

State of New Mexico

Legislative Council Service



2025 Legislative Session Recap: Child Welfare

Presentation to the Legislative Health and Human Services Committee

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Presentation Roadmap

1) Background: New Mexico's Child Welfare System

2) 2025 Session: Key Legislation

Senate Bill 42

Senate Bill 283

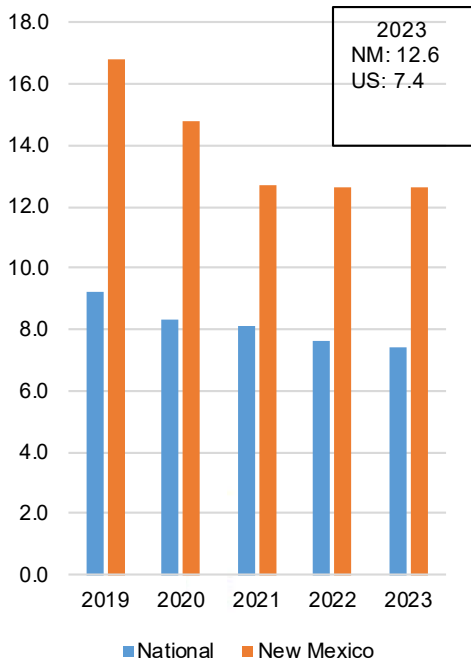
House Bill 5

3) 2025 GAA: Child Welfare Funding



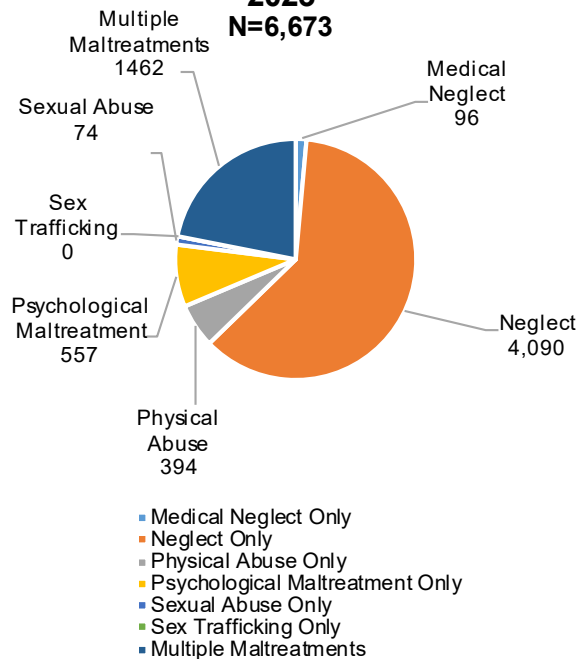
Child Maltreatment and Foster Care Trends

Child Maltreatment Rate per 1,000 Children



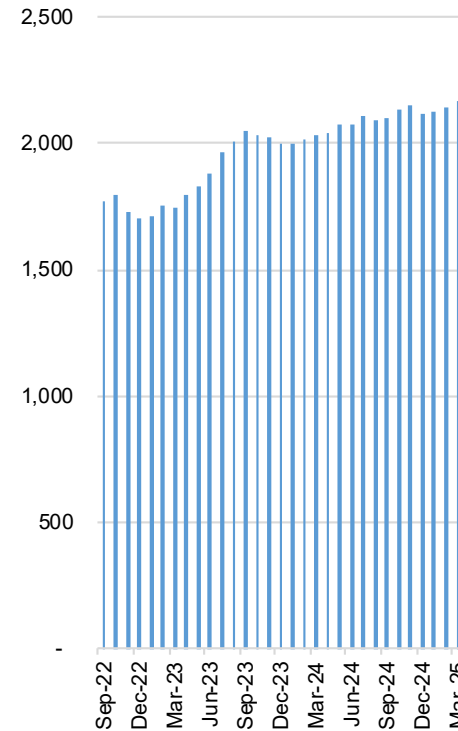
Source: 2023 ACF Child Maltreatment Report

NM Maltreatment Victims by Type 2023
N=6,673



Source: ACF Maltreatment Report 2023

Children in Foster Care 2022-2025

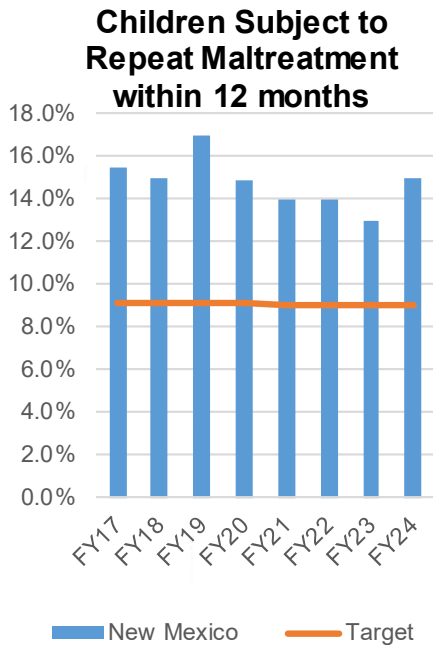


Source: CYFD



Child Welfare Performance Challenges

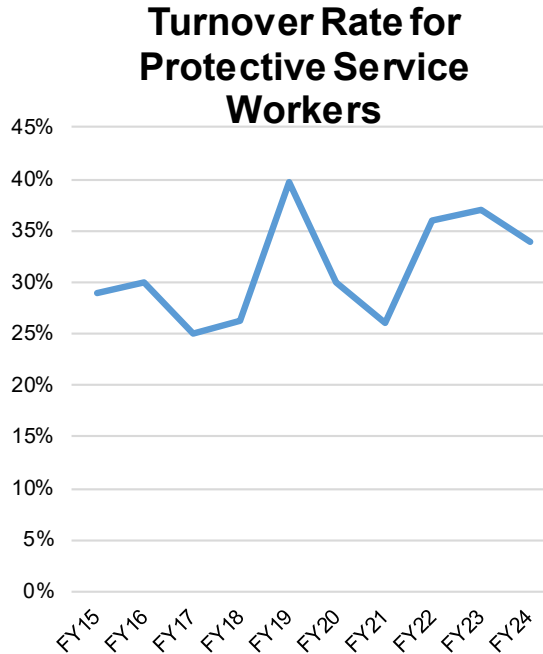
Reducing Maltreatment and Repeat Maltreatment



Source: CYFD

Repeat maltreatment was 14% in the third quarter of FY25

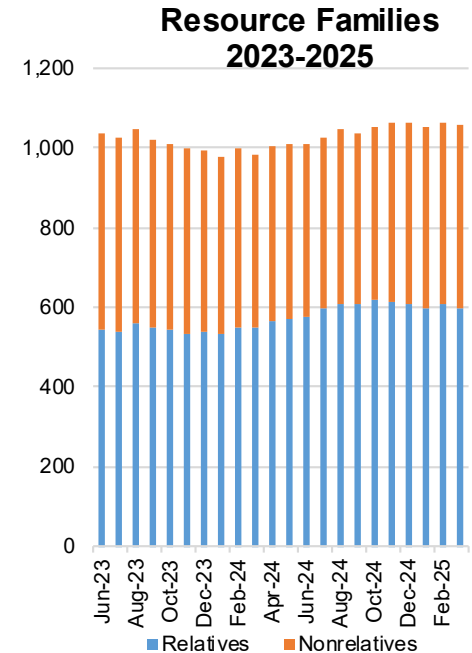
Workforce



Source: CYFD

Turnover worsened in FY25 to 39% in the third quarter of FY25 and was >50% in April 2025.

Community-Based Placements



Source: CYFD

CYFD reported 1,062 licensed resource homes in April 2025.



Senate Bill 42 (2025)

- Aims to improve child welfare in New Mexico through three main objectives:
 1. Updating and improving data privacy and record retention requirements related to child welfare.
 2. Improving the way the state responds to alleged child abuse or neglect:
 1. Fixing the “CARA” program.
 2. Statewide multilevel response system
 3. Improving prevention and early intervention services.

Data Privacy and Record Retention in SB 42

- Section 2:
 - Requires CYFD employees to use department-issued electronic devices for all communications related to the performance of their duties.
 - Electronic records on the devices are required to be retained.
- Sections 10 and 11:
 - Improves transparency in investigations and proceedings alleging abuse or neglect

CARA Program

- Sections 5 through 8 of SB 42:
 - Shifts responsibility for the program from CYFD to the HCA.
 - Requires plans of safe care to be made for all substance-exposed newborns.
 - Requires the HCA to:
 - Ensure care coordinators are available to provide services in each birthing hospital in the state;
 - Follow up with families to help connect them with services.
 - Implement plans of safe care.
 - Notify CYFD within twenty-four hours of a family's failure to comply with a plan of safe care. Any family reported to CYFD will undergo a family assessment conducted by CYFD.

Families First Act

- Sections 14-17:
 - Requires CYFD to develop and implement a families first strategic plan that complies with the requirements and regulations set forth in the Family First Prevention Services Act.
 - Will enable the state to maximize federal resources for providing foster care prevention services.

SB 42 Key Dates

- August 1, 2025:
 - CYFD is required to finalize the families first strategic plan.
- September 1, 2025:
 - CYFD is required to submit the families first strategic plan to the federal administration for children and families.
- January 1, 2026:
 - CYFD is required to implement a system to back up all electronic records generated or received by employees on a daily basis.
- July 1, 2026:
 - Deadline for HCA to fully implement the new CARA program requirements.
- June 30, 2027:
 - Deadline for CYFD to implement a pilot program that provides foster care prevention services consistent with the families first act.
- July 1, 2027:
 - Deadline for CYFD to fully implement the statewide multilevel response system.
- June 30, 2032:
 - Deadline for statewide implementation of foster care prevention services consistent with the families first act.

Senate Bill 283 (2025)

- Federal Benefits for Children in State Custody Act:
 - Requires CYFD to determine whether a child under the department's custody is currently receiving or is eligible to receive federal benefits.
 - If the child is eligible for benefits, CYFD is required to apply for the benefits on behalf of the child.
 - If the child does not have a guardian, custodian, etc. to manage the benefits, CYFD is required to manage the benefits for the child.
 - Requires CYFD to provide an annual accounting of the use of the benefits to the child, the child's attorney and the child's parents or guardians.
 - When a child is released from CYFD custody, the benefits are required to be released to the child or the child's parent or guardian.

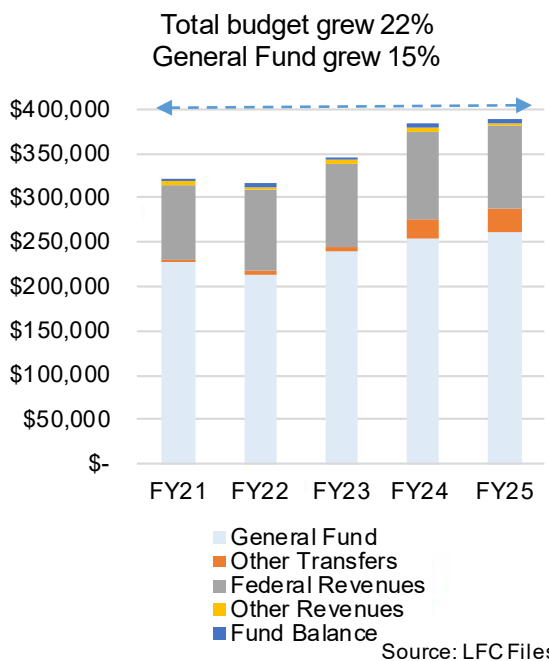
House Bill 5 (2025)

- Office of the Child Advocate Act:
 - Creates the Office of the Child Advocate and administratively attaches the office to the office of the attorney general.
 - Office is run by the state child advocate who is appointed by the governor for a term of six years. The governor must select the state child advocate from a list of persons nominated by the newly created state child advocate selection committee.
 - The nominating committee is required to have its first meeting no later than September 1, 2025.
 - The office provides oversight over CYFD and investigates complaints against the department.
 - The office is annually required to:
 - report to the legislature on the status of the state's child welfare system and CYFD's performance; and
 - Provide recommendations for improving the child welfare system.

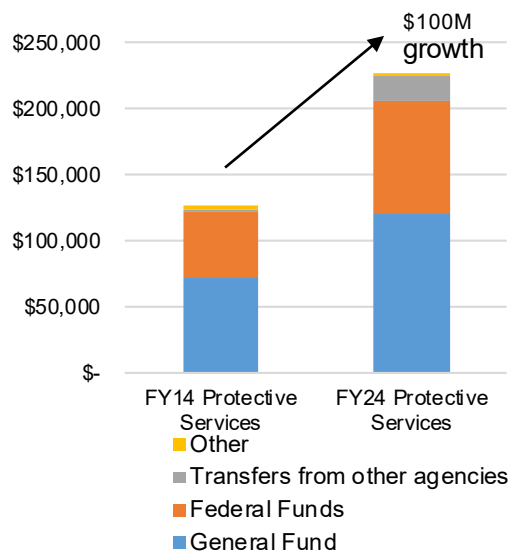


CYFD Budget History

CYFD Operating Budget Growth FY21 to FY25 (in thousands)



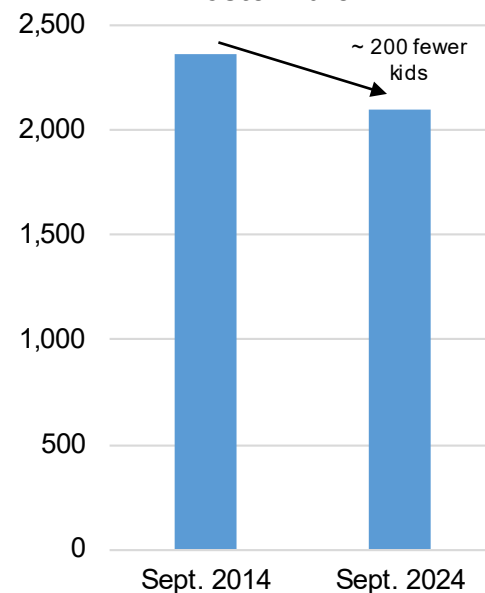
Protective Services Budget FY14 vs FY24 (in millions)



Source: LFC Volume II

Protective Services is ~60% of CYFD's operating budget

Number of Children in Foster Care



Source: AFCARS and CYFD Desktop

In 2024, the GAA also included **\$24 million in nonrecurring, special appropriations** to CYFD, including **\$18.6 million in the Government Results and Opportunity Fund (GRO)** to pilot and evaluate targeted programs to address system challenges.

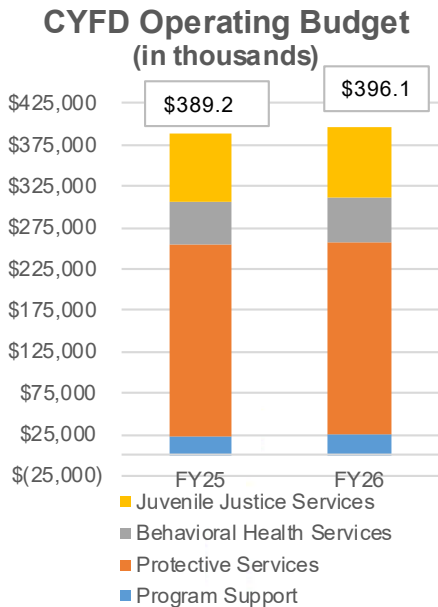


Budget Available to CYFD FY26

FY26 Operating Budget

2024 GAA Multi-Year Appropriations Available to CYFD in FY26

2025 GAA Special Appropriations (Sections 5,6,9,10) GRO funding included:



Source: CYFD Operating Budget

- \$562.5 thousand to pilot incentives for master's-level social work attainment
- \$1.4 million to implement multi-level/ alternative response
- \$1.25 million for recruitment and retention of foster families
- \$3 million for evidence-based prevention and early intervention programs

- \$30 million over three years to hire 101 caseworkers annually;
- \$9.6 million over two years to hire case aides;
- \$5.6 million to create a regional on-call response team;
- \$5.4 million over three years to pilot and evaluate a child welfare workforce training academy;
- \$5.2 million over to years for operating costs related to Senate Bill 42;
- \$1.8 million over two years for personnel to meet *Kevin S.* data obligations; and
- \$600 thousand over two years to respond to inquiries from the Office of the Child Advocate

*The Legislature maintained a relatively flat operating budget for CYFD in the 2025 GAA while **investing more than \$72 million in non-recurring, special appropriations** from the general fund and the GRO fund. All together, the Legislature made more than **\$111 million in additional funding available to CYFD** in this year's GAA.*

Office of the Child Advocate Funding

Section	GAA Page	Expenditure Year	Entity	Amount (in thousands)	Language	Vetoed?
5	p. 189, lines 10-13	FY25 and FY26	Attorney General	\$1,000	For start up costs associated with the office of the child advocate, including hotline and case management systems, contingent on enactment of House Bill 5 or similar legislation of the first session of the fifty-seventh legislature creating the Office of the Child Advocate	Yes
9	p. 255, lines 19-20	FY26	Attorney General	\$650	For the office of the child advocate, contingent on enactment of House Bill 5 or similar legislation of the first session of the fifty-seventh legislature creating the office	No
9	p. 257, lines 13-14	FY26	CYFD	\$300	For personnel to respond to inquiries from the office of the child advocate contingent on enactment of House Bill 5 or similar legislation of the first session of the fifty-seventh legislature creating the office.	No
9	p. 262, lines 15-16	FY27	Attorney General	\$650	For the office of the child advocate, contingent on enactment of House Bill 5 or similar legislation of the first session of the fifty-seventh legislature creating the office	Yes
9	p. 264, lines 9-10	FY27	CYFD	\$300	For personnel to respond to inquiries from the office of the child advocate contingent on enactment of House Bill 5 or similar legislation of the first session of the fifty-seventh legislature creating the office.	No



Thank you

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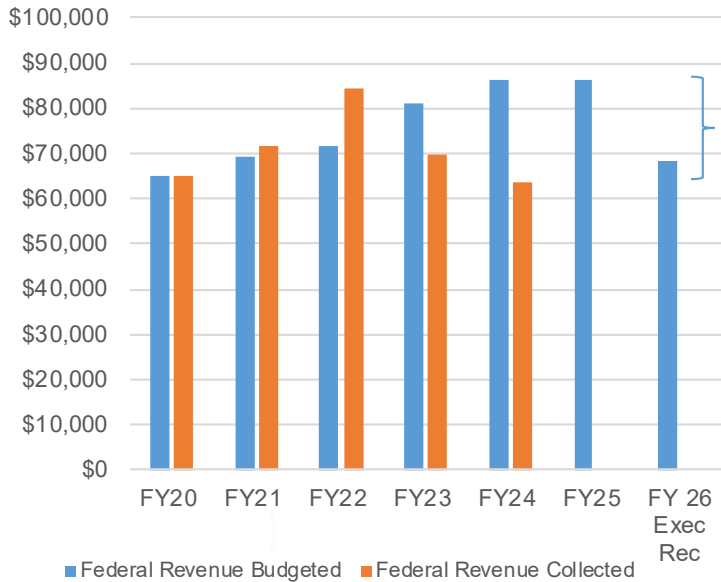
More LFC Budget and Policy Documents can be found at:

<https://www.nmlegis.gov/Entity/LFC/Default>



Protective Services Federal Revenue

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

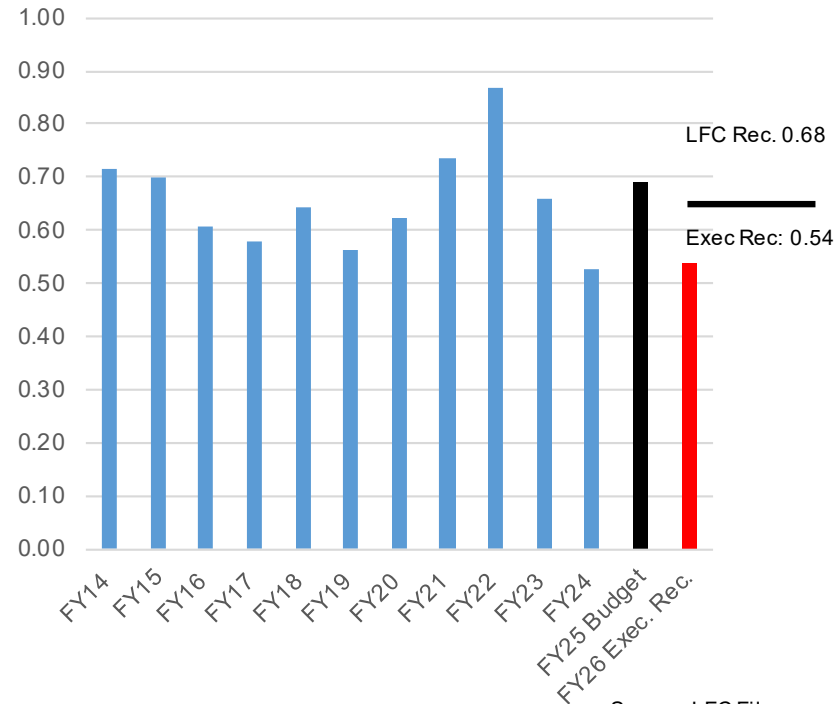


Source: LFC Vol. II

The Executive recommendation included backfilling \$10 million in federal revenue with General Fund.

The LFC recommendation includes a non-recurring appropriation to seek technical assistance regarding federal funds before backfilling with General Fund.

Protective Services: Ratio of Federal Funds to General Fund FY14-FY24 Actuals



Source: LFC Files

