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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Chávez, E.</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>2/25/2025</u>
	<b>BILL</b> <u>House Memorial</u>
<b>SHORT TITLE</b> <u>Corrections and CYFD Staffing Levels</u>	<b>NUMBER</b> <u>24</u>
	<b>ANALYST</b> <u>Garcia</u>

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
LFC	No fiscal impact	\$65	No fiscal impact	\$65	Nonrecurring	General Fund
Total	No fiscal impact	\$65	No fiscal impact	\$65	Nonrecurring	General Fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
 New Mexico Corrections Department (NMCD)

Agency Analysis was Solicited but Not Received From  
 Children, Youth and Families Department (CYFD)

Agency Declined to Respond  
 State Personnel Office (SPO)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

## SUMMARY

### Synopsis of House Memorial 24

House Memorial 24 (HM24) creates a taskforce, convened by the Legislative Finance Committee, to study and make recommendations about staffing levels and job classification details among positions at the New Mexico Corrections Department (NMCD) and the Children, Youth and Families Department (CYFD). In addition, the taskforce would be called upon determine reasons for insufficient staffing levels, review and analyze current recruitment and retention activities within the two departments, and make recommendations to executive and Legislature about remedies to inadequate staffing levels, including appropriations.

The taskforce shall be made up of 13 members, including members appointed by the Secretaries of NMCD, CYFD, and SPO, members who are employees appointed by the union representing the largest number of employees at NMCD and CYFD, and members who are appointed by leadership within the Legislature.

HM24 would require the taskforce to meet monthly between May 2025 and November 2025 and produce a report by December 1, 2025 that shall be posted on the Legislature’s website and delivered to CYFD, NMCD, the governor, and each member of the Legislature.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

Convening a taskforce would likely result in minimal administrative and convening costs, such as travel and mileage, incurred by taskforce members, totaling roughly \$5 thousand. In addition, LFC estimates convening a taskforce may require additional staff capacity (0.5 FTE), likely delivered through contractual services, at an estimated cost of \$60 thousand. Both NMCD and CYFD note participating in the taskforce would require staff time, pulling staff from existing duties.

House Memorial 5 does not contain an appropriation.

## SIGNIFICANT ISSUES

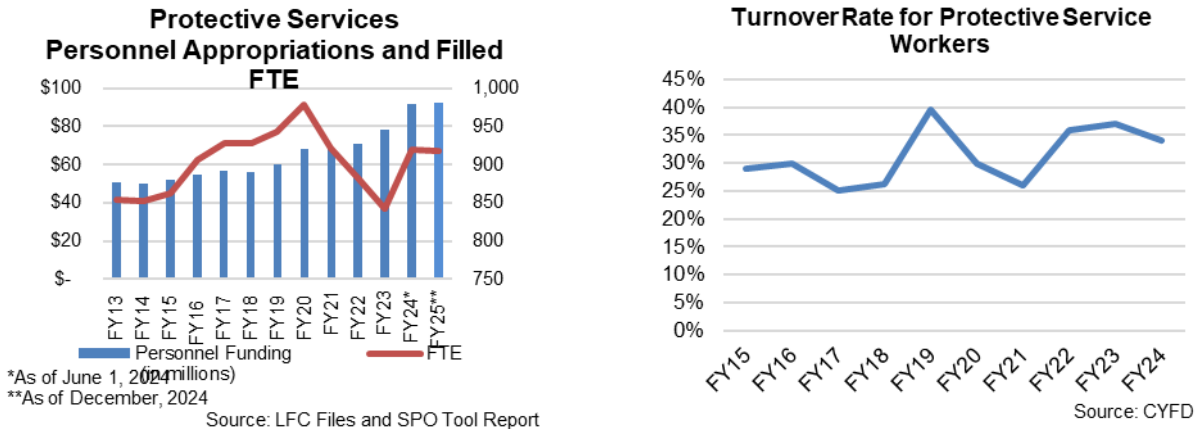
### Children, Youth and Families Department

HM24 involves staffing in the Protective Services Program and Juvenile Justice Services at CYFD.

**Protective Services.** CYFD has experienced chronic workforce shortages and challenges with staffing within Protective Services. As of December 2024, Protective Services had a filled headcount of 918, a 2 percent drop from the 936 positions filled in December 2023, and the agency continues to experience high turnover rates within Protective Services. In FY24, the turnover rate among Protective Services workers was 34 percent, while the agency’s performance target was 25 percent. According to the Annie E. Casey Foundation, turnover rates among child welfare workers average between 20 and 30 percent nationally, while turnover rates at or below 12 percent are considered optimal in healthcare and human services. High turnover is associated with more placement disruptions, time in foster care, and re-entries to foster care.

In FY24, the Legislature provided CYFD with funding to fill 60 full-time positions and provide compensation adjustments. The Legislature also included a \$3 million nonrecurring special appropriation to support the department’s workforce development plan to improve supports for front-line workers who experience secondary trauma, expand training and professional development, increase in and out of state recruitment campaigns, provide recruitment incentives for licensed social work graduates, and improve mentorship and leadership development within the department. While CYFD reported plans to the interim LFC to spend the \$3 million special appropriation for workforce development, including on marketing campaigns and recruitment

events at out-of-state schools of social work, the state’s financial system reflected no expenditures against this appropriation as of November 2024.



In 2023 and 2024, the department took several actions to address workforce shortages, such as increasing salaries for certain hard-to-fill front-line positions. In addition, the department held rapid-hire events to recruit staff and fill vacant positions. However, turnover remains a significant challenge, and the agency’s annual turnover rate among Protective Services case workers was 34 percent in FY24. The FY25 Protective Services personnel budget (\$92.5 million) should fund roughly 962 employees at an average cost of \$98 thousand per employee. In addition, CYFD received a GRO appropriation of \$2 million for Protective Services personnel, added by the Governor during the 2024 legislative session. As of November 2024, CYFD had not charged any expenses to this appropriation.

In addition, in 2024 the Legislature appropriated \$1.7 million through the GRO for a three-year pilot to incentivize attainment of masters-level social work licensure to develop and retain caseworkers in Protective Services. In 2024, CYFD reported the agency had begun to provide a 10 percent salary increase for licensed social workers in case worker positions using GRO appropriation funding.

In 2023, a legislative compensation study found that average Protective Services caseworker salaries in New Mexico tend to exceed average salaries in benchmark states. In addition, on average salaries in investigation caseworker roles at CYFD tend to exceed those of planned permanency workers. CYFD has implemented a framework to reset investigation salaries but has not yet done the same for planned permanency workers. At the same time, licensed social workers may have opportunities for greater compensation outside of child welfare.

Convened during the 2024 interim, the Senate Memorial 5 Taskforce made a variety of recommendations to address CYFD’s staffing challenges.

According to the Child Welfare League of America (CWLA), unmanageable caseloads and workloads impact workers’ ability to achieve positive outcomes for the children and families and contribute to case worker turnover in child welfare. CWLA sets caseload standards that reflect the maximum number of cases for which a worker should be responsible. As part of the *Kevin S.* foster care lawsuit settlement agreement, the state committed to reducing child welfare caseloads. Specifically, CYFD committed no caseloads would exceed 200 percent of the caseload standards by December 2023.

CYFD reported Protective Services caseloads in excess of *Kevin S.* standards during budget hearings in the fall of 2024. As part of the agency's FY26 operating budget request, CYFD requested \$7 million in general fund revenue to hire 101 additional case workers to meet *Kevin S.* standards. Also in late 2024, CYFD and the plaintiffs entered arbitration, and in January 2025 the arbiter found CYFD to be out of compliance with the *Kevin S.* settlement agreement requirement that no CYFD worker have caseloads exceeding 200 percent of applicable caseload standards and noted it is critical to fully staff caseworker and case aide positions.

The HAFC substitute for the General Appropriations Act contains \$30 million in non-recurring, Government Results and Opportunity (GRO) fund appropriations over three years that should allow CYFD to hire an additional 101 caseworker positions. CYFD asserts the agency needs additional funding to comply with the arbiter's order.

*Juvenile Justice Services.*

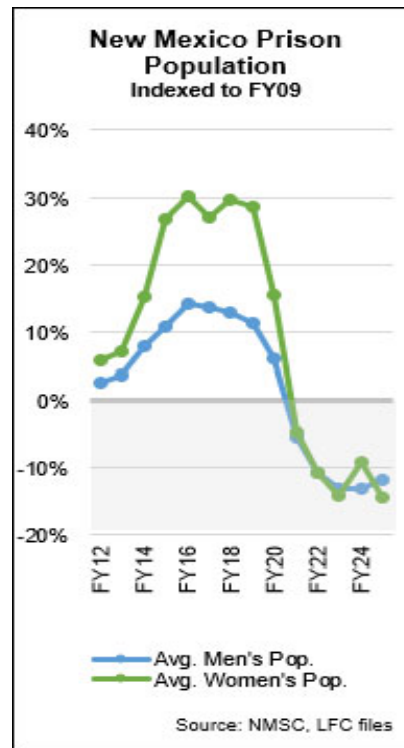
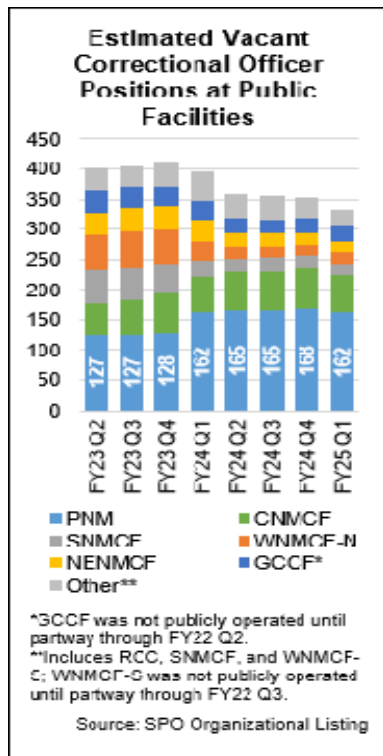
In FY25, the Juvenile Justice Services operating budget contained 736.5 FTE, while the program reported 519 filled positions in December 2024 (a vacancy rate of 29 percent). According to CYFD's report card data, the turnover rate among youth care specialists in JJS was 34 percent, while the agency's FY24 target was 21 percent. In FY23, turnover was 39 percent, reflecting an improvement in FY24.

A 2023 LFC Progress Report on Juvenile Justice Services highlighted that, over the last 15 years, CYFD had implemented a series of evidence-based reforms in Juvenile Justice Services and that the number of youth in secure facilities declined. However, the report highlighted that the agency likely had additional staffing efficiencies not yet achieved following the closure of state facilities. As the number of referrals to JJS and the number of youth in secure facilities decreased, per client costs had increased.

**Corrections Department**

According to LFC data from the first quarter of FY25, NMCD had filled 796 of 1,124 positions for Corrections Officers at public prisons. NMCD has over 2,471 total FTE authorized, and of those, 1,828 were filled, reflecting a 26 percent vacancy rate. However, vacancy rates vary among facilities.

During the same period, NMCD had 5,666 individuals in custody. The charts below reflect both estimated vacant correctional officer positions, which have declined since FY23, and the number of individuals in correctional facilities, which has also declined.



## ADMINISTRATIVE IMPLICATIONS

NMCD reports that, while the agency supports data-driven staffing decisions, “meeting the Memorial’s extensive data and meeting requirements will strain existing administrative resources” and could slow solutions already being pursued by the agency.

## OTHER SUBSTANTIVE ISSUES

NMCD noted potential confidentiality and security concerns associated with publicly sharing data about NMCD staffing, though summary staffing data is reported through the agency’s quarterly report card. NMCD also expresses concerns that the memorial may result in potential misalignment of future recommendations with NMCD staffing models and interference with staffing solutions NMCD is already working to implement.

NMCD also suggests the memorial may recommend solutions that do not meet the unique needs both of CYFD and NMCD since the departments have distinctly different staffing needs.

CYFD reports House Memorial 24 does not identify criteria about how the taskforce will evaluate staffing levels or make recommendations about “safe and adequate” staffing levels.

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