

HOUSE BILL 65

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

## INTRODUCED BY

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## AN ACT

RELATING TO CHILD WELFARE; AMENDING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT ACT TO CREATE THE SHORT-TERM STABILIZATION PILOT PROGRAM; DIRECTING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT AND THE HEALTH CARE AUTHORITY TO COLLABORATE TO CONTRACT WITH CHILD WELFARE EXPERTS TO DEVELOP AND IMPLEMENT THE THREE-YEAR PILOT PROGRAM IN DONA ANA, CHAVES, SAN JUAN, MCKINLEY, BERNALILLO, SANTA FE AND EDDY COUNTIES; PROVIDING THAT THE PILOT PROGRAM WILL SERVE ELIGIBLE CHILDREN IN STATE CUSTODY AND THEIR FAMILIES AND WILL INCLUDE ENHANCED FOSTER CARE SERVICES; PROVIDING ELIGIBILITY REQUIREMENTS; ALLOWING PLACEMENT GAP INCENTIVES; REQUIRING EVIDENCE-BASED ASSESSMENTS AND TREATMENT MODELS; DEFINING TERMS; PROVIDING FOR SPECIALIZED INCENTIVE TRACKS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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1                   SECTION 1. A new section of the Children, Youth and  
2 Families Department Act is enacted to read:

3                   "[NEW MATERIAL] SHORT-TERM STABILIZATION PILOT PROGRAM  
4 CREATED--PURPOSE--PROGRAM REQUIREMENTS--ELIGIBILITY--  
5 ADMINISTRATION.--

6                   A. The "short-term stabilization pilot program" is  
7 created within the department as a three-year pilot program for  
8 children in state custody and their families within Dona Ana,  
9 Chaves, San Juan, McKinley, Bernalillo, Santa Fe and Eddy  
10 counties. The purpose of the pilot program is to provide  
11 children with in-home or home-like placements along with  
12 short-term stabilization support and services and crisis  
13 response and bridge placement when appropriate.

14                   B. The department, in collaboration with the health  
15 care authority, shall contract with child welfare experts who  
16 possess demonstrated experience in evidence-based treatment  
17 models and stabilizing placements for children with acute  
18 behavioral health or mental health needs. Contractors selected  
19 to provide services pursuant to this section shall work with  
20 the department and the health care authority to develop and  
21 implement the short-term stabilization pilot program that uses  
22 home-like settings intended to reduce placement disruptions,  
23 including therapeutic foster homes. The pilot program shall  
24 provide the following evidence-based treatment and enhanced  
25 foster care support and services:

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- (1) twenty-four-hour crisis intervention;
- (2) monthly in-home caseworker visits to discuss child functioning, parenting techniques and caregiver self-care;
- (3) weekly in-home child therapy;
- (4) monthly in-home family therapy;
- (5) parent training focusing on therapeutic communication and trauma-informed crisis management; and
- (6) treatment team meetings to collaborate on a child's individualized service and support plan.

C. To fill placement gaps for children who require short-term stabilization or behavioral health support services, the department, in collaboration with the health care authority, shall establish financial and program incentives to expand placement options, including small, home-like facilities or therapeutic foster homes. The incentives may include:

- (1) enhanced contract rates for qualified therapeutic foster parents or home-like facility providers;
- (2) start-up financial support for small, home-based or residential placement settings that serve six or fewer children; and
- (3) bonus payments for placement providers who accept children participating in specialized incentive tracks as provided in Subsection E of this section.

D. A child's participation in the short-term

underscored material = new  
[bracketed material] = delete

1 stabilization pilot program shall be based upon the child's  
2 CANS assessment at the time of entry into the program and as  
3 may be required or recommended after initial entry. Children  
4 with a history of frequent placements, a risk of placement  
5 disruption or a clinical diagnosis requiring higher levels of  
6 therapeutic support shall be prioritized for program  
7 participation.

8 E. The short-term stabilization pilot program shall  
9 include specialized incentive tracks developed for children  
10 participating in the program who:

11 (1) have acute behavioral needs;  
12 (2) are adolescents;  
13 (3) are part of a sibling group; or  
14 (4) require short-term stabilization  
15 placements of seven to thirty days as a bridge to permanency or  
16 long-term placement.

17 F. Upon implementation, the short-term  
18 stabilization pilot program shall be administered by the  
19 department with continuing assistance as appropriate by the  
20 health care authority.

21 G. For the purposes of this section:

22 (1) "CANS" means a standardized child and  
23 adolescent needs and strengths assessment tool widely  
24 recognized and used as a clinical case-planning tool within  
25 child welfare systems;

(2) "evidence-based treatment" means a clinical or therapeutic intervention that is recognized by a national or state child welfare or behavioral health authority and is validated by research and supported by outcomes data;

(3) "specialized incentive track" means a structured path that provides a child extra support and services and includes enhanced payments or benefits to the foster parents or provider who cares for the child; and

(4) "therapeutic foster home" means a licensed foster home or kinship placement approved to provide in-home behavioral health services."

SECTION 2. APPROPRIATION.--Two million five hundred thousand dollars (\$2,500,000) is appropriated from the general fund to the children, youth and families department for expenditure in fiscal years 2027 through 2029 to, in collaboration with the health care authority, contract with child welfare experts to develop, implement and administer the short-term stabilization pilot program in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe and Eddy counties. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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