencies can be used and made available to agency staff, researchers, and other public and private partners.

The bill requires data sharing for seven agencies (Department of Health, Human Services Department, Children Youth and Families Department, Public Education Department, Corrections Department, the Administrative Office of the Courts, and the New Mexico Sentencing Commission) absent specific legal prohibitions. Provisions for sharing data would be put forth in memorandum of agreements with agencies that are being required to share data. The bill also identifies specific datasets or programs that must be shared with the databank. The bill also sets forth provisions for treatment of data and data protection. The bill also calls for databank policy officers to be hired by four of the seven aforementioned agencies (DOH, HSD, PED, and CYFD) for the purpose of coordinating with the Commission and addiciting with identification of datasets to include in the databank. The Commission would provide funding for these four officers.

The Commission would require that any researcher seeking to use Databank data provide a summary of its findings for publication on the Commissions website. Additionally, state agencies would not be able to prevent publication of findings in the case of disagreement. Agencies retain ownership of their original datasets. In the case sharing of data is prevented by law the bill requires agencies to work with the Commission to work toward supplying a dataset by making edits, deletions or adding additional protections. The bill also does not allow for redisclosure of information that conflicts with law, making such an occurrence a punishable misdemeanor.

FISCAL IMPLICATIONS

The general fund FY20 appropriation of \$3.738 million is to the Office of the Governor, and any

unexpended or unencumbered balance remaining at the end of FY21 would revert to the general fund. According to New Mexico Appleseed (see attached) the appropriation would be split evenly between FY20 and FY21. The appropriation contained in this bill is a recurring expense to the general fund assuming the proposed Commission would continue to operate past FY21. The ongoing budget past FY21 would likely be \$1.9 million a year from the general fund.

The executive FY20 budget recommendation includes a \$1.9 million special appropriation for a child services database to the Children, Youth and Families Department whereas the Legislative Finance Committee (LFC) recommendation does not include such an appropriation. Since the bill attaches the Commission to the Office of the Governor, the special appropriation should also reflect this and not the Children, Youth and Families Department.

The bill gives the Commission authority to charge “reasonable fees” for a number of tasks involving the development of research projects, conducting of research, and data management and analysis. Collection of these fees would likely result in some revenue, however without a fee schedule or assessment of likely use, a revenue estimate for these fees is currently incalculable. Note that entities contributing data to the databank would not be subject to fees. Some agencies express concerns with the need for additional resources, which is discussed in the next section “SIGNIFICANT ISSUES.”

SIGNIFICANT ISSUES

Significant issues raised by agencies fall into three categories:

- Concerns with duplication of existing efforts and need for coordination with ongoing integrated data system efforts including ECIDS and HHS2020;
- Concerns with confidentiality of personally identifiable information; and
- Concerns about lack of existing resources to meet requirements set forth in the bill including concerns about the appropriation to the Commission not being sufficient.

Integrated data systems. New Mexico state and local government entities provide valuable services to citizens but often do not coordinate or share data. Integrating data across agencies and data systems is a strategy that can better inform performance management, program evaluation, cost-benefit analysis, and policymaking. Integrated data systems link individual level data from multiple agencies, such as schools, law enforcement, and human services. Integrating data across agencies and data systems is a tool that can better inform performance management, program evaluation, cost-benefit analysis, and policymaking. State and local integrated systems sites around the country have demonstrated ongoing effective and efficient improvements in public administration while improving public trust and protecting personal data. The Actionable Intelligence for Social Policy (AISP) provides several examples of government entities using integrated data systems identify system issues such as multi-system involved individuals and heavy system utilizers, and to address these issues with tailored solutions such as targeted prevention or evidence-based intervention. AISP also identifies a number of best practices critical for an integrated data system to be successful, including establishing data governance, addressing legal issues and data security, managing data and analytic protocols, and securing long-term support for operations. Sharing of data across agencies also brings ethical concerns around data usage and privacy.

HB173 addresses a number of these best practices through the work of a 17 member Child and Family Databank Commission, Commission staff, state agency staff, and other entities (see

Attachment B for Appleseed proposal and budget). However, the Legislative Finance Committee’s (LFC) FY20 Policy and Performance Analysis (Volume I) states New Mexico’s experience with implementing integrated data systems has had limited success.

Previous or ongoing New Mexico efforts in building integrated data systems. New Mexico state government have attempted, or are attempting, to build at least four integrated data systems. However, each system has run into problems with implementation.

- P-20 Data System: Data governance established, however the statutorily created Data System Council stopped meeting and the system has not been built.
- Early Childhood Integrated Data System (ECIDS): Funded by the Race to the Top grant, the ECIDS effort is behind schedule, is not being implemented as originally intended, and the Department of Information Technology’s (DoIT) Project Certification Committee has held off on project closeout pending an update from ECIDS partner agencies.
- Medicaid Management Information System Replacement (MMISR): A \$176 million information technology project utilizing data integration to support the HHS2020 initiative. The MMISR project is currently rated as red by the LFC information technology status report, meaning significant issues limit success of the project¹.
- Advanced Data Analytics Project: The Taxation and Revenue Department is in the process of implementing phase one of an analytics platform to provide increased fraud detection and audit selection capabilities. With a current investment of \$1.15 million, results and outcomes will not be realized until sometime next fiscal year.

Concerns with duplication of efforts and coordination. CYFD expresses concerns with potential duplication of existing efforts. CYFD also has concerns around lack of departmental resources and technology constraints, which may limit their ability to meet the requirements, set forth in the bill. The agency also noted that NMSA 1978, Section 32A-2-26 currently requires juvenile records to be sealed although statute provides the use of these records for research and reporting purposes. CYFD notes that the agency could not comply with the data requirement for Head Start and Early Head Start as CYFD does not oversee or collect student level data from Head Start as Early Head Start programs. It should be noted that CYFD does collect data for these programs on the provider level. In part, CYFD states:

“The Early Childhood Services Division of CYFD is already collaborating with the Public Education Department and the Department of Health to align, coordinate, and share early childhood data. The Early Childhood Integrated Data System (ECIDS) incorporates both a unique identifier and a data warehouse with de-identified data for reports, data visualization, and decision-making.

The ECIDS duplicates components of the databank described in this bill. At this time, ECS does not have the resources available to develop new data processes or new data sets, which may be called for as a result of this bill. There are additional issues about the potential for privacy violations, which can lead to participants’ concerns for the privacy of their information, and result in families being reluctant to participate in state-funded programs that help keep their families safe, or enroll their children in programs that

¹See FY19 Q1 Report

Card: https://www.nmlegis.gov/Entity/LFC/Documents/Agency_Report_Cards/IT%20Project%20Status%20FY19%20Q1.pdf

prepare them for later in life. Finally, although the bill specifically requires CYFD/ECS to report Head Start data, CYFD/ECS does not oversee Head Start programs and does not collect Head Start data. These programs are funded directly by the Federal Government. CYFD/ECS will not be able to comply with this requirement of the bill.

CYFD/JJS data systems do not easily lend themselves to data integration with other data management systems and require multi-step processes to gather and manage the data.

While the bill does make modifications to the Children’s Mental Health and Developmental Disabilities Act, it does not make modifications to the NMSA 1978, Section 32A-2-26 statute governing the sealing of juvenile records. All Juvenile Justice cases are subject to automatic sealing either once the youth reaches age 18 or the expiration of disposition is reached, whichever occurs later. As data being submitted to the databank must include individual identifiers so that the data can be accurately linked to other datasets, modifications to 32A-2-26 or 32A-2-32 (Confidentiality), records may be required in order for sealed case data to either be submitted to, or to subsequently remain, in the databank.”

Regarding duplication, the Databank would focus on the family unit and service usage throughout the system whereas ECIDS focused on early childhood data and MMIS is focused on updating the Medicaid system. Moreover, the Databank would contain historic administrative data, which would not be subject to some of the necessary technical support that a live federated database would need. It is likely that work on these existing systems could be leveraged for the Databank effort as both the HSD secretary and CYFD secretary would serve on the council.

HSD expresses concerns that the proposed integrated data system significantly overlaps with agencies and datasets that are a part of an ongoing effort to establish an integrated data system for human service agencies known as the HHS2020 initiative. HSD suggests the bill could be modified to take advantage of ongoing related efforts such as the MMISR project. It should be noted that the HHS 2020 initiative does not include the Public Education Department, the New Mexico Sentencing Commission, or the Administrative Office of the Courts. HSD states:

“HB173 mandates the creation of an integrated data system, the composition of which significantly overlaps the agencies and data sets that are part of the HHS2020 initiative. Agencies mandated to transfer data annually to the Child and Family Databank include the Human Services Department (HSD), Department of Health (DOH), and Children, Youth, and Families Department (CYFD). These agencies are already participating in the HHS2020 initiative. At minimum, the commission will require HSD to transfer the following data no less than annually, and charge HSD and other departments for use of data from the Databank:

1. Demographics relating to recipients of medical assistance;
2. Medicaid data, including both fee-for-service and managed care organization data and children's health insurance program claims data; and
3. Data from the following programs:
 - a. the supplemental nutrition assistance program (SNAP)
 - b. cash assistance programs
 - c. utility payment assistance programs
 - d. child support enforcement
 - e. behavioral health services

As part of the Medicaid Management Information System Replacement (MMISR) project, HSD has engaged with IBM to implement the Data Services module of MMISR. The Data Services Module software is expected to be online at the end of FY 2021 and will be available for consideration for use by HHS2020 affiliated agencies. A Data Governance Council, consisting of representatives from HSD, DOH, CYFD, and other participating agencies has been chartered and is responsible for establishing the processes, by which the HHS2020 modules will link, store, maintain, receive, share and securely protect data. The bill could be modified to take advantage of this federal and state fund investment and the data sharing governance in place for the MMISR.”

DOH expresses concerns that the bill does not address alignment with current data systems.

“HB173JCS does not address alignment with current data systems or projects, especially those leveraging federal or outside resources for data purposes. The Child and Family Databank should be aligned with projects that are already in development that are also designed to support integrated data systems and improved agency data sharing. HB173JCS contains new language requiring the Commission to use federal funding when possible, and to seek grants to support operations. This language may ensure that there is a mechanism in place to facilitate the sustainability of the databank and its operations long term.”

Concerns with confidentiality. DOH expresses concerns about the potential of the databank being hosted at an agency outside of DOH, as they believe it would limit their ability to share certain data. DOH also expresses a desire to align the Databank efforts with other existing integrated data system efforts.

“HB173JCS removes language that specifically identified NMDOH as a possible databank host under the Child and Family Databank Act. If NMDOH is not the databank host, there may be an issue with sharing individual record-level data, which is needed for linkage from the Hospital Inpatient Discharge Database (HIDD) because of provisions of the Health Information Systems Act. In addition, there may be an issue with sharing record level vital records data because of provisions of the Vital Records Act. Other state agencies may also encounter restrictions in data sharing; particularly record-level data, especially if the databank host is not a state agency. However, HB173JCS has been improved by adding language that would require state agencies to share data if available and legally permissible (page 13, line 25 through page 14, line 2). The requirements regarding the specific data to be shared by each state agency in Section 7 of the bill do not take into account any exceptions based on legal restrictions or availability like the language in subsection A; this could be interpreted to mean that agencies are required to provide these data despite possible restrictions. HB173JCS contains new language requiring record-level administrative data, but also allows an exception if the data are unavailable (page 14, section 7, subsection B). This is a key change since some agencies, including NMDOH, may not collect or hold certain record-level administrative data. In Section 7.E.(7) there is a requirement that “Family, Infant, Toddler program participation information” be shared by NMDOH. There is no description or definition of FIT program participation information. Data from other programs is stated as “data,” rather than “program participation information.” What is meant by “program participation information” requires further definition. The addition

of the Secretary of Aging and Long-Term Services to the Commission allows for representation of across the full life spectrum, however, Aging is not required to submit data, although the Department may have relevant programs. The addition of the Secretary of Information Technology to the Commission addresses the need to ensure security of state agency data and facilitate integration across agencies.”

CYFD offers concerns with creating datasets or reports beyond what is already created and a concern that the bill would delay progress toward the replacement of their child welfare system. CYFD states:

“There are additional issues about the potential for privacy violations which can lead to participants’ concerns for the privacy of their information, and result in families being reluctant to participate in state-funded programs that help keep their families safe, or enroll their children in programs that prepare them for later in life.”

In July 2018, the Children, Youth and Families Department submitted its intent to transition to a CCWIS system. The commission seeks to offset costs by charging a “reasonable fee” for use of the databank. Agencies represented on the commission will have a lower fee. The bill addresses confidentiality issues, which in child welfare are paramount. All information in child abuse and neglect cases is statutorily protected to ensure confidentiality. CYFD currently shares data in aggregate form with the Federal government. It has memorandums of agreement to share data with Department of Health regarding child fatalities; with the Human Services Department regarding claims for children in foster care; with the Administrative Office of the Courts for data sharing on court cases; and with the Public Education Department for free lunch and academic progress. However, the data sharing that exists is antiquated as the Management Information System for CYFD does not allow for a bi-directional sharing of information. There could be significant delays in the transmission of data. The agency is in the process of transitioning its system. The agency would have concerns that the Data Bank Commission might delay resources or progress toward this new system.”

Concerns with resources. The Department of Information Technology (DoIT) expresses concerns that the appropriation may be insufficient. DoIT states:

“The scope of HB 173 is broad. As such, the Commission would be challenged to define data elements that would be commonly useful to such a wide array of stakeholders unless further focus is provided to near term objectives of the Act. This could be addressed by the commission. A project of this scope requires discovery and project initiation tasks. \$3.7M appropriated across FY20 and FY21 may prove insufficient given the scope of the personnel and technical ambitions outlined in the bill. Also, the Act does not provide for ongoing maintenance and support costs of the system, however the bill does allow the commission to charge reasonable fees to recoup its costs. This may alleviate the financial burden of keeping the system maintained. The named agencies that will comprise the commission each have discrete governance concerns that may or may not overlap.”

CYFD states:

“The cost of supporting a single data policy officer, split across four agencies, is sufficiently minimal that CYFD can absorb this through existing resources. However, any

requirement to contribute datasets above and beyond those already reported to the federal government will have an additional fiscal implication, currently incalculable, and expected to grow as the identification of relevant data expands the datasets being provided.”

“At this time, ECS does not have the resources available to develop new data processes or new data sets which may be called for as a result of this bill.”

AOC states:

“Within the AOC, the Judicial Information Division is responsible for the automation and data and case storage and retrieval in the New Mexico state courts. If JID is required to create an additional system for data sharing with the commission or to modify its current system, the costs and burden to the courts will be significant. While the HJC sub for HB 173 appropriates \$3.738 million to the Governor’s Office to establish the commission and the databank and to implement the provisions of the CFDA, there is no specification as to how the appropriation will be allocated to the affected agencies.”

The bill explicitly states that agencies retain ownership of their original dataset.

ADMINISTRATIVE IMPLICATIONS

DOH states it would need to create three positions for the Databank. DOH states:

“Three FTE positions would need to be created at NMDOH: two epidemiologists in the Epidemiology and Response Division and one databank policy officer in the Information Technology Services Division. Additionally, NMDOH would need to commit resources to tasks such as creating contractual agreements with the Commission. “

In its oversight role, the Department of Information Technology shared that it may review and approve related information technology procurements, may be asked to provide technical expertise in the creation, design and maintenance of the system and its security and may provide project guidance as part of the Project Certification Committee.

CYFD expresses concerns with administrative impact of data costs and quality:

“The administrative impact on CYFD of providing datasets which are already provided to other entities can be absorbed by existing resources. The administrative costs associated with aligning datasets with other requirements, developing new datasets, and increasing the quality of the available data cannot all be absorbed by existing resources.”

Agencies note needing to comply with federal data protection laws. HSD notes that the transfer of some of their datasets is prohibited by federal law unless the database is hosted at HSD. However, it should be noted that several other states (South Carolina, Illinois, and Florida) have accomplished sharing these types of data across agencies in integrated data systems. HSD states:

“The bill proposes that the commission and databank host enter into a contractual operating agreement. Although it is stated that all state and federal laws apply, if a non-HSD entity is selected as the databank host, transfer of federal (SNAP) data is prohibited by 7 CFR 272.1(c) *General terms and conditions – Disclosures* and the transfer of federal

financial assistance data (TANF) is prohibited by 45 CFR 205.50 – *Safeguarding information for the financial assistance programs.*

- Substance Abuse Data is regulated by 42 CFR Part 2; Confidentiality of Substance Use Disorder Patient Records.
- Mental Health data is protected under HIPAA privacy laws, except for psychotherapy notes, which receive special protections. 45 CFR 164.501.
- Child Support Data has comingled Federal Tax Information (FTI) and therefore is regulated by IRS Publication 1075 security and access requirements.”

DISPARITIES ISSUES

DOH recognizes that the databank could provide descriptive statistics regarding populations experiencing disparities. However, DOH expresses concerns of the potential for the use of predictive analytics, which some researchers have theorized, reinforce biases and stigma related to service provisions. DOH states:

“The databank proposed in this bill could provide comprehensive descriptive statistics regarding populations experiencing disparities. Other states and countries using similar data-sharing models have designed collaborative interventions and made program decisions based on such knowledge (<https://www.chcs.org/beyond-health-care-analysis-cross-sector-utilization-costs-among-hennepin-county-medicaid-expansion-enrollees/>).

Certain health disparities have successfully been identified and addressed in some jurisdictions using “big data” (Correa-d-Araujo, R. [2015]. Improving access and utilization of data to support research and programs intended to eliminate disparities and promote health equity. *Journal of Health Disparities Research and Practice*: 9, 6, 1). However, due to disparities that already exist, research that proposes the use of predictive analytics to identify children and families most at risk of poor outcomes such as child abuse and neglect can actually reinforce biases and stigma related to service provision ([https://www.ajpmonline.org/article/S0749-3797\(14\)00707-7/fulltext](https://www.ajpmonline.org/article/S0749-3797(14)00707-7/fulltext)).”

ALTERNATIVES

HSD proposes that objectives contained in this bill could be accomplished through the HHS2020 effort. HSD states

“The data and system integration objective of this bill could be accomplished under the HHS2020 initiative if the scope of the initiative is expanded to include the Public Education Department (PED), the NM Sentencing Commission, and the Administrative Offices of the Courts.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 173 originally duplicated Senate Bill 202. Both bills have committee substitutes and no longer duplicate one another therefore the committee substitute for HB173 now conflicts with the committee substitute for Senate Bill 202 as these two substitutes are different from one

another.

There are currently at least three bills proposing integrated data systems or elements of such systems (e.g. data sharing among multiple agencies)²:

- House Bill 88 (Senate Bill 101 Duplicate)-Health Care Value & Access Commission Act
- House Bill 173 (Senate Bill 202 Duplicate)-Child and Family Databank Act
- House Bill 267-Criminal Justice Reforms

LFC was recently asked to provide an analysis of collective efforts for data integration (See Attachment). Although each of these pieces of legislation are addressing different policy issues, agency responses to these proposals (for fiscal impact reports) show similar concerns including duplication with existing efforts, with other proposals being made through legislation, concerns about data privacy and compliance with federal and state privacy laws, and agency resource concerns. Additionally, agencies have cited ongoing and future efforts within agencies that need to be considered. For example, New Mexico was recently awarded \$5.4 million from the U.S. Department of Health and Human Services for the Preschool Development Grant – Birth to Five (PDG B-5) to assist in efforts to build a high-quality early learning system for families and young children. The Children Youth and Families Department (CYFD) is designated as the lead agency for the grant, which was applied for collaboratively with the Department of Health (DOH) and the Public Education Department (PED). This initiative reflects another example with potential duplication.

In addition, the Human Services Department's (HSD) HHS2020 initiative is to provide a common technology platform, highly shared data, common tooling, and to implement reusable capabilities that will expand business capabilities and cross-program/cross-organizational sharing of data and results. HSD plans to leverage acquired service capacity for multiple business needs across programs and across population servicing agencies within the State of New Mexico, beginning with the Medicaid Management Information System Replacement (MMISR) project. The MMISR project is primarily federally funded (90/10) and other state agencies such as DOH are also leveraging federal funds for associated projects currently underway. For example, two DOH projects to be integrated with the MMISR project, include the Family First Medicaid Eligibility System, and Children's Medical Services Medicaid Provider Enrollment System.

JRC/KK/al/sb

² Note other bills also have components of integrated data systems but do not represent integrated data system efforts. Senate Bill 370 would require data sharing from eight government entities. House Bill 168 would require PED to share data with CYFD.

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February 14, 2019

MEMORANDUM

TO: Patricia A. Lundstrom, Chairwoman, HAFC
John Arthur Smith, Chairman, SFC

FROM: Jon Courtney, Ph.D., Program Evaluation Manager, LFC
Brenda Fresquez, Program Evaluator, LFC
Sarah Dinces, Ph. D., Program Evaluator, LFC

THRU: David Abbey, Director, LFC

SUBJECT: **Integrated Data Systems**

The purpose of this memo is to analyze ongoing and new proposals for building integrated data systems. Integrated data systems link individual level data from multiple agencies, such as schools, law enforcement, and human services. Having a clear purpose for shared data, these systems hold potential for great benefit in improving service delivery in case management and research analysis and evaluation. However, these systems also pose significant risk and New Mexico's record of accomplishment of building such systems is poor. Policymakers should use caution on moving forward with new integrated data systems. Ongoing integrated data system efforts and new proposals need to be considered together to avoid potential duplication and leverage funding opportunities from non-profits and the federal government.

Integrated data systems value and best practices. New Mexico state and local government entities provide valuable services to citizens but often do not coordinate or share data. Integrating data across agencies and data systems is a strategy that can better inform performance management, program evaluation, cost-benefit analysis, and policymaking. State and local integrated data systems in other states have demonstrated ongoing effective and efficient improvements in public administration while improving public trust and protecting personal data. The Actionable Intelligence for Social Policy (AISP)¹ provides several examples of government entities using integrated data systems to identify system issues such as multi-system involved individuals and heavy system utilizers, and to address these issues with tailored solutions such as targeted prevention or evidence-based intervention.

¹ Actionable Intelligence for Social Policy. (2017). The Integrated Data System Approach: A Vehicle to More Effective and Efficient Data-Driven Solutions in Government. https://www.aisp.upenn.edu/wp-content/uploads/2017/09/The-IDS-Approach_Fantuzzo-et-al.-2017_Final.pdf

According to AISP, there are six leading practices for building integrated data systems.

- Strong and inclusive data governance;
- Streamlined legal agreements;
- Data standards;
- Clear and transparent communication and stakeholder engagement;
- Iterative inquiry processes; and
- Sustained investment in capacity and cross-agency coordination.

Strong data governance creates the foundation for using the integrated data system and ensures the system is able to address current problems. Strong governance cannot exist without commitment from executive leadership and leadership must provide the time and resources necessary to create sound data system infrastructure. As part of the governance structure, stakeholders need to determine the purpose and scope of the integrated data system as this will determine the system structure and which agencies to include.

Legal agreements are essential for the system to function and provide privacy protections. These protections minimize risk to all entities and individuals involved. Agreements between state agencies ensure the data system identifies relevant laws and addresses any challenges that these laws may pose to sharing of information.

Data quality is paramount to have a reliable, functioning system – if the data is not reliable, no conclusions drawn from the data can be trusted. Therefore any integrated data system needs to have quality checks to determine the reliability the data.

All stakeholders need to be presented with results from analysis of the data in the data system. Clear communication facilitates stakeholder engagement and allows for an open discussion of how to handle any problems that arise.

Barriers to organizational communication need to be identified and removed to allow coordination between all relevant agencies. All agencies need to have an open and ongoing dialogue, this dialogue may not be possible without continued resources.

AISP also identifies a number of best practices critical for an integrated data system to be successful, including establishing data governance, addressing legal issues and data security, managing data and analytic protocols, and securing long-term support for operations. Sharing of data across agencies also brings ethical concerns around data usage and privacy.

The current situation. There are currently at least three bills proposing integrated data systems or elements of such systems (e.g. data sharing among multiple agencies)²:

- House Bill 88 (Senate Bill 101 Duplicate)-Health Care Value & Access Commission Act
- House Bill 173 (Senate Bill 202 Duplicate)-Child and Family Databank Act
- House Bill 267-Criminal Justice Reforms

² Note other bills also have components of integrated data systems but do not represent integrated data system efforts. Senate Bill 370 would require data sharing from eight government entities. House Bill 168 would require PED to share data with CYFD.

Although each of these pieces of legislation are addressing different policy issues, agency responses to these proposals (for fiscal impact reports) show similar concerns including duplication with existing efforts, with other proposals being made through legislation, concerns about data privacy and compliance with federal and state privacy laws, and agency resource concerns. Additionally agencies have cited ongoing and future efforts within agencies that need to be considered. For example, New Mexico was recently awarded \$5.4 million from the U.S. Department of Health and Human Services for the Preschool Development Grant – Birth to Five (PDG B-5) to assist in efforts to build a high-quality early learning system for families and young children. The Children Youth and Families Department (CYFD) is designated as the lead agency for the grant, which was applied for collaboratively with the Department of Health (DOH) and the Public Education Department (PED). This initiative reflects another example with potential duplication such as the federal Race to the Top grant funding for New Mexico to develop an early childhood data system that has yet to be fully deployed.

In addition, the Human Services Department's (HSD) HHS2020 initiative is to provide a common technology platform, highly shared data, common tooling, and to implement reusable capabilities that will expand business capabilities and cross-program/cross-organizational sharing of data and results. HSD plans to leverage acquired service capacity for multiple business needs across programs and across population servicing agencies within the State of New Mexico, beginning with the Medicaid Management Information System Replacement (MMISR) project. The MMISR project is primarily federally funded (90/10) and other state agencies such as CYFD and DOH are also leveraging federal funds for associated projects currently underway. For example, two DOH projects to be integrated with the MMISR project, include the Family First Medicaid Eligibility System, and Children's Medical Services Medicaid Provider Enrollment System.

CYFD's Comprehensive Child Welfare Information System (CCWIS) Modernization project will replace its 20+ year old mission critical client management system to meet current federal regulations and requirements, including data sharing requirements. The project leverages federal funding (50/50), and is currently in the planning phase. An additional appropriation for FY20 is anticipated for CYFD to continue the planning with Federal approval in process.

Previous or ongoing New Mexico efforts in building integrated data systems. New Mexico state government have attempted, or are attempting, to build at least four integrated data systems. However, each system has run into problems with implementation.

- P-20 Data System: Data governance established, however the statutorily created Data System Council stopped meeting and the system has not been built.
- Early Childhood Integrated Data System (ECIDS): Funded by a \$2 million Race to the Top grant, the ECIDS effort is behind schedule, is not being implemented as originally intended, and the Department of Information Technology's (DoIT) Project Certification Committee has held off on project closeout pending an update from ECIDS partner agencies.
- Medicaid Management Information System Replacement (MMISR): A \$176 million information technology project utilizing data integration to support the HHS2020 initiative. The MMISR project is currently rated as red by the LFC information technology status report, meaning significant issues limit success of the project³.

³See FY19 Q1 Report

Card:https://www.nmlegis.gov/Entity/LFC/Documents/Agency_Report_Cards/IT%20Project%20Status%20FY19%20Q1.pdf

- **Advanced Data Analytics Project:** The Taxation and Revenue Department is in the process of implementing phase one of an analytics platform to provide increased fraud detection and audit selection capabilities. With a current investment of \$1.15 million, results and outcomes will not be realized until sometime next fiscal year.

A potential strategy. One potential strategy is following previous IT project proposals by funding a planning phase. As the State has several information technology (IT) projects underway or currently proposed, associated with integrated data systems, appropriate vetting of these projects is critical to ensure prudent allocation of state IT resources. Any new or proposed projects receiving an appropriation in the General Appropriation Act, require appropriate vetting. DoIT, in collaboration with the Department of Finance and Administration and the Legislative Finance Committee (LFC) have established criteria for reviewing IT funding requests. Because of the complexities and risks associated with multi-agencies projects, implications of data governance, including availability, usability, integrity quality, and security, LFC typically considers integrated data systems complex IT projects. Typically, DoIT and LFC recommend a phased approach for complex, multi-year IT projects. According to AISP, creating the necessary governance structure from which the rest of the integrated data system will be built is the foundation of any sound integrated system. Furthermore, according to a joint report 2016 from the United States Departments of Health and Human Services and Education⁴, effective data governance helps to ensure reliable data are securely available to identified stakeholders, while protecting the privacy of the individuals. The governance is usually determined in the planning phase of the project. As part of the governance structure, stakeholders need to determine the purpose and scope of the integrated data system to define the system structure and which agencies to include. Therefore, until the governance plan is securely in place, fully funding any integrated system may not be appropriate. As a standard, past LFC IT funding recommendations for the initiation and planning phase ranged from \$250 thousand to \$600 thousand.

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⁴ The Integration of Early Childhood Data: State Profiles and a Report from the U.S. Department of Health and Human Services and the U.S. Department of Education (2016).
https://www.acf.hhs.gov/sites/default/files/ecd/intergration_of_early_childhood_data_final.pdf