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FISCAL IMPACT REPORT

SPONSOR <u>HAFC</u>	LAST UPDATED _____ ORIGINAL DATE <u>3/9/2023</u>
SHORT TITLE <u>Children’s & Families’ Rights Act</u>	BILL <u>CS/House Bill</u> NUMBER <u>461/HAFCS</u>
ANALYST <u>Chenier</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$1,611.2	\$1,611.2	\$3,222.4	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

The current version of House Bill 2 does not include an appropriation for this.

- Possible Relationship to House Bill 187- CYFD Policies & State Rules Act
- Possible Relationship to House Bill 326- CYFD Abuse & Neglect Support Services
- Possible Relationship to Senate Bill 150- CYFD Plan of Care Failure Assessments
- Possible Relationship to House Bill 11- Office of Child Advocate Act
- Possible Relationship to House Bill 434- Child Rights, Dept. collaboration & Newborns

Sources of Information

LFC Files

Responses Received From

- Children, Youth and Families Department (CYFD)
- Early Childhood Education and Care Department (ECECD)
- Administrative Office of the Courts (AOC)
- Attorney General’s Office (NMAG)
- Human Services Department (HSD)

SUMMARY

Synopsis of HAFCS Substitute for House Bill 461

The House Appropriations and Finance Committee Substitute for House Bill 461 would create three new entities comprising the Office of Children’s and Families’ Rights, the Provider Advisory Council, and the Child Welfare Innovation Center.

The Office of Children’s and Families’ Rights would be administratively attached to CYFD and would be responsible for providing CYFD with independent and objective recommendations to

improve the outcomes for and the well-being of children who are in foster care, including administering the “the children’s and families’ grievance process, providing mediation services, providing civil rights consultation on cases, and recommending improvements to CYFD. The office will also contract with a nongovernmental law firm to provide an audit of grievance trends and the grievance process.

The bill also establishes the provider advisory council, administratively attached to the Office, and will consist of governor appointees who are community service providers. The council differs from a similar council currently established by Section 32A-8-4 NMSA 1978. The council will meet quarterly and be comprised of seven members from provider fields such as behavioral health, education, advocacy, and social work.

The Legislation also establishes the Child Welfare Innovation Center (Center) to use a science and education-based approach to advise CYFD on how to strengthen its child welfare policies and practices. The Center will work in concert with the schools and the state to channel competent social workers into CYFD. The Center would have its own director and advisory boards.

Sections 32A-8-1 through 32A-8-7 NMSA 1978, the Citizen Substitute Care Review Act, would be repealed. That act established the Substitute Care Advisory Council.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

House Bill 2 does not include an appropriation for this bill. However, this bill is modeled after the Governor’s Executive Order 2023-020. Since the department began implementing many of the provisions of this bill independently based on the executive order, they are likely able to cover the costs of the bill. The estimate for the additional operating budget impact was based on the appropriation that was contained in the original version of the bill.

CYFD said that any administrative implications to CYFD from the establishment of the Office, Center, or Council, or their ongoing operations, will be absorbed by existing resources.

SIGNIFICANT ISSUES

AOC provided the following:

On February 16, 2023, Governor Michelle Lujan Grisham issued Executive Order 2023-020, *Transforming Services for Children, Youth and Families, and the Children, Youth and Families Department*. See www.governor.state.nm.us/wp-content/uploads/2023/02/Executive-Order-2023-020.pdf . The order states that it is necessary “to transform and reorganize CYFD to address the issues identified by Justice Vigil and ensure that CYFD best serves the interests of our State’s children and families”.

The bill would codify some of the changes mentioned in the order. One of these changes is the Office of Innovation described in the executive order as, “an Office of Innovation dedicated to researching best practices for better outcomes for children receiving services from CYFD”. HB461 establishes the Child Welfare Innovation Center which “shall use

scientific approaches and evidence-based and evidence-informed practices to strengthen the capacity and sustainability of New Mexico's child welfare system at the local and state levels".

Additionally, the executive order states that CYFD shall establish a grievance system to “allow families to engage in meaningful dialogue with CYFD and ensure that all clients receive the care they need”. The bill creates the Office of Children’s and Families’ Rights to “administer the children’s and families’ grievance process”.

The final order to CYFD states that “CYFD shall be subject to an annual services audit from an out-of-state, independent consulting firm”. The bill’s Section 4(D) provides that the Office of Children’s and Families’ Rights, “shall contract with a nongovernmental legal firm to provide an independent audit of grievance trends and the grievance process”. However, the bill makes no mention of the auditing entity needing to be from out-of-state.

PERFORMANCE IMPLICATIONS

CYFD has performance measures concerning its effective and appropriate response to the needs of its constituency populations which will be improved by this bill.

EC/al/ne/rl/ne