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FISCAL IMPACT REPORT

SPONSOR Chávez/Jaramillo/Mathews LAST UPDATED _____
ORIGINAL DATE 2/9/2023
SHORT TITLE CYFD Caseload Standards BILL NUMBER House Bill 219
ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$1,800.0	\$1,800.0	\$3,600.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

State Personnel Office (SPO)

New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of House Bill 219

House Bill 219 enacts a new section of the Children's Code, requiring CYFD to implement caseload standards for investigation case workers, permanency planning workers, in-home services providers, and placement workers. For three of the four classifications, the caseload standards also identify the gradual increase in cases an employee may be assigned over the first six months following completion of a new employee training program.

If CYFD does not adhere to the caseload standard, the bill would require them to provide the employee additional compensation. There are three tiers of additional compensation – an extra \$5 per hour for tier 1, an extra \$7 per hour for tier 2, and an extra \$10 per hour for tier 3 – predicated on the number of cases above the maximum caseload the employee carries.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

CYFD said that there is no appropriation contained within this bill. CYFD cannot absorb the fiscal implications of this bill with existing resources. Based on November 2022’s average caseload reports, the minimum annual fiscal impact to CYFD will be \$1.8 million, not including the additional staff necessary to monitor caseloads and adjust pay. Under the Collective Bargaining Agreement, CYFD already pays time and a half for staff working overtime.

Investigations:

Region	Target	Actual	Overage	# Filled/Total Positions	\$ Amount Per Month	Yearly
1	12	12.3	0.3	26/34	0	0
2	12	16.4	4.4	12/22	\$9,760	\$124,800
3	12	19.2	7.2	27/51	\$21,600	\$280,800
4	12	11.7	0	19/27.5	0	0
5	12	12.4	1.1	25.5/37.5	\$20,400	\$265,200
Total				111.5/172	\$51,760	\$670,800

Permanency:

Region	Target	Actual	Overage	# Filled/Total Positions	\$ Amount Per Month	Yearly
1	15	10.7	0	26/39	0	0
2	15	22.4	7.4	12/19	\$9,760	\$124,800
3	15	17.8	2.8	45/60	\$36,000	\$468,000
4	15	24.1	9.1	16/32.5	0	0
5	15	15.9	.9	21.5/27	\$17,200	\$223,600
Total				103/154	\$62,960	\$816,400

Placement:

Region	Target	Actual	Overage	# Filled/Total Positions	\$ Amount Per Month	Yearly
1	12	18.0	6	14/17	0	0
2	12	52.0	40.0	3/10	\$7,200	\$31,200
3	12	17.1	5.1	17/23	\$13,600	\$176,800
4	12	17.1	5.1	11/15	0	0
5	12	20.1	8.1	11/13	\$8,800	\$114,400
Total				56/78	\$29,600	\$322,400

SIGNIFICANT ISSUES

Two drafting issues have been identified:

- Section 1(D) should address Placement Workers, but instead repeats the information found in Section 1(A) addressing Investigation Case Workers.
- Sections 2(B)(1)-(4) require that employees carrying certain excessive caseloads receive additional compensation but do not indicate for how long the additional compensation will be received. The additional compensation should only be received while the employee is carrying the excessive caseload.

SPO provided the following:

The bill may produce counterincentives to reducing caseloads:

- \$5, \$7, and even \$10 per hour are all significant wage increases. CYFD employees may continue handling excessive caseloads to continue receiving the additional compensation.

- Similarly, CYFD may ultimately determine that it is more cost effective to pay the additional compensation to existing staff carrying excessive caseloads than to hire additional staff to reduce caseloads.

CYFD provided the following:

This bill enshrines in statute the caseload standards recommended by the Child Welfare League of America, as well as graduated caseloads for new employees. CYFD agrees that these issues are of the utmost importance. CYFD has proposed similar caseload standards in the New Mexico Workforce Development Plan, required by the *Kevin S. Final Settlement Agreement*.

However, workload is not the only factor necessary for retention and a high-quality work product, according to the National Child Welfare Workforce Institute, which recommends that employee well-being and mental health; meaningful diversity, equity, and inclusion efforts; employee recognition; pay transparency and benefits; and effective leadership, among others, be factored into the equation.

While graduated caseloads are an important onboarding process for child welfare case workers, there are other considerations in determining the capacity of new workers. Workers come to the agency with considerable case management experience or having participated in the New Mexico IV-E funded stipend program and completed student internships with CYFD Protective Services Field Offices. These workers are often able to move more quickly through the competencies, while other staff may need to proceed at a slower rate. Graduated caseloads should be applied based on knowledge and skills learned and demonstrated, rather than a set period, and it is critical that CYFD have the flexibility to tailor caseloads to correspond with workers' skills and experience.

Cases also have varying degrees of complexity based on a myriad of factors. The degree of complexity is not always apparent at the time of case inception. It is critical that protective services leadership be able to remain nimble in adjusting caseloads based on case complexity and worker's competencies. CYFD is already working towards meeting similar requirements under the *Kevin S. Final Settlement Agreement*. The implementation is steady, and the agency is committed to meeting its requirements.

ADMINISTRATIVE IMPLICATIONS

SPO provided the following:

- There is no existing mechanism in the State Personnel Board Rules that allows for the required additional compensation for state employees.
- To circumvent this problem, the New Mexico Department of Information Technology would need to create new time reporting codes for each additional compensation tier.
- Because employee caseloads fluctuate, caseloads would need to be assessed for each employee every pay period to determine what, if any, additional compensation is due.
- The bill does not address what happens if an employee's caseload changes from one tier to another part way through a pay period.