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## FISCAL IMPACT REPORT

**SPONSOR** Chasey/Gallegos, DY/Thomson      **ORIGINAL DATE** 02/01/17  
**LAST UPDATED** 02/10/17      **HB** 255

**SHORT TITLE** Abuse & Neglect Family Support Program      **SB** \_\_\_\_\_

**ANALYST** Courtney/Klundt

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		TBD	TBD	TBD		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth and Families Department (CYFD)

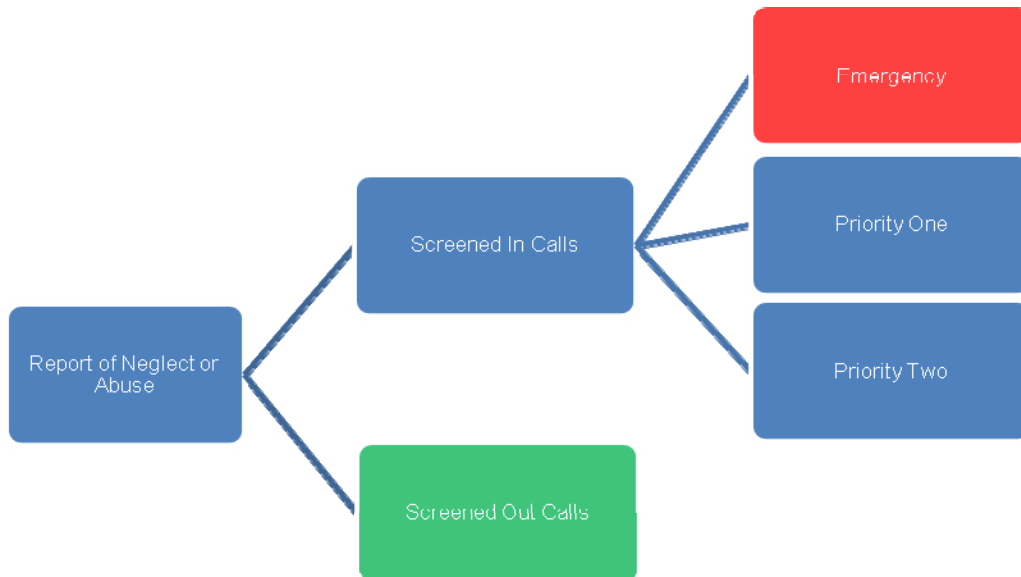
### SUMMARY

#### Synopsis of Bill

House Bill 255 amends the Abuse and Neglect Act to establish a family support services program that would provide an alternative response pathway to provide services to a family upon completion of an evaluation where there is no immediate concern for the child’s safety. Alternative Response (also called Family Assessment Response or Differential Response) is a system of responding to referrals to Child Protective Services (PSD) that is an alternative to a traditional investigation. If there are no imminent concerns about a child’s safety, the Alternative Response method conducts a family assessment, with the goal of engaging a family to determine strengths and needs and plan for the future, without requiring a determination that maltreatment has occurred or that the child is at risk of maltreatment. It is perceived by some as less intrusive and less confrontational than a traditional investigation. Additionally, Alternative Response provides an avenue to address needs and risks of children for whom one report or multiple reports of abuse do not rise to the level of substantiated abuse or neglect.

Currently, PSD reacts to all screened-in calls with an investigation that gathers evidence to determine whether child maltreatment has occurred. Screened-in calls are placed into one of three categories based on severity: emergency, priority one, and priority two. Emergency calls must have an investigation initiated within three hours and priority one and two investigations must be initiated within one and five days, respectively

Current NM Protective Services Flow Chart for Reports of Abuse



Under alternative response, rather than investigating or not responding to a low risk referral, the family is put in touch with a support worker to conduct an assessment and provide services. Assessment, which is usually applied to low and moderate-risk cases, involves assessing the family’s strengths and needs and offering services to meet the family’s needs and support positive parenting without compromising the safety of children. By allowing two different ways to engage clients, Differential Response focuses intense resources on clients who need them, and is more successful in keeping children safe and families together.

This bill requires certain types of maltreatment reports be ineligible for an alternative response pathway, requires that a comprehensive assessment tool be developed and used by the department for program participants, requires service providers be licensed social workers, requires reporting on program implementation and outcomes, requires development of performance measures specific to the program, and requires development of a plan to expand the program statewide. This bill also allows the courts to require the family’s participation in services.

### FISCAL IMPLICATIONS

There is no appropriation included in HB 255; however, both the executive and Legislative Finance Committee (LFC) budget recommendations include general fund for family support service centers statewide along with in-home services. Note that according a 2014 LFC report, the model of in-home (family preservation) services currently being run by CYFD is not an evidence-based model and is likely not providing a positive return on investment. Additionally, the amount of money invested into the current family support service centers has increased in the last year to over \$1.2 million with no outcome data for the program having been shared. Alternatively, LFC analysis indicates an alternative response pathway to improve outcomes for at-risk families may result in a return on investment of up to \$15.64 for every \$1 spent per participant. CYFD could theoretically divert resources from non-evidence based programs such as family preservation to alternative response.

LFC estimates alternative response to cost \$98 per family; current family support service program costs approximately \$2,000 per family. A 2011 LFC program evaluation acknowledged potential start-up costs but also found that long term costs are reduced because fewer children are brought into the child welfare system. The evaluation also found that caseworkers and families are more satisfied with differential response.

CYFD offers the following analysis on fiscal implications:

“Significant. The bill requires that *only* licensed social workers provide family support services. Many more licensed FTE will be necessary to implement the program. There is no appropriation included in this bill. CYFD implemented a Family Support Service Program pursuant to a 2014 Executive Order, which was established using a \$1.2 million legislative appropriation. This program operates in nine counties in the state – Bernalillo, Sandoval, Taos, Rio Arriba, Los Alamos, Santa Fe, San Juan and Chaves – and during fiscal years 2016 and 2017, served 474 families. In FY17, CYFD used federal dollars to expand the program to 3 additional counties served/contracts. The services are contracted to private nonprofit providers in the state and managed by CYFD-Protective Services. CYFD is on track to serve some 600 families in 9 counties at a cost of \$1.2 million. CYFD investigated 20,927 reports of child abuse and neglect in 2016. This bill contemplates that some portion of this number would be diverted to the “family support services program” upon evaluation of the referral by the department. CYFD is still required to complete an “evaluation” of the referral, which will most likely continue to be the role of the CPS investigators. This bill therefore may create an additional step for CYFD and for the families.”

According to the U.S. Department of Health and Human Services Children’s Bureau “Cost studies suggest that differential response may be cost effective over the long term.” The Children’s bureau cost studies in Minnesota, Colorado, and Ohio showed costs for differential response families were less than those of traditional investigation responses, and differential response was cost neutral in Illinois compared to investigative responses. Minnesota’s analysis showed a decreased cost incurred over three to five years for differential response families of \$1,279 compared to the control group.

## **SIGNIFICANT ISSUES**

Alternative response was run as a pilot in Bernalillo County New Mexico by CYFD from 2005-2007 and outcome data showed families who accepted assessment services:

- Had lowered rate of repeat maltreatment;
- fewer children removed and placed in foster care; and
- almost half as many repeat maltreatment reports compared with families who declined services.

In addition, New Mexico families that did re-enter the system after accepting assessment services through alternative response had their children returned to them more often after the children were placed on a 48-hour hold, meaning that fewer children were removed from their homes and put into costly foster care. Note that some states are moving toward implementing differential response and the federal government is creating requirements around the program as well. The Child Abuse Prevention and Treatment Act of 2010 require states to include in their state plan “triage procedures, including the use of differential response, for the appropriate referral of a

child not at risk of imminent harm to a community organization or voluntary preventive service.”

A 2014 LFC Results First report on *Evidence-Based Programs to Reduce Child Maltreatment* and the most recent ACF national report on Child Maltreatment found that the New Mexico child welfare agency spends less on preventative services than most other states and serves far fewer children through preventative services (5 per 1,000) than the national average (43 per 1,000). The LFC Results First report also provided a cost-benefit analysis of potential preventative services and found that alternative response provides the highest return on investment and is the program most likely to provide a positive return on investment.

CYFD analysis of significant issues raises concerns regarding the lack of appropriation included in the bill and with a lack of adequate resources and time to implement provisions of the bill including the development of a comprehensive assessment tool, promulgation of rules, and creation of a statewide expansion plan.

## **PERFORMANCE IMPLICATIONS**

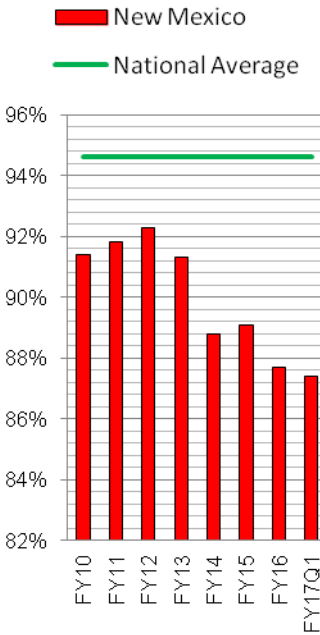
Alternative response is a strategy for reducing maltreatment and repeat maltreatment potentially leading to cost savings from avoiding the need for costly outcomes including but not limited to foster care placements. In 2014 LFC found Alternative Response should reduce maltreatment for low income families by 11 percent and should reduce recurrence of maltreatment by 9 percent if implemented with fidelity.

According to the most recent LFC report card on CYFD (FY17-Q1) and recent reports from CYFD and the federal Administration for Children and Families, repeat maltreatment, the number of children in foster care and the maltreatment victim rate are all at their highest points in recent history. From the LFC CYFD report card:

“Protective Services performance remains a concern. Repeat maltreatment rates increased above the previous fiscal year and significantly above the national average. This means more children experienced abuse or neglect within a short period of time, six-months, of previous abuse or neglect.”

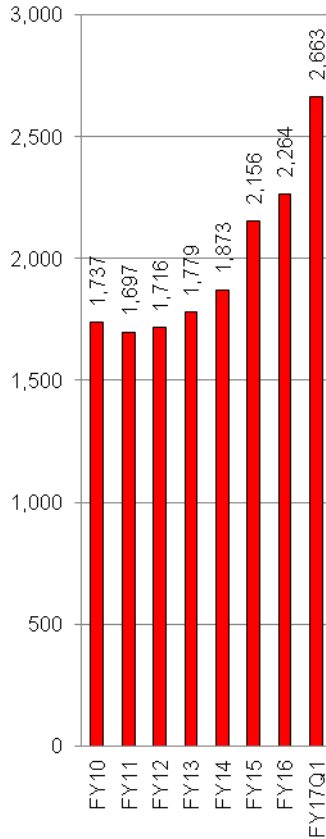
Additionally the number of children in foster care has risen by 53 percent in the last eight years and the maltreatment victim rate has risen 55 percent in the last five years. New Mexico now has one of the highest child maltreatment victim rates in the country at 17.5 victims per 1,000 children, 90 percent above the national rate of 9.2 victims per 1,000 children.

**Children not the Subject of Substantiated Maltreatment within Six Months of a Prior Determination of Substantiated Maltreatment**



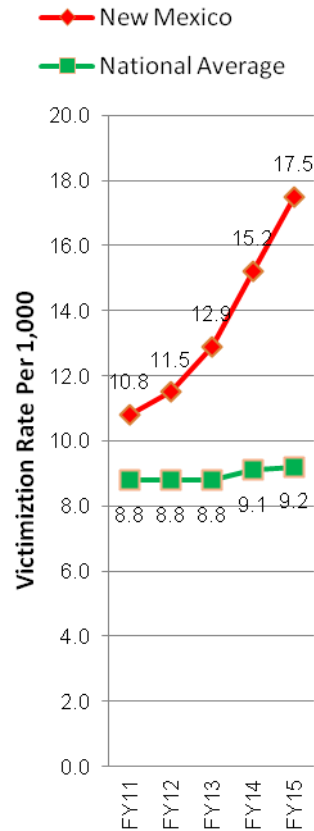
Source: CYFD/ NCANDS  
\*National Average 94.8%

**Number of Children in Foster Care in New Mexico**



Source: CYFD 380 Reports

**Maltreatment Victimization Rate Per 1,000 Children**



Source: DHHS ACF NCANDS

In the annual federal child maltreatment report from the federal Administration for Children and Families, CYFD addresses the increase in child victims and identifies two possible causes:

“The number of substantiated victims increased in FFY 2015 from the previous year. New Mexico is aware that staff are substantiating at a higher rate and theorizes that this increase may be due to more child maltreatment occurring and/or to inconsistencies in substantiation practice.”

CYFD states:

“CYFD has performance measures concerning the safety and well-being of children which will be impacted by the re-direction of resources to duplicate existing services.”

**ADMINISTRATIVE IMPLICATIONS**

CYFD states:

“Significant. Establishing a new program mandated by statute which will require a complete shift in practice and development of new policies and procedures requires significant additional resources. There is no appropriation attached to this bill, and CYFD cannot absorb the effort with existing resources.”

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

CYFD states:

“NMSA 1978 §32A-4-3(C) requires investigation of reports received by CYFD and law enforcement. This bill conflicts with that statutory provision by allowing for the family support services program to be an alternative to investigation.”

JRC/jle/al