

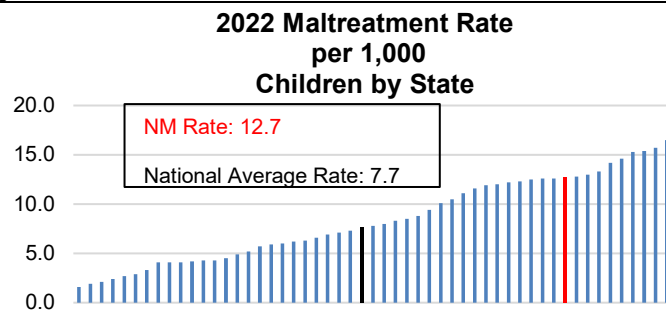
Topic Area: Child Welfare

New Mexico’s child welfare system faces a variety of challenges, including high rates of child maltreatment and repeat maltreatment, high turnover and vacancy rates among child protective services workers, and insufficient numbers of resource homes (foster care providers) and treatment foster care (TFC) placements. Evidence-based options and programs may prevent maltreatment, and a professional, well-supported workforce can improve outcomes for children and families. In addition, both research and the *Kevin S.* settlement highlight the need to improve access to community-based services for system-involved children, including increasing numbers of resource homes. In recent years, New Mexico enacted legislation and significantly increased appropriations in support of these objectives, but the state has faced implementation challenges.

Key Takeaways

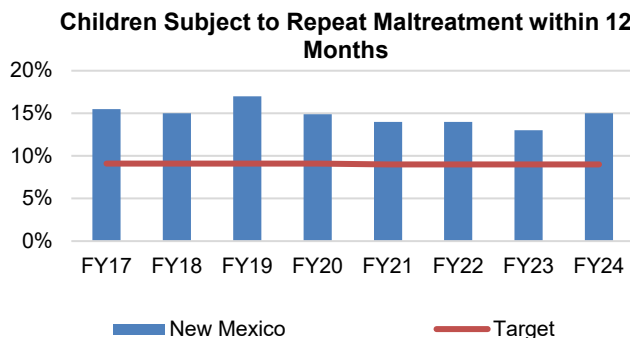
- New Mexico is one of only a few states that still does not have an approved Family First Prevention Services Act (Title IV-E) plan, missing out on an opportunity to receive federal funding to implement evidence-based prevention programs.
- While CYFD made some hiring progress in FY24, turnover among Protective Services remains high and inhibits system improvement. The state may not be fully leveraging federal funding for its workforce, and the number of filled positions in Protective Services has decreased, relative to the same time last year.
- While CYFD held recruitment events and devoted some resources to recruit foster families, the number of community-based placements has not substantially increased in the last year but has increased slightly.

Key Data



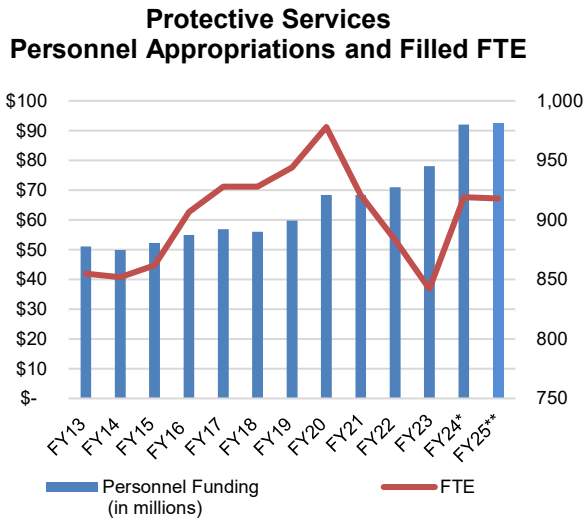
Source: ACF Child Maltreatment Report 2022

- The rate of child maltreatment in New Mexico is significantly higher than the national average. In 2022, 12.7 children out of every 1,000 children experienced maltreatment, a total of 5,817 children.
- The state, through Medicaid and other means, is investing to addressing root causes by increasing funding for behavioral health, substance use treatment, and other services significantly over the last several years.



Source: CYFD

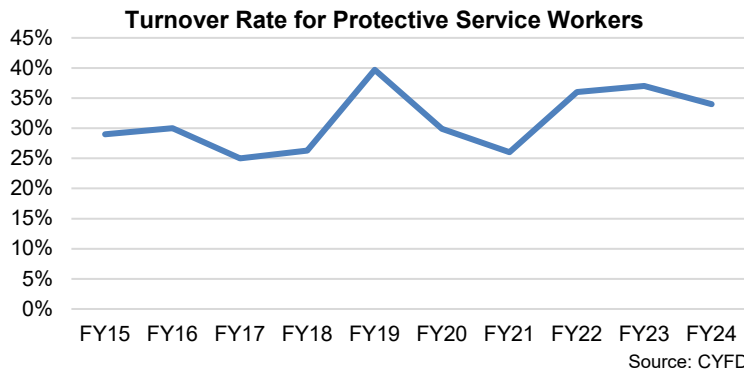
- In FY24, New Mexico's repeat maltreatment rate was 15 percent, while the national benchmark was 9 percent. The state's rate of repeat maltreatment increased in FY24.
- If New Mexico had the same rate of repeat maltreatment as the national rate, roughly 360 fewer cases would occur annually.



*As of June 1, 2024
**As of December, 2024

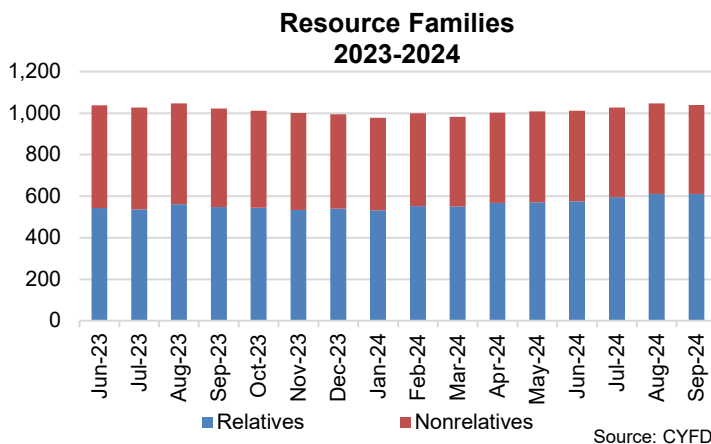
Source: LFC Files and SPO Tool Report

- As of December 2024, Protective Services had a filled headcount of 918, a 2 percent drop from the 936 positions filled in December 2023. In addition, Protective Services had 139 filled investigation positions, an 11 percent decrease relative to December 2023.
- A CYFD workforce development plan and survey developed several years ago noted Protective Services staff ranked workload, self-care, and compensation as the most pressing challenges facing staff. CYFD has made some pay adjustments in the last two years.
- While CYFD held several recruiting events in FY24, less than \$100 thousand of a \$3 million 2023 special appropriation to implement the agency's workforce development plan had been spent as of November 2024. The Legislature reauthorized this appropriation for FY25, and CYFD reports plans to use it for a variety of purposes.



Source: CYFD

- In FY24, the turnover rate among Protective Services workers was 34 percent. The agency's 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.



Source: CYFD

- As of September 2024, CYFD reported 1,066 active resource homes, 74 more than were active in September 2023.
- Of the active resource homes in September 2024, 611 (57 percent) were placements with relatives or kin, a rate that is better than the national average of 44 percent.
- According to FY24 CYFD annual performance data, 73 percent of youth over the age of 12 in Protective Services custody were placed in the least restrictive, community-based environment. The performance target for this measure is 85 percent. In FY23, 91 percent were placed in a least restrictive, community-based setting.

Performance Challenge: Preventing Child Maltreatment and Repeat Maltreatment

LegisStat Recap

- The May 2023 LegisStat hearing focused on child maltreatment, and committee members asked about goals for reducing child maltreatment as well as the department’s plans for implementing and improving the Comprehensive Addiction and Recovery Act (CARA) program and plans of self-care and alternative response.
- In the December 2023 hearing, the agency reported the department had received feedback from the federal government regarding the submitted Family First Prevention Services Act (FFPSA) plan and intended to resubmit it. CYFD has reorganized the department and established a Family Services Division intended to focus on prevention but still does not have an approved FFPSA plan in place.
- In June 2024, the agency reported continuing to work on a resubmission of the plan.
- In September 2024, CYFD reported the agency was receiving technical assistance, provided by Casey Family Programs, to review the state’s FFPSA plan, and the plan had not yet been submitted. In FY24, CYFD spent 35 percent of a reported \$16.4 million of expenditures on evidence-and research-based prevention programming.

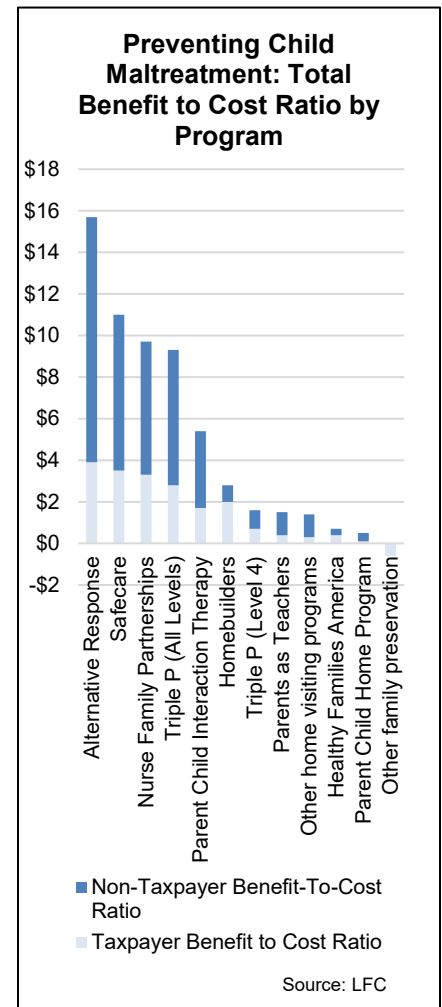
Progress

Prevention and Early Intervention.

In September 2022, CYFD submitted a FFPSA plan for review, but the plan was not approved by the federal government. The purpose of the plan is to begin using federal funding to implement prevention and intervention programs identified in the federal Title IV-E (foster care) clearinghouse, such as Healthy Families America, Child First, and SafeCare. The FFPSA allows states to draw down federal Title IV-E funding at the state’s Medicaid match rate (roughly 72 percent in New Mexico). Without an approved plan, New Mexico is missing out on federal revenue that could be used to implement evidence-based prevention and early intervention programs.

As of summer 2024, the state’s plan has not been approved but CYFD received feedback from the federal government and reported plans to resubmit it. To receive federal Title IV-E prevention funding, the state must have an approved plan and implement programs identified by the federal Administration of Children and Families (ACF) as proven to reduce child maltreatment. For FY25, the General Appropriation Act provided a special appropriation of \$200 thousand to CYFD to pay for technical assistance in revising and resubmitting the state's prevention program plan and to ensure the maximum draw down of federal funds within Protective Services. CYFD received technical assistance through Casey Family Programs, supported philanthropically, and has not used the special appropriation to date. As of November 2024, the state’s plan had not been resubmitted, and the timeline for resubmission was unknown.

The draft FFPSA plan shared with LFC staff notes Title IV-E Prevention Program funding will be used to support an expansion of CYFD’s existing in-home services and to expand evidence-based programs delivered by the Early Childhood Education and Care Department (ECECD). The state’s plan notes CYFD will continue delivering a variety of programs the agency is already running, including Family Resource Centers, Community-Based Prevention and Intervention Programs, Keeping Families Together, a supportive housing



program, and Family Connections, a home visiting program. CYFD is also considering implementing SafeCare Home Visiting. With the exception of SafeCare Home Visiting, most of the planned programs are not currently eligible for federal Title IV-E reimbursement and are not currently rated in the Family First Prevention Services clearinghouse as evidence-based. The plan primarily proposes ECECD will be responsible for implementing the evidence-based programs listed in the FFPSA Clearinghouse. Federal feedback also asked the department to clarify how the agency will refer and then monitor the safety of any families referred to services delivered by ECECD, as required by the FFPSA.

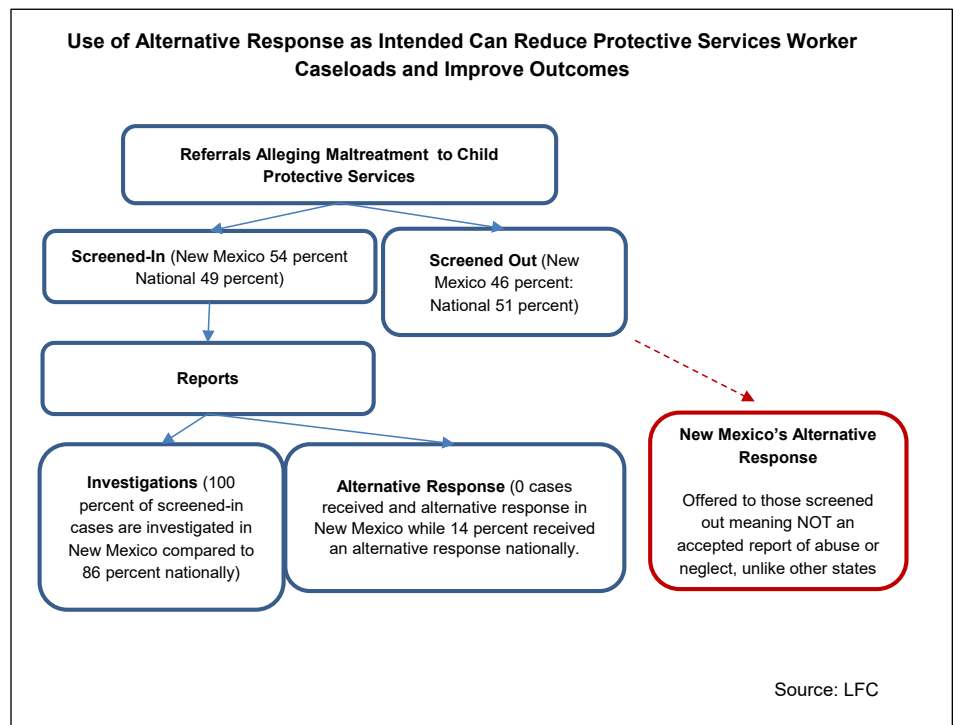
In 2023, the Legislature made appropriations from opioid settlement revenue, including \$1 million to implement plans of safe care for substance-exposed newborns (the CARA program) and \$1 million to establish SafeCare Home Visiting, which is eligible for federal reimbursement. CYFD has reported continuing to explore SafeCare Home Visiting as a potential prevention program but reports workforce concerns and has not established the program to date. Both appropriations went unused and reverted. For FY25, the Legislature appropriated nearly \$2 million for plans of safe care (CARA) to the Health Care Authority (HCA), following an LFC program evaluation that made this recommendation. During 2024, CYFD posted 17 CARA-related positions and moved forward with hiring. As of December 1, 16 CARA positions had been filled, and the agency was using Temporary Assistance for Needy Families (TANF) funding for the positions. These positions were not approved by the Legislature and may be duplicative of some of the care coordination functions directed by HCA.

For FY25, the Legislature maintained a relatively flat CYFD operating budget, including within Protective Services but made significant targeted investments for these prevention and early intervention programs through the GRO to pilot and implement programs over three years, including: \$9 million to implement evidence-based prevention and intervention programs. This GRO funding should provide an opportunity to expand evidence-based programs and evaluate their outcomes. Appropriations should also bridge funding until federal reimbursement is available, if CYFD chooses to implement programs eligible for federal reimbursement.

Alternative, Multi-Level, or Differential Response. In 2019, New Mexico enacted legislation to create a multilevel or alternative response model. In a traditional alternative or differential response model, reports of maltreatment are split into two tracks: investigation and assessment. In an alternative response to the traditional investigation model, in lower risk cases, protective services workers conduct an assessment of a family’s needs, connect the family to resources or in-home services if appropriate, and continue to monitor the family directly. New Mexico has been implementing a pilot model that refers some families for external services but does not follow evidence-based models with fidelity and only serves families who are screened out for investigation.

LFC analysis suggests alternative or differential response may have a positive return on investment, and if implemented with fidelity, can result in improved child safety and reduced instances of repeat maltreatment.

However, several LFC reports have flagged concerns CYFD has not implemented with fidelity to evidence-based



models or as outlined in state statute, but CYFD was instead implementing a model that focuses on referring screened-out cases to community services.

In 2024, the Legislature appropriated \$4.2 million through the GRO to pilot and evaluate implementation of differential response over three years, in accordance with statute. CYFD also reports differential response may be eligible for Title IV-E prevention funding if the state implements a program model listed in the federal clearinghouse and the overall state plan is approved. CYFD is now receiving technical assistance from Casey Family Programs to prepare to expand alternative response statewide and to deliver the approach to low-to medium-risk cases, as research recommends. However, no timeline or specific plan for implementation has been shared, and the agency has not completed statutorily required reporting in the last two years.

Performance Challenge: Meeting Child Welfare System Workforce Needs

LegisStat Recap

- Previous LegisStat hearings included questions related to CYFD workforce development and whether the agency is implementing the workforce plan developed following the *Kevin S.* lawsuit. The committee also wanted to know more about whether the CYFD workforce is licensed and credentialed at a sufficient level and what might be done to improve the professionalization of the workforce.
- During the June 2024 LegisStat hearing, CYFD reported roughly 7 percent of the Protective Services workforce is composed of licensed social workers. Committee members also asked about other options for improving the effectiveness and efficiency of the existing workforce and if the department had plans for the \$3 million appropriation for the department's workforce plan.
- During the September 2024 LegisStat, CYFD reported a variety of plans to recruit and train Protective Services workers, including media hiring campaigns, recruitment events out-of-state, and a child welfare workforce training academy developed in partnership with New Mexico Highlands University. However, CYFD did not share details about timelines or intended outcomes or performance targets related to these efforts.

Progress

Workforce shortages continue to hamper the state's efforts at addressing childhood maltreatment. New Mexico faces high demand for social workers, caseworkers, and investigators, causing high caseloads and, in some cases, potential missed opportunities to prevent maltreatment. Recruitment and retention challenges impact the workforce because child welfare work is stressful, exposure to trauma is common, and the job is emotionally taxing. CYFD has not recently focused Protective Services recruitment on licensed social workers and has reduced education requirements for workers over time, citing social worker shortages. In June 2024, CYFD reported to LFC that 7 percent of Protective Services caseworkers are licensed social workers.

For FY24, appropriators worked to address workforce challenges by including funding for appropriate placement salary adjustments, ensuring the salary structure is internally aligned, and adding funding to fill at least 60 full-time positions in the Protective Services and Behavioral Health Services programs for FY24. Also addressing workforce, the Legislature 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.

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.

As of December 1, Protective Services had a headcount of 918. CYFD’s ability to fill positions up to the budget level is impacted by collecting federal revenue far below budgeted levels. In addition, LFC analysis of SPO data suggests the number of filled Protective Services investigation positions decreased by 27 percent between December 2023 and December 2024.

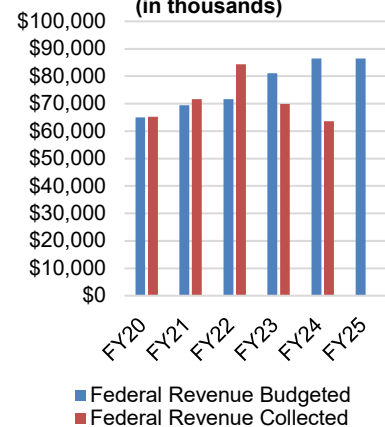
Protective Services Investigator Positions

	Dec-23		Dec-24		% Change Total	% Change Filled
	Total Positions	Filled	Total Positions	Filled		
Investigators	181	150	178	134	-2%	-11%
Investigation Case Aides	24	16	24	5	0%	-69%
Total	205	166	202	139	-1%	-16%

Source: LFC Analysis of SPO Data

While CYFD has plans to spend the \$3 million special appropriation for workforce development, including through 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. This appropriation was reauthorized for FY25, with language noting a targeted effort focused on social workers that was vetoed. 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.

Protective Services Budgeted to Actual Federal Revenue FY20-FY25 (in thousands)



Source: LFC

Title IV-E Federal Funding. Projected shortfalls in federal Title IV-E revenue within Protective Services may hinder CYFD’s ability to recruit frontline workers. CYFD requested a \$12.3 million deficiency appropriation in FY24 for Protective Services to cover a shortfall that resulted from the agency collecting less Title IV-E revenue than budgeted. While the number of children in care increased between FY21 and FY24, federal revenue realized in Protective Services decreased, as did the ratio of federal funds to general fund revenue realized. Title IV-E allows state agencies to be reimbursed for 50 percent of eligible costs associated with the administration of foster care programs, with some administrative expenses eligible for higher reimbursement. CYFD reports it is working to understand the decrease in Title IV-E funding and plans to seek technical assistance to ensure the agency is maximizing the drawdown of federal funds. The agency has also requested a \$20 million supplemental appropriation for FY25, citing decreased federal revenue and the need to meet *Kevin S.* caseload standards, and CYFD requested \$13 million in the agency’s FY26 operating budget to backfill federal revenue with general fund revenue.

During the June 2024 LegisStat, CYFD reported Protective Services caseloads in excess of *Kevin S.* standards. 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.

Performance Challenge: Ensuring Appropriate Placements for Youth in CYFD Custody

LegisStat Recap

- During the June 2024 LegisStat hearing, CYFD noted the state has insufficient numbers of resource homes, or foster care providers. CYFD reported holding over 120 resource home recruitment events that resulted in 19 new inquiries among potential resource home providers and acknowledged needing to rethink recruitment strategies. The department also reported moving forward with plans to open a multiservice (group home) for hard-to-place boys in Albuquerque with plans to open a similar facility for girls to alleviate the need for children to sleep in CYFD offices.
- During the September 2024 LegisStat, CYFD proposed a plan to implement Foster Care Plus, a model for intensive foster care support that aims to replicate a strategy implemented in Oklahoma. CYFD did not report a specific timeline or intended outcomes for the initiative.

Progress

The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In FY24, 872 youth entered foster care and 542 youth exited foster care. In September 2024 a total of 2,100 children were in CYFD care, an increase of 2 percent relative to September 2023. The percentage of children who achieved permanency within 12 months has also declined since FY22, which may further contribute to the current increase in children in care in any given month. In addition, New Mexico may be over-removing children because the number of children who experience a short-stay, a stay in foster care of less than 30 days, remains high; if counted with foster care entries, short stays would total roughly 22 percent of all entries into foster care. Short stays may lead children to experience a traumatic removal that could have been avoided and are costly to the state. Short-stays may also further burden a system that has insufficient numbers of resource homes.

New Mexico consistently faces insufficient numbers of resource homes or foster placements, though New Mexico tends to perform better than other states when it comes to placing youth in foster care with relatives or kin, which has been shown to lead to better outcomes in many cases. The *Kevin S.* settlement agreement committed New Mexico to efforts to expand community-based family placements for youth in custody, increase the number of resource families, increase the use of treatment foster care, and reduce the use of congregate care placements unless medically necessary.

To address the need to increase resource home placements in the state, CYFD reported in FY24 taking steps to restructure Protective Services to include a dedicated team in each county office focused on recruiting and retaining foster families. However, the number of licensed resource homes in New Mexico remained roughly 1,000 through 2024, and resource homes often have multiple child placements. The number of licensed resource homes in New Mexico also experiences some churn; over the last year, an average of 60 homes were licensed and an average of 59 homes stopped accepting placements each month. In September 2024, CYFD reported a total of 1,066 licensed resource homes, an increase of 7 percent compared to September 2023.

For FY25, the Legislature made several targeted special appropriations to pilot and implement strategies that may increase community-based placements and improve access to behavioral health services for youth in custody, including reauthorizing a \$20 million appropriation to CYFD and the Health Care Authority to build capacity and increase the number of behavioral health providers able to deliver evidence-based treatment services and \$3.75 million over three years to pilot initiatives to recruit, train, and support treatment foster care and foster care providers to support hard-to-place children. In September 2024, CYFD reported plans to pilot an intensive foster family support model, known as Foster Care Plus, aiming to replicate an Oklahoma program. The agency reports plans to use the GRO funding for this purpose.

Congregate Care. While many states have historically relied on congregate care, or group home, settings for youth in custody, research, federal guidance, and clinical recommendations now suggest congregate care settings should be reserved for short-term treatment of children with acute behavioral health needs to enable stability in subsequent community settings. As such, federal policies no longer encourage placement in congregate care settings. The Medicaid program will only cover medically necessary stays in accredited residential treatment centers, but not group homes, limiting stays to specific circumstances. Research suggests prolonged exposure to congregate care settings can place foster care youth at greater risk for negative life outcomes, including homelessness, incarceration, and substance use. According to Casey Family Programs, group and institutional settings for youth in foster care present roadblocks for timely permanency and cost up to 10 times more than placement in a family setting.

During the 2024 legislative session, CYFD shared plans to create a residential facility for hard-to-place youth in custody. At that time, LFC highlighted concerns, including potentially violating the *Kevin S.* settlement, which specifies CYFD shall place youth in the least-restrictive, community-based placement and shall not place youth in congregate care settings unless medically necessary. LFC also flagged concerns about funding sources because Medicaid will not cover costs associated with group homes but will only cover placements in highly specialized qualified residential treatment programs.

CYFD has used a portion of the \$20 million behavioral health appropriation to open the multi-service home for boys in Albuquerque on the Youth Diagnostic and Development Campus (YDDC) and intends to open a similar facility for girls. While this approach may address short-term needs of youth staying in CYFD offices, placing youth in care in congregate care settings is counter to best practices and will not be eligible for federal reimbursement. CYFD requested \$3.4 million in general fund revenue to operate the two facilities as part of the agency's FY26 operating budget request.

According to Chapin Hall, a child welfare research institute at the University of Chicago, states rely on congregate care settings to address two challenges: the need for emergency or first placements for youth in custody, and the need to find placements for youth with complex behavioral or other clinical needs who are otherwise hard to place. Chapin Hall recommends a variety of evidence-based strategies to address these two needs and reduce the reliance on congregate care: build capacity of resource homes (foster families) for first-time placements to reduce the need for congregate care in emergency situations and build capacity to deliver clinically effective alternatives in home-based settings for youth with clinical and behavioral health needs.

According to FY24 performance data, 73 percent of youth over age 12 in Protective Services custody were placed in the least restrictive, community-based environment, a decline in performance compared to FY23, when the metric was 91 percent. The performance target for this measure is 85 percent.

Hearing Questions

Child Maltreatment

- What is the status of the state's Title IV-E prevention plan, and what is the timeline for potential resubmission and approval?
- Which of the prevention programs being implemented will be eligible for Title IV-E or Medicaid reimbursement?
- Which programs and services will not be eligible, and how much is the state spending on these programs, which are not evidence-based?
- What are CYFD's plans related to implementing differential response statewide, and what is the timeline?
- What is the status of the last annual report about multilevel response implementation, required by Section 32A-4-4.1?

Workforce

- What actions has the department taken to date to address workforce shortages?
- How does the department plan to use the \$3 million reauthorized appropriation for workforce development?

- How does the department plan to use the \$1.7 million GRO appropriation to incentivize masters-level social work licensure?
- How many of the existing CPS workforce currently meet minimum qualifications for employment through years of experience as opposed to licensure and educational credentials?
- The CYFD FY26 operating budget request proposes moving 146 FTE from Protective Services to the Family Services Division. What were these FTE previously doing, and what will they be doing?

Placements for Children in Custody

- What actions has CYFD taken to increase the number of resource (foster) homes in the state, and what have been the results to date?
- What actions have been taken to increase the number of treatment foster care (TFC) placements in the state, and what have been the results?
- How is CYFD planning to use the \$3.75 million GRO appropriation to recruit, train, support, and retain resource families and treatment foster care providers? What outcomes will CYFD measure to evaluate the impact of these efforts?
- CYFD used a portion of the \$20 million for behavioral health capacity for the multi-service homes. How will these services be funded in the future, if they continue, given these services are not eligible for federal reimbursement?

Funding

- Has the Title IV-E consultant identified reasons that federal revenue collected dropped? Has the consultant looked both at administrative claiming and claiming for maintenance payments (reimbursement for children in foster care, adoptions, or guardianship)?
- Can any Title IV-E federal funding be recouped or materialize in future years?
- What is preventing or slowing CYFD from expenses against some of the special appropriations available in FY25? (\$2 million for Protective Services personnel, and \$3 million for workforce development, for example).