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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Lopez/Pope/Sedillo Lopez</u>	<b>LAST UPDATED</b> <u>2/14/2024</u> <b>ORIGINAL DATE</b> <u>2/5/2024</u>
<b>SHORT TITLE</b> <u>CYFD Restructuring Task Force</u>	<b>BILL NUMBER</b> <u>Senate Memorial 5</u>  <b>ANALYST</b> <u>Garcia</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
LFC		\$5.0	\$0	\$5.0	Nonrecurring	General Fund

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

Relates to House Memorial 10

### Sources of Information

LFC Files

Agency Analysis Received From  
 Health Care Authority (HCA)  
 Children, Youth and Families Department (CYFD)

## SUMMARY

### Synopsis of Senate Memorial 5

Senate Memorial 5 (SM5) creates a task force comprised of 12 members identified by legislative leadership, the governor, chief justice, and other stakeholders involved in the child welfare system and convened by the Legislative Finance Committee. The memorial intends to augment and enhance the governor’s executive order efforts to improve the child welfare system.

The memorial directs the task force to examine the organizational structure and operations of the Children, Youth and Families Department and make recommendations for necessary change about:

- The agency’s mission, vision, and organizational structure, compared with national best practices;
- Implementation of a variety of strategies and availability of services, including prevention and intervention services, differential response, data-driven approaches, and workforce development; and
- Resource allocation, including the current and potential use of federal funds and staffing strategies.

The taskforce is requested to make recommendations to the Legislature and governor by November 2024, and the memorial articulates the taskforce shall meet monthly and have sufficient administrative support.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

## 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 \$5,000 that could be observed by the convening organization, the LFC.

## SIGNIFICANT ISSUES

**Executive Order.** In February 2020, the governor issued Executive Order 2023-020 which directed the reorganization of CYFD’s organizational chart and created a policy advisory council, consisting of seven members. The order also established an Office of Innovation with CYFD and a grievance system to allow families to “engage in meaningful dialogue with CYFD.” The order also directed the department to be subject to an annual audit by an out-of-state consulting firm.

**Agency Analysis.** The Children, Youth and Families Department (CYFD) reports the work outlined in this senate memorial has already been undertaken or is currently being conducted, and the work of the taskforce would be duplicative of these current and previous efforts and concludes another task force analyzing the same issues is unnecessary for the following reasons:

CYFD notes the Substitute Advisory Care Council (SCAC) “is already required by statute to bring New Mexico in alignment with federal laws mandating such an advisory board. CYFD is working with SCAC to better define processes by which a more collaborative approach can be implemented between CYFD and the Council.”

CYFD also noted the Executive Order issued in February 2023, which included the formation of a Policy Advisory Council, is “currently in process of filling vacant positions and restructuring the council.”

The federal Children’s Bureau has identified New Mexico to participate in the Child and Family Services Review in federal fiscal year 2025. Preparations for this review will require a statewide assessment, which includes stakeholder input, and the review will inform the state’s performance improvement plan, overseen by the federal government.

CYFD has already undertaken an internal assessment and reorganization of the agency’s management structure and included the formation of a new division (the Family Services Division). The department’s reorganization used data to inform the agency’s restructuring.

The multilevel response system is currently in place and the agency has an expansion planned as part of the agency’s reorganization.

## **PERFORMANCE IMPLICATIONS**

CYFD notes, the implementation of a task force will “make the department less effective by creating duplicative levels of oversight and potentially conflicting recommendations.”

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Memorial 10 would also create a taskforce to make recommendations about the child welfare system. HM10 includes a narrower list of participants and areas of focus for the taskforce.

## **TECHNICAL ISSUES**

The Health Care Authority notes the memorial lacks detail about the term of commitment from appointed members, and the term “service providers” would need to be defined.

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