HOUSE HEALTH AND HUMAN SERVICES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 65

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

AN ACT

RELATING TO CHILD WELFARE; AMENDING THE CHILDREN, YOUTH AND
FAMILIES DEPARTMENT ACT TO CREATE THE FOSTER CARE PLUS PILOT
PROJECT; DIRECTING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT
AND THE HEALTH CARE AUTHORITY TO COLLABORATE TO CONTRACT WITH
APPROPRIATE CLINICAL EXPERTS TO DEVELOP AND IMPLEMENT THE
THREE-YEAR PILOT PROJECT IN DONA ANA, CHAVES, SAN JUAN,
MCKINLEY, BERNALILLO, SANTA FE AND EDDY COUNTIES; PROVIDING
THAT THE PILOT PROJECT 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] FOSTER CARE PLUS PILOT PROJECT CREATED--

4 PURPOSE--PILOT PROJECT REQUIREMENTS--ELIGIBILITY--

5 ADMINISTRATION.--

6   A. The "foster care plus pilot project" is created

7 within the department as a three-year pilot project 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 project 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 appropriate clinical

16 experts with demonstrated experience in evidence-based

17 treatment models and stabilizing placements for children with

18 acute behavioral health or mental health needs. Contractors

19 selected to provide services pursuant to this section shall

20 work with the department and the health care authority to

21 develop and implement the foster care plus pilot project that

22 uses home-like settings intended to reduce placement

23 disruptions, including therapeutic foster homes. The pilot

24 project shall provide the following evidence-based treatment

25 and enhanced foster care support and services:

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1   (1)   twenty-four-hour crisis intervention;

2   (2)   monthly in-home caseworker visits to

3   discuss child functioning, parenting techniques and caregiver

4   self-care;

5   (3)   weekly in-home child therapy;

6   (4)   monthly in-home family therapy;

7   (5)   parent training focusing on therapeutic

8   communication and trauma-informed crisis management; and

9   (6)   treatment team meetings to collaborate on

10 a child's individualized service and support plan.

11   C.   To fill placement gaps for children who require

12 short-term stabilization or behavioral health support services,

13 the department, in collaboration with the health care

14 authority, shall establish financial and pilot project

15 incentives to expand placement options, including small,

16 home-like facilities or therapeutic foster homes. The

17 incentives may include:

18   (1)   enhanced contract rates for qualified

19 therapeutic foster parents or home-like facility providers;

20   (2)   start-up financial support for small,

21 home-based or residential placement settings that serve six or

22 fewer children; and

23   (3)   bonus payments for placement providers who

24 accept children participating in specialized incentive tracks

25 as provided in Subsection E of this section.

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1   D.   A child's participation in the foster care plus

2 pilot project shall be based upon the child's clinical

3 assessment at the time of entry into the pilot project and as

4 may be required or recommended after initial entry. Children

5 with a history of frequent placements, a risk of placement

6 disruption or a clinical diagnosis requiring higher levels of

7 therapeutic support shall be prioritized for pilot project

8 participation.

9   E.   The foster care plus pilot project shall include

10 specialized incentive tracks developed for children

11 participating in the pilot project who:

12   (1)   have acute behavioral needs;

13   (2)   are over twelve years of age;

14   (3)   are part of a sibling group; or

15   (4)   require short-term stabilization

16 placements of seven to thirty days as a bridge to permanency or

17 long-term placement.

18   F.   Upon implementation, the foster care plus pilot

19 project shall be administered by the department with continuing

20 assistance as appropriate by the health care authority, and on

21 or before November 1, 2026 and by November 1 of each year

22 thereafter, the department shall submit an annual report

23 detailing the performance and outcomes of the pilot project to

24 the legislative finance committee and the legislative health

25 and human services committee.

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1   G. For the purposes of this section:

2   (1) "evidence-based treatment" means a

3 clinical or therapeutic intervention that is recognized by a

4 national or state child welfare or behavioral health authority

5 and is validated by research and supported by outcomes data;

6   (2) "specialized incentive track" means a

7 structured path that provides a child extra support and

8 services and includes enhanced payments or benefits to the

9 foster parents or provider who cares for the child; and

10   (3) "therapeutic foster home" means a licensed

11 foster home or kinship placement approved to provide in-home

12 behavioral health services."

13 **SECTION 2.** APPROPRIATION.--Two million five hundred

14 thousand dollars ($2,500,000) is appropriated from the general

15 fund to the children, youth and families department for

16 expenditure in fiscal years 2027 through 2029 to, in

17 collaboration with the health care authority, contract with

18 appropriate clinical experts to develop, implement and

19 administer the foster care plus pilot project in Dona Ana,

20 Chaves, San Juan, McKinley, Bernalillo, Santa Fe and Eddy

21 counties. Any unexpended balance remaining at the end of

22 fiscal year 2029 shall revert to the general fund.

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