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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>HHHC</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>03/03/2023</u>
<b>SHORT TITLE</b> <u>Child Welfare Caseload Analysis</u>	<b>BILL</b> <u>CS/House Bill</u>
	<b>NUMBER</b> <u>539/HHHC</u>
	<b>ANALYST</b> <u>Chilton</u>

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$250.0	Nonrecurring	General Fund

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

### Sources of Information

LFC Files

#### Responses Received From

New Mexico Independent Community Colleges (NMICC)  
New Mexico State University (NMSU)  
University of New Mexico (UNM)  
Children, Youth and Families Department (CYFD)

#### No Response Received

Other institutions of higher education

## SUMMARY

### Synopsis of HHHC Substitute for House Bill 539

The House Health and Human Services Committee substitute for House Bill 539 provides for an appropriation to the Legislative Council Service (LCS) to contract with a New Mexico post-secondary institution with a school of social work or with a research-based organization to perform a study of caseload for child abuse and neglect investigators, in-home family services, foster care, kinship care, permanency planning, adoptions, and home studies. The educational institution or research organization selected is to hold focus groups representative of the diversity of the state, including rural and urban populations. The selected college or research organization is to develop a New Mexico child welfare model, to include caseload numbers and management and standard of care.

Within 12 months after the contracted study is begun, LCS is to submit the research's conclusions to CYFD, and CYFD is to implement the recommendations within a further year. Also at that time, no more than two years after the onset of the contracted study, LCS is to

formulate a report on these activities to the governor, the Legislative Finance Committee, and the Legislative Health and Human Services Committee.

In its section 2, House Bill 539 appropriates \$250 thousand from the general fund to the Legislative Counsel Service for the purpose of contracting for a study on the standard of care and an analysis of caseloads for the Children, Youth and Families Department.

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

## **FISCAL IMPLICATIONS**

The appropriation of \$250 thousand contained in this bill is nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

NMSU summarizes the current problems regarding child welfare and the child welfare workforce:

The child welfare workforce is experiencing a crisis in worker turnover, high caseloads, and repeat child maltreatment. In 2022, New Mexico ranked 50<sup>th</sup> nationally in indicators of child well-being, a drop in rank from 49<sup>th</sup> nationally in 2021 (Annie E. Casey Foundation, 2022). New Mexico also ranked 48<sup>th</sup> in childhood poverty during this same year (Nathanson, 2022). A child welfare workforce shortage exists in New Mexico, where in 2022, CYFD Secretary Barbara Vigil reported to the Legislative Courts, Corrections and Justice Committee that high rates of worker turnover and caseloads for workers are contributing factors to recurring instances of child abuse and neglect, depicting a child protection system in “workforce crisis” (Nott, 2022). In 2022, Chenier, a Legislative Finance Committee analyst, also developed and submitted a report to the Legislative Courts, Corrections and Justice Committee, highlighting that 14 percent of children with substantiated reports of child abuse and/or neglect experienced a second incident within one year, a rate greater than the nationwide 8 percent (Nott, 2022).

According to the Children’s Bureau, part of the U.S. Department of Health and Human Services: Studies frequently point to caseload and workload as factors influencing worker turnover and retention. High caseloads and excessive workload make it difficult for child welfare workers to serve families effectively, which leads to increased staff turnover as well as decreases in quality delivery of services. Child welfare workers need to be able to spend enough time with the children and families on their caseloads in order to develop an appropriate case plan and achieve positive outcomes. Ensuring a manageable caseload and workload for staff requires agencies to determine the suitable number and types of cases, assigning cases appropriately, and adjusting as needed. Manageable caseloads and workloads can make a difference in a worker's ability to engage families, deliver quality services, stay with the agency, and ultimately achieve positive outcomes for children and families.

According to a 2022 Legislative Finance Committee study entitled “Evidence-Based Adoptions to Address Child Maltreatment:”

A recent collaborative safety review of, and requested by, CYFD by an outside contractor, Collaborative Safety, LLC, found turnover was a consistent theme discussed amongst CYFD workers. High turnover rates create pressures on the system and make it difficult for workers to prioritize any aspect of their roles outside of emergencies and critical case tasks. Staff reported they did not have time to provide thorough work to cases, and supervisors also felt this pressure, often taking on the work of staff as they leave their positions. Supervisors cannot effectively provide supervision to their staff's work if they are also experiencing high turnover and stepping in to fill roles due to high vacancies. CYFD's workforce development plan identifies these issues and provides strategies to reduce vacancies and turnover and meet reasonable caseload standards.

High turnover also means constant new hires, and the safety review found many new hires join CYFD with little to no experience within the field of child welfare, a problem that is not unique to New Mexico. New hires report they are given too much information upfront that they cannot reasonably retain. Staff are left feeling overwhelmed with responsibilities of the job and, in many cases, leave their positions. Objectives in the department's workforce development plan provide strategies for improving training and skill development for new and tenured employees and provide a pathway for leadership positions.

The National Association of Social Workers states, on the basis of studies quoted on its website, that 12 to 15 families per caseworker is ideal, and that the number should not go above 18 families per caseworker. And according to a study by Arizona's Auditor General, other states' maximum family to caseworker ratios range from twelve to twenty-five: "We provide information on caseload standards in 6 states. For example, in accordance with a consent decree, Illinois' caseload standards are no more than 12 to 15 new investigations per month per investigator, 25 families per caseworker providing services to children in foster care, and 20 families per caseworker providing follow-up services to intact families. As specified by state law, Indiana's caseload standards are no more than 12 active investigations, 13 children receiving ongoing services in out-of-home placements, and 12 families receiving in-home services."

In-state educational institutions that include a school of social work include Eastern New Mexico University (Roswell, Ruidoso and Portales), Western New Mexico University (Silver City), New Mexico State University (Alamogordo, Las Cruces, Grants, and Carlsbad), San Juan College (Farmington), Northern New Mexico College (Española), New Mexico Highlands University (Las Vegas), Clovis Community College, University of New Mexico (Taos), and Mesalands Community College (Tucumcari).

CYFD comments that:

The task outlined in this committee substitute is enormous, and twelve months is an insufficient time for CYFD to produce a new standard of care with sufficient thoroughness which will appropriately ensure the health, safety, and welfare of the families served by CYFD. A task of this magnitude will require a minimum of twenty-four months (2 years).

In accordance with the Kevin S Final Settlement Agreement, CYFD is currently engaged in a thorough study and implementation of a workforce development plan which includes a standard of practice for caseload sizes, graduated caseload assignments for new

workers, and which takes into account the varying degrees of complexity of child welfare cases based on a myriad of factors. The plan and its methodology include national best standards identified by the Child Welfare League of America, the National Association of Social Workers, as well as other available research on caseload versus casework, and an in-depth analysis of New Mexico’s child welfare system caseload data and input from CYFD frontline staff and other stakeholders. The plan is currently under its final stages of review by the Kevin S. co-neutrals (independent child welfare experts named to oversee the development of the child welfare improvement plan and its implementation), and its implementation is based on a policy that protective services leadership be able to adjust caseloads based on case complexity and workers’ competencies.

## **ADMINISTRATIVE IMPLICATIONS**

CYFD states that “If the legislature does not provide sufficient resources when the standards are approved, probably in FY25, CYFD cannot absorb the administrative impact with existing resources.”

## **TECHNICAL ISSUES**

The bill states, in Section 1A, that LCS will contract with “an in-state public post-secondary educational institution with a school of social work or a research-based organization.” It is not clear whether that if a research-based organization is chosen that it must also be in-state. A previous investigation, identified in the LFC report referenced above, was carried out by a research organization located in Tennessee.

NMICC raises the following questions:

- Some New Mexico community colleges have social work programs – it is unclear whether these programs would meet the definition of a school of social work.
- From the language in HB539/HHSCS it can be inferred what skills the research organization with experience in workforce would be required to have to develop a child welfare model, but it is unclear.

## **ALTERNATIVES**

As noted by UNM, “Studies of this topic have been completed and other states have established standards related to this area. While New Mexico’s demographics and population density are somewhat unique, it may be efficient and effective to review existing studies and standards as a foundation of the proposed study.”

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