

LFC Requester:	Carlie Malone
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/20/2026

Check all that apply:

Bill Number: HB 65

Original Correction
 Amendment Substitute

Sponsor: Rep. Rebecca Dow, Rep.
Cathrynn N. Brown, Rep.
Elaine Sena Cortez, Rep.
Charlotte Little

Agency Name and Code Number: 305 – New Mexico
Department of Justice

Short Title: CYFD SHORT-TERM
STABILIZATION PILOT
PGM

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

HB65 establishes a three-year "short-term stabilization pilot program" within the Children, Youth and Families Department for children in state custody and their families in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe, and Eddy Counties. The pilot program aims to provide in-home or home-like placements, short-term stabilization support, and crisis response services. HB65 proposes to add a new section to the Children Youth and Families Department Act, NMSA §§ 9-2A-1 to -25 to create parameters for the pilot program.

Below are the key components of HB65:

- **Section 1(B)** requires collaboration between CYFD and the health care authority to contract child welfare experts with experience in evidence-based treatment models to help start the short-term pilot program. Those child welfare experts must have experience in evidence-based treatment models and stabilizing placements for children with behavioral health or mental health needs. Once the program is established, it shall provide evidence-based treatment and enhanced foster care support and services to all members in the program including: 24-hour include crisis intervention, in-home caseworker visits, child and family therapy, parent training, and treatment team meetings.
- **Section 1(C)** creates placement incentives for foster parents who would be providing care to children in the pilot program. Specifically, financial incentives will be provided to expand placement options, including enhanced contract rates, start-up financial support, and bonus payments for foster parents who accept children who have acute behavioral needs, are adolescents, are part of a sibling group, or require short-term stabilization.

- **Section 1(D)** sets forth the eligibility for a child to be enrolled in the short-term pilot program. Participation will be based on the CANS assessment, with priority given to children with frequent placements, risk of placement disruption, or clinical needs.
- **Section 1(E)** creates specialized incentive tracks for children with acute behavioral needs, adolescents, sibling groups, or those needing short-term stabilization placements. The specialized incentive track is further defined in Section 1(G)(3) as a structured path that provides a child with extra support and services and includes enhanced payments for benefits to the foster parents or provider who cares for the child.
- **Section 1(G)** defines terms, including CANS, evidence based-treatment, specialized incentive track, and therapeutic foster homes.
- The bill appropriates \$2.5 million from the general fund for fiscal years 2027 through 2029 to develop, implement, and administer the pilot program in collaboration with the health care authority. Any unexpended funds at the end of fiscal year 2029 will revert to the general fund.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

None for this agency

SIGNIFICANT ISSUES

Some of the terms within HB65 are vague or undefined, making its practical implications difficult to assess. For example, HB65 does not define child welfare expert, which makes it unclear exactly what kinds of experts would be contracting with the department. The bill could define this to be social workers, medical providers, mental health providers, and the like.

Because HB 65 sets general goals for the pilot project but leaves the actual drafting of the project to CYFD and its retained experts, many details about how the pilot project would actually operate are unclear and would be left up to the Department. For example, the process for screening or enrolling children into the pilot program is undefined, and there is little detail about how the financial incentive system would operate.

There is some overlap between the requirements of the pilot program and CYFD's existing statutory duties. *See* NMSA 1978 § 9-2A-8 (requiring CYFD to, among other duties, adopt rules to control the disposition and placement of children, conduct periodic assessments and issue recommendations, and ensure that children receive necessary mental health treatment). In addition, the Kevin S. Settlement requires CYFD to create and implement a Quality Assurance, Improvement, and Evaluation Plan, including quality management tools and measures to be used for reporting on CYFD and HCA's capacity to meet the needs of Children in State Custody,

including measures for reporting on providing and improving quality of care, collaborating across Departments, and for providing transparency and accountability.

PERFORMANCE IMPLICATIONS

None for this office.

ADMINISTRATIVE IMPLICATIONS

None for this office.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to HB 130, which would fund CYFD domestic violence programs.

Related to and potentially conflicting with HJR 04, which would transform CYFD into an independent executive agency.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None