

LFC Requester:

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/21/2026

Check all that apply:

Bill Number: HB 65

Original Correction
 Amendment Substitute

Sponsor: Rebecca Dow, Cathrynn N. Brown, Elaine Sena Cortez, and Charlotte Little
Short Title: CYFD SHORT-TERM STABILIZATION PILOT PGM

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	\$2.5M	FY 27 – FY 29	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	Unknown	Unknown	N/A	

(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	None			N/A	N/A	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 65 creates a new section of the Children, Youth, and Families Department Act, Chapter 32, Article 2 NMSA 1978, to create a three-year, short-term stabilization pilot program to serve eligible children in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe, and Eddy Counties.

- **Subsection A:** defines “short-term stabilization pilot program” as a three-year program with the purpose of providing child in stated custody and their families with in-home or home-like placements and short-term stabilization support and services and crisis response; this pilot program is in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe, and Eddy Counties.
- **Subsection B:** requires CYFD to collaborate with HCA to contract with child welfare experts who have “demonstrated experience in evidence-based treatment models and stabilizing placements for children with acute behavioral health or mental health needs.”
 - Contractors are to work with CYFD and HCA to develop and implement pilot programs that use home-like settings intended to reduce placement disruptions, including therapeutic foster homes.
 - The pilot program shall provide the following evidence-based treatment and enhanced foster care support and services:
 - (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.
- **Subsection C:** requires CYFD, in collaboration with HCA, to fill placement gaps for children who require short-term stabilization or behavioral health support services, by establishing financial and program incentives to expand placement options including small, home-like facilities or therapeutic foster homes.
 - Incentives listed include: enhanced contract rates, financial support for start-ups, and bonus payments for placement providers.
- **Subsection D:** discusses eligibility of a child, stating participation “shall be based on the child’s CANS assessment at the time of entry in to the program and as may be required or recommended after initial entry.” This subsection also states priority is given to children with a history of frequent placements, placement disruptions, or a clinical diagnosis requiring a higher level of care.
- **Subsection E:** requires the pilot program to include specialized incentive tracks for children who: have acute behavioral needs; are adolescents; are part of a sibling group; or require short-term stabilization.
- **Subsection F:** requires CYFD to administer the program with continuing assistance by HCA, upon implementation of the pilot program,
- **Subsection G:** defines the following terms: “CANS,” “evidence-based treatment,”

“specialized incentive track,” and “therapeutic foster home.”

Appropriation: Two million, five hundred thousand dollars (\$2,500,000) from the general fund to CYFD, in collaboration with HCA, for expenditure in fiscal years 2027 through 2029 for the purpose of contracting with child welfare experts to develop, implement, and administer the short-term stabilization pilot program in the following counties: Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe, and Eddy Counties. Any unexpended balance at the end of fiscal year 2029 reverts to the general fund.

There is no effective date of this bill. It is assumed that the effective date is May 20, 2026, which is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. New laws, amendments to existing laws and new hearings have the potential to increase court hearing time, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

I. Nationwide, child welfare systems struggle to find placements for children in foster care, especially for older youth and those with a higher level of need.

New Mexico is not the only state where foster children sleep in offices due to lack of appropriate placement. In April 2023, American Enterprise International (AEI) published the article, “Why Foster Children Are Sleeping in Offices and What Can We Do About It,” found at <https://www.aei.org/wp-content/uploads/2023/04/Why-Foster-Children-Are-Sleeping-in-Offices-and-What-We-Can-Do-About-It.pdf?x97961>. This article discusses the factors that led to this crisis of children sleeping in inappropriate settings that include child welfare offices, emergency rooms, hotels, and homeless shelters, and provides examples of what other states are experiencing. On page six of the article, the authors provide recommendations that include:

The federal government and states must significantly increase investment in the development of alternative placements capable of serving older youth or youth with behavioral challenges. This includes ensuring the availability and accessibility of intensive behavioral health services in community-based placements, expanding the therapeutic foster home model, and providing strategic foster parent recruitment and retention efforts to increase the availability of foster homes that will take in the children and youth who have historically been served in congregate care.

House Bill 65 emphasizes therapeutic foster homes and includes efforts to meet behavioral health needs, such as in-home therapy and parent training for trauma-informed crisis management.

II. House Bill 65 does not specifically address options for Native American children and families.

Subsection B lists a finite number of “evidence-based treatment and enhanced foster care support and services” that the pilot program shall provide. None of these options include opportunities for culturally competent, tribal-based services for Native American children and families involved with the state child welfare system. In fact, there is no mention of how the bill relates to or complies with the state’s Indian Family Protection Act (IFPA).

III. LGBTQ+ children are over-represented among the foster care population.

In child welfare systems, “LGBTQ+ children and youth, constituting 30% of the foster care population, are significantly overrepresented compared to their presence in the general youth population (9.5%),” according to Eduardo Gutierrez in his article, “Queer and Vulnerable: Identifying the Challenges of LGBTQ+ Youth in Foster Care,” found in the *CHIC Policy Brief* at <https://chci.org/wp-content/uploads/2024/04/FINAL.Gutierrez-Eduardo.pdf>. Mr. Gutierrez goes on to state that:

- In group and foster home settings, LGBTQ youth often face isolation, negatively impacting their self-esteem and increasing the need for mental health support.
- Rates of suicide attempts are higher among LGBTQ+ foster youth of color (38%) and nonbinary/transgender foster youth (45%).

According to the American Academy of Pediatrics study and article entitled *LGBTQ Youth in Unstable Housing and Foster Care*, “Disparities for LGBTQ youth are exacerbated when they live in foster care or unstable housing. This points to a need for protections for LGBTQ youth in care and care that is affirming of their sexual orientation and gender identity.” See <https://publications.aap.org/pediatrics/article-abstract/143/3/e20174211/76787/LGBTQ-Youth-in-Unstable-Housing-and-Foster-Care?redirectedFrom=fulltext>.

The YES Project Toolbox at Yale Law School drafted a *State of Knowledge Sheet* on “LGBTQ+ Youth Experience in the Child Welfare System, What We Know,” that states:

LGBTQ+ youth in the CWS are more likely to experience longer length of stays as well as placement instability, including: Being placed in group homes rather than foster homes. Experiencing multiple placements during foster care, and Being placed in restrictive settings, such as congregate care or isolation.
<https://law.yale.edu/sites/default/files/area/center/ghjp/documents/yes-state-of-knowledge-sheet-2-lgbtq-youth-experiences-in-the-child-welfare-system.pdf>

HB 65 does not restrict, nor does it promote, specialized services for LGBTQ+ youth, who may represent a significant portion of the children in foster care needing placement.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

See “Fiscal Implications,” above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES –

Definitions are found at the beginning and end of the new section (i.e. Subsection A defines “short-term stabilization pilot program,” while definitions for “CANS,” “evidence-based treatment,” “specialized incentive track,” and “therapeutic foster home” are defined in Subsection G.

OTHER SUBSTANTIVE ISSUES

Subsection B(5) requires, “parent training focusing on therapeutic communication and trauma-informed crisis management.” It is unclear whether the training is intended for the parent of the child, the foster parent, or both.

Subsection E provides that the pilot program shall include specialized incentive tracks for children participating in the program who are adolescents, but the bill does not define adolescent. The World Health Organization (WHO), defines adolescence as, “[t]he phase of life between childhood and adulthood, from ages 10 to 19.” *See* the WHO webpage entitled “Adolescent health” found at https://www.who.int/health-topics/adolescent-health#tab=tab_1.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS