

LFC Requester:	Carlie Malone
-----------------------	----------------------

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(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: 2026.2.10 *Check all that apply:*
Bill Number: HB 65 Original Correction
 Amendment Substitute

Sponsor: Rebecca Dow, Cathrynn N. Brown, Elaine Sena Cortez, Charlotte Little, Elizabeth "Liz" Stefanics **Agency Name and Code** Office of Family Representation and Advocacy 68000
Short Title: Foster Care Plus Pilot Project **Number:** _____
Title: _____ **Person Writing** Stacie Ortiz
Phone: 505-549-5843 **Email** Stacie.Ortiz@ofra.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$2,500	nonrecurring	general

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0	0	0

(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

BILL SUMMARY

Synopsis:

Section 1: This bill proposes an amendment to the Children, Youth and Families Department Act to create a three-year pilot program initially called The Short-Term Stabilization Pilot Program in the original bill; the substitute bill changed the name to “Foster Care Plus Pilot Project.” The program will be administered by the Children, Youth and Families Department (CYFD) with assistance from the Health Care Authority (HCA). Child welfare experts will be hired to develop and implement the pilot program in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe, and Eddy counties.

The program will serve eligible children in state custody and their families with priority given to children with a history of multiple placements, a risk of placement disruption and/or a clinical diagnosis that requires a higher level of care. It will incorporate evidence-based assessments and treatment approaches including the following: in-home or home-like placements, short-term stabilization support, 24-hour crisis support and intervention, monthly in-home caseworker visits, weekly in-home child therapy, monthly in-home family therapy, parent training, and bridge placement. Regular treatment team meetings will be held for coordination and collaboration on the child’s service plan. This substitute bill replaced the Child and Adolescent Needs and Strengths Assessment “CANS” from subsection D of the original bill with a more generic requirement that the child’s participation be based on a “clinical assessment.”

Financial and program incentives continue to be part of the program and may include enhanced contract rates for therapeutic foster parents or home-like facility providers, start-up money for small residential or home-based placement settings (that serve six or fewer children), and bonus payments for placement providers who accept children participating in specialized incentive tracks who require short-term stabilization, have acute behavioral needs, are “over twelve years of age,” or who are part of a sibling group. This substitute bill expands the bonus payments to include children “over twelve years of age,” instead of adolescents only.

In subsection F, the bill adds a requirement for CYFD to submit an annual report on or before November 1, 2026, and by November 1 of each year thereafter to the legislative health and human services committee, which shall include performance and outcomes of the project.

It also removes the definition of “CANS” in subsection G of the original bill

Section 2: Two and half million dollars will be appropriated from the general fund to CYFD for expenditures related to this pilot program, and the funds must be spent during fiscal years 2027, 2028, and 2029. Any unspent funds or unencumbered balance at the end of fiscal year 2029 will be reverted to the general fund.

FISCAL IMPLICATIONS

The non-recurring appropriation in the bill may not cover the cost of salaries and benefits for program administrators to implement this pilot program and sustain it over the period of three years. Additionally, the level of training and expertise required under this bill may result in

higher salary demands to identify and attract qualified child welfare experts.

The creation of a program will result in additional related costs beyond FTE. Additional costs associated with this pilot project would include program development and implementation, training curriculum development and follow up training/mentoring/coaching for fidelity, policy/procedure development, administrative oversight, and evaluation.

Additionally, starting a home-like facility or residential program requires extensive financial resources that could stretch the program's budget beyond its limits. This includes hiring professional nurses, technicians, and/or physicians to administer medications to the residents.

SIGNIFICANT ISSUES

Subsection B: It is unclear who would provide the 24-hour crisis intervention under the program. Also, CYFD caseworkers are not extensively trained in child functioning, child and adolescent development, crisis support and intervention, parenting, or caregiver self-care, and it is unknown if specialized caseworkers will be hired to work in the program or if currently employed CYFD caseworkers would be assigned to children and youth in this pilot program. The bill states the program will offer enhanced foster care services, yet many of the services listed in this section are services and activities that children in foster care or treatment foster care are supposed to receive already.

Subsection C: This section mentions "therapeutic foster homes" but does not specify if this is referring to treatment foster care (TFC) homes; there is currently a shortage of TFC homes in New Mexico and a concern about how these programs are administered. This section also mentions the pilot program will provide start-up financial support for small group homes or residential facilities. This is concerning because starting new residential programs/group homes is a big undertaking and will require significant planning and resources, and the bill does not mention any specifics about how this will be administered, tracked, or determined. Lastly, there is a concern that the state is further incentivizing foster care and separation of families rather than focusing funding and efforts on prevention and keeping families together.

Subsection D: The substitute bill creates more flexibility related to the assessment process by replacing the CANS with a clinical assessment, which may be helpful since specialized training is required to administer the CANS and not everyone at CYFD is trained in it; however, it is still unclear who will complete the clinical assessment with the child or young person. This is concerning because CYFD lacks adequate clinicians to perform this task, particularly in the Child Protective Services Division.

PERFORMANCE IMPLICATIONS

No performance measures are included in the bill. It is unclear how 'success' will be measured or what data will be tracked.

ADMINISTRATIVE IMPLICATIONS

CYFD currently has a significant staff shortage and a high turnover rate. They may not have the necessary staff to fill the positions in the pilot unit. Since this is a pilot, these positions will likely be classified as 'term' limited. These are challenging positions to fill because they are temporary. Also, given the current hiring and retention challenges in CYFD, it may also be

difficult to hire qualified child welfare experts to develop and implement the pilot. Additionally, this substitute bill adds further administrative burden on CYFD due to the annual report requirement.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The pilot program outlined in this bill seems contradictory/duplicative of the state's treatment foster care programs and possibly the CYFD New Mexico's Mobile Response & Stabilization Services (MRSS). It also appears to be duplicative of CYFD's current practices, including monthly caseworker visits and family/child therapy, which are typically included in case plans for children and youth in foster care.

TECHNICAL ISSUES

It is unclear what kind of technical support will be required or who will provide it.

OTHER SUBSTANTIVE ISSUES

OFRA continues to be concerned about the growing number of bills that directly affect the Children, Youth, and Families Department (CYFD) and the child and family welfare system more broadly. While these bills may not directly conflict with one another or duplicate efforts, this piecemeal approach could lead to a patchwork of uncoordinated requirements. Together, these changes would create significant administrative and programmatic burdens on CYFD.

Additionally, many of the requirements proposed in the multitude of bills would not improve practices or lead to better outcomes for children and families. If these bills passed without coordination, our clients' ability to work with CYFD to reunify their families would be negatively impacted.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo until prevention efforts can be prioritized further to keep children from needing enhanced foster care services.

AMENDMENTS