

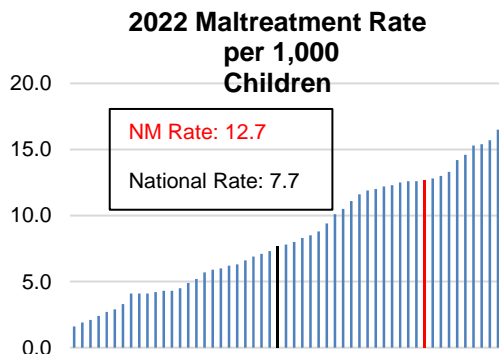
Topic Area: Child Welfare

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 support families but are often not implemented in New Mexico. In addition, a professional, well-supported workforce can improve outcomes for children and families. Finally, 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 (foster care providers). 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

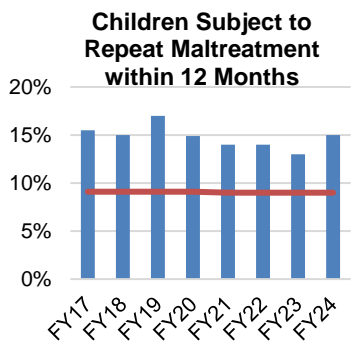
- New Mexico is one of only a few states that still does not have an approved Title IV-E Family First Prevention Services Act plan, missing out on an opportunity to receive federal funding to implement evidence-based prevention programs.
- While CYFD made some hiring progress in FY24, turnover among Protective Services remains high and inhibits system improvement. The state may not be fully leveraging federal funding for workforce training.
- While CYFD held recruitment events and devoted some resources to recruit resource homes, the number of community-based placements has remained flat over the last year.

Key Data



Source: ACF Child Maltreatment Report 2022

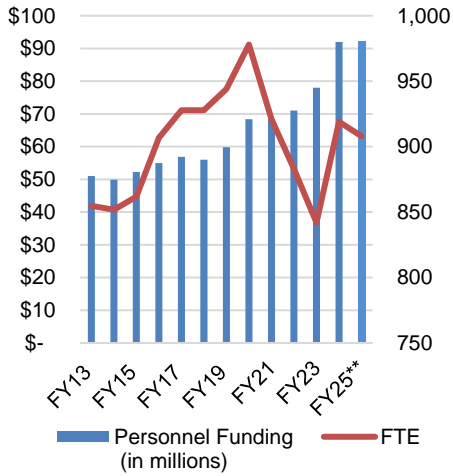
- The rate of child maltreatment in New Mexico is significantly higher than the national average. In 2022, 12.7 children out of every 1,000 children experienced maltreatment, a total of 5,817 children.
- The state, through Medicaid and other means, is investing to address root causes by increasing funding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



Legend: New Mexico (Blue), Target (Red)
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.

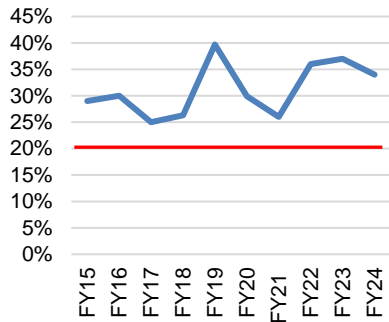
Protective Services Personnel Appropriations and Filled FTE



*As of June 1, 2024
 **As of August 1, 2024
 Source: LFC Files and SPO Tool Report

- 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.
- 2023 legislative appropriations included a \$3 million special appropriation to implement the department's workforce development plan, \$5 million to implement an appropriate placement salary adjustment among Protective Services workers, and nearly \$3 million for additional staff. While CYFD held several recruiting events in FY24, less than \$100 thousand of the special appropriation has been spent, and the Legislature reauthorized this appropriation for FY25.
- For FY25, the Legislature also appropriated \$1.7 million through the GRO to pilot and evaluate an approach to incentivize front-line staff to obtain master's-level social work licensure.

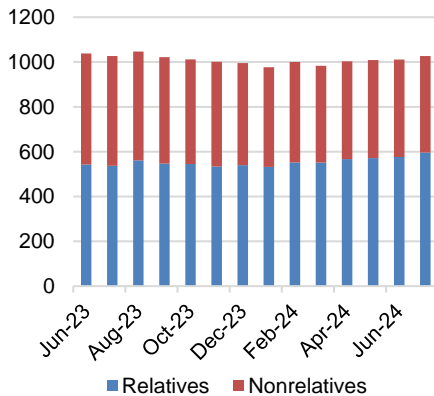
Turnover Rate for Protective Service Workers



Source: CYFD

- In the second quarter of FY24, the turnover rate among Protective Services workers was 34 percent. The agency's target is 20 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, incidents of child maltreatment, and re-entries to foster care.

Resource Families 2023-2024



Source: CYFD

- As of July 2024, CYFD reported 1,045 active resource homes, 41 more than were active in July 2023.
- Of the active resource homes in July 2024, 596 (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 of youth in Protective Services custody 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. In June 2024, the agency reported continuing to work on a resubmission of the plan, and the sub-committee requested a copy and analysis from LFC staff. The agency reorganized the department and established a Family Services Division intended to focus on prevention.

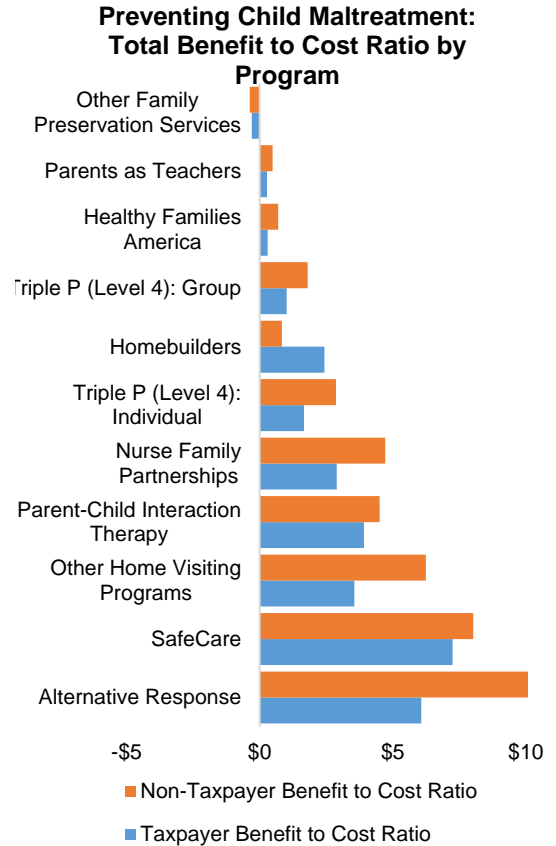
Progress

Prevention and Early Intervention

In September 2022, CYFD submitted a federal Title IV-E Family First Preventions Services Act (FFPSA) plan. The purpose of the plan is to begin using federal funding to stand up prevention and intervention programs that are identified in the federal Title IV-E (foster care) clearinghouse, such as Healthy Families America, Child First, and SafeCare. As of summer 2024, the state’s plan has not been approved but CYFD received feedback from the federal government and plans to resubmit. 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. To date, CYFD is preparing but has not resubmitted the state’s plan.

In FY24 the Legislature sought to equip the department to improve child outcomes by aligning the department’s budget with national child welfare best practices and prioritizing evidence-based strategies for maximizing family unity and preventing the use of foster care, when appropriate. In FY24, the Legislature increased the Protective Services budget by 14 percent. In addition, the Legislature appropriated \$15.9 million in federal TANF revenue to fund various evidence-based prevention and intervention services. Another \$7.6 million in general fund revenue was available to match federal Title IV-E revenue if spent on programming with a strong evidence-base, as identified by the federal government. However, CYFD is largely not implementing evidence-based programs.

In addition, the Legislature made appropriations from opioid settlement revenue, including \$1 million to implement plans of safe care (the CARA program) and \$1 million to establish SafeCare Home Visiting, which is a service eligible for Medicaid reimbursement in New Mexico that may also be eligible for federal Title IV-E prevention funding. 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, following an LFC program evaluation that made this recommendation. During summer 2024, CYFD



Source: LFC Analysis

posted 17 CARA-related positions and moved forward with hiring. As of August 1, four positions had been filled, and the agency was using TANF funding for the positions.

The draft Family First 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 Care and Education 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. None of these programs are currently eligible for federal Title IV-E reimbursement and are not currently rated in the Family First Prevention Services clearinghouse as evidence-based. Instead, the plan proposes ECECD will primarily be responsible for implementing the evidence-based programs listed in Families First Prevention Services 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 Family First Prevention Services Act.

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 Government Results and Opportunity Fund (GRO) special appropriations 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 that are eligible for federal reimbursement.

Summary of CYFD Proposed Title IV-E Families First Prevention Plan

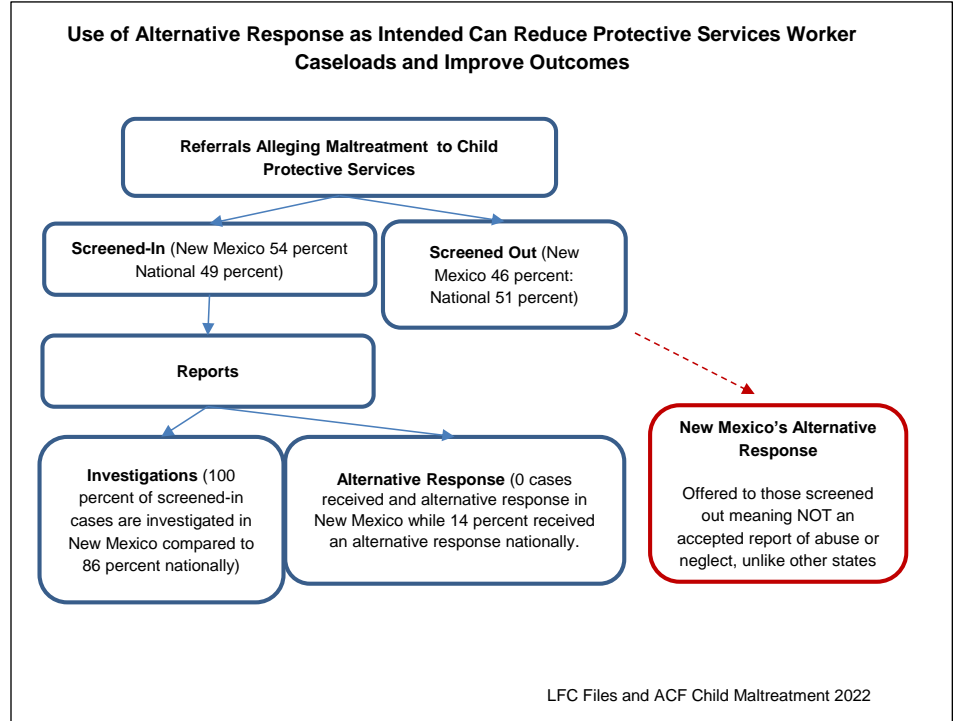
Programs and Initiatives in CYFD’s Submitted Title IV-E Families First Prevention Services Plan				
Program	Program Description	Responsible Agency	Currently Operating in NM?	Title IV-E Rating
Keeping Families Together	(Not an eligible Title IV-E Program) Supportive housing program operating in Bernalillo, Sandoval, and Valencia Counties CYFD proposes expanding to Dona Ana County.	CYFD	Yes	Not rated
Family Resource Centers	(Not an eligible Title IV-E Program) CYFD proposes working with ECECD to establish Family Resource Centers in three locations	CYFD	In progress	Not rated
Family Connections	(Not an eligible Title IV-E Program) In-home parent skill-based program The plan proposes expanding this service and evaluating outcomes	CYFD	Yes	Not rated but recommended for review
Motivational Interviewing	Substance use prevention and treatment service Plan proposes CYFD will deliver the service to parents/ caregivers	CYFD	Yes	Well-supported
Healthy Families America	Home visiting program Plan proposed ECECD will use General Fund to pilot and implement the model among 60 families. The model is already eligible for Medicaid reimbursement, though ECECD has struggled to enroll families in Medicaid home visiting.	ECECD	Yes	Well-supported
Child First	Home visiting program Proposed ECECD expand this home visiting model	ECECD	Yes	Supported
SafeCare	Home visiting program SafeCare is not currently operating in New Mexico. However, the plan proposes ECECD implement the model, and SafeCare is already eligible for Medicaid reimbursement.	ECECD	No	Supported
Family Spirit	Home visiting program The program is designed to serve Native American mothers. The plan proposes reaching out to Tribes and Pueblos to seek support for the program before considering expansion.	ECECD and CYFD	Yes	Promising

Source: LFC

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 appropriation, 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 response may have a return on investment of roughly \$12 for every \$1 invested 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 is instead implementing a model that focuses on referring screened-out cases to community services.



In 2024, the Legislature appropriated \$4.2 through the GRO to pilot and evaluate implementation of differential response 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 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. The secretary reported the CYFD paused plans to recruit social workers from out of state because the agency faced a budget shortfall in FY24 because Title IV-E revenue collected is significantly below budgeted levels.

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 focused Protective Services recruitment on licensed social workers and has reduced education requirements for workers over time, citing social worker shortages.

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. As of August 1, Protective Services had a headcount of 908, though CYFD's ability to fill positions up to the budget level is impacted by realizing federal revenue below budgeted levels.

As of September 1, CYFD has spent less than \$100 thousand of the \$3 million special appropriation to implement the workforce plan. This appropriation was reauthorized for FY25, with language noting a targeted effort focused on social workers. 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 Protective Services.

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. The agency projects Protective Services ended FY24 with a \$9.4 million shortfall because the agency collected less Title IV-E revenue than budgeted, particularly for Title IV-E foster care administration. 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 is still 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.

Finally, CYFD may also be underleveraging federal Title IV-E funding for child welfare workforce training and development. The Title IV-E of the Social Security act, commonly called Title IV-E, allows states to claim federal reimbursement for costs associated with providing foster care and adoption assistance to children who meet federal eligibility criteria. Title IV-E also allows states for costs associated with providing short and long-term training for their child welfare workforce. Title IV-E education programs, commonly referenced as "stipend programs," are delivered through partnerships between social work programs at institutions of higher education and state child welfare agencies. Title IV-E training programs provide stipends or tuition reimbursement for undergraduate and graduate social work education. The Title IV-E stipend program is the primary source of federal funding available to support the improvement of the child welfare workforce. Research suggests Title IV-E stipend programs successfully prepare licensed social workers to work in public child welfare, and participants have longer tenures in child welfare than nonparticipants¹. Title IV-E grants flow through CYFD, and federal data suggests federal Title IV-E grant expenditures for training have declined since 2020. In FFY20 CYFD reported \$3.2 million in federal Title IV-E training expenditures. CYFD is projected to expend \$2 million in Title IV-E training funds in FY24.

In New Mexico, Eastern New Mexico University, New Mexico Highlands University, New Mexico State University, and Western New Mexico University operate Title IV-E stipend programs that provide students with a stipend in exchange for up to five years of service at CYFD after graduation. If students do not complete their terms of service at CYFD, they must repay stipend awards. Currently, the schools of social work fund the match portion to draw down Title IV-E funds, and stipend amounts vary by school.

Performance Challenge: Ensuring Appropriate Placements for Youth in CYFD Custody

Recap

During the June 2024 LegisStat hearing the department 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 multi-service (group home) for hard-to-place boys in Albuquerque with plans to open a similar facility for girls in care to alleviate the need for children to sleep in CYFD offices.

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, 542 youth exited foster care, and a total of 2,106 children were in CYFD care in July 2024. The percentage of children who achieved permanency within 12 months has also declined since FY22, which may contribute to the current increase in children in care. 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 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 with 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 build out and 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, 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.

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 HCA to build capacity and increase the number of behavioral health providers able to deliver evidence-based treatment services and \$3.75 million over three year to pilot initiatives to recruit, train and support treatment foster care and foster care providers to support hard-to-place children. To date, the \$20 million for behavioral health capacity has gone unused or used for purposes that will not build behavioral health provider capacity or be eligible for Medicaid reimbursement, as required by statutory language. In August 2024, CYFD released a request for application for providers to seek start-up funding for children's behavioral health services that will be eligible for Medicaid.

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 and, for example, the Medicaid program will only cover medically-necessary stays in accredited residential treatment centers, but not group homes, except in limited instances. 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 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). 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. The agency has mentioned plans to create a similar facility for girls in the southern part of the state.

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.

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.

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 programs CYFD is implementing 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?
- Is CYFD planning to implement SafeCare Home Visiting, Home Builders, or other evidence-based programs previously implemented but that have stopped?
- 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 multi-level 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 meets minimum qualifications for employment through years of experience as opposed to licensure and educational credentials?
- Is the Department looking at re-working Title IV-E contracts with higher education institutions to train more social workers for the agency?
- Is the agency pursuing other workforce development strategies that could be eligible for Title IV-E training funds?

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?
- Are there other operational barriers to recruiting and retaining resource homes, and what actions has the department taken to address these problems?
- 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?
- What other steps could New Mexico take to reduce placements in congregate care settings, and what are the barriers?
- What actions is CYFD taking to expand access to evidence-based behavioral health services for youth in care?
- 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 funding sources?

ⁱ Benton, A. D. (2016). Understanding the diverging paths of stayers and leavers: An examination of factors predicting worker retention. *Children and Youth Services Review*, 65, 70-77.