

LFC Requester:

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: _____ *Check all that apply:*
Bill Number: HM001 Original Correction
Amendment Substitute

Sponsor: PR Caballero
Short Title: STUDY CYFD AS INDEPENDENT EXECUTIVE DEPT

Agency Name CYFD
and Code CYFD - 690
Number: _____
Person Writing Kathleen Hardy
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			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

BILL SUMMARY

Synopsis: This memorial asks the legislative finance committee to create a bipartisan task force, composed of no more than eighteen (18) members, to study whether separating the Children, Youth and Families Department from the executive branch will result in a decreased employee turnover and increased accountability, transparency, and the overall best interests of the families CYFD serves.

The legislative finance committee is further asked to provide sufficient administrative and support staff to allow for monthly meetings, with a deadline for recommendations of November 15, 2026.

The task force, if assembled, is asked to report on the advantages and disadvantages of transitioning from the cabinet-level executive to an independent governing commission, estimated costs, similar commissions in other states, impact on accountability and coordination with other state agencies, qualifications for the commission members and executive director, path and timeline for transition process, legal and constitutional issues, input from tribal governments, and “any other relevant considerations”.

FISCAL IMPLICATIONS

There is no appropriation attached to this memorial. CYFD cannot absorb the fiscal impact of participation on this memorial task force with existing resources. CYFD cannot absorb the fiscal impact of the change from an executive level department to a commission with existing resources.

SIGNIFICANT ISSUES

The depth and breadth of the requested report is such that a nine-month period may not be sufficient to assemble the task force and complete the requested report.

Creation of a commission with executive director oversight has significant issues, and even more so if the commission and oversight authority are established by constitutional amendment. Enshrining an agency's structure within the state constitution places significant barriers on the agency's subsequent ability to adjust to a changing social, legal, and political landscape at both the state and federal levels, which can be particularly problematic when the agency in question is often tasked with dealing with both emergent issues and true emergencies, and requires unimpeded access to the resources and support of its fellow agencies in general and the Executive in particular. CYFD works extremely close with other Executive agencies on complex issues and cross collaborate to meet the needs for New Mexicans. Taking CYFD out of the Executive creates division and siloes, and the inability to work closely on emergent needs.

There is no recent precedent to inform the financial impact on CYFD associated with moving CYFD outside of the Executive branch. This is a drastic departure from established practice, and will result in significant impacts for both CYFD and the State.

SERVICE IMPACT: Title IV-E of the Social Security Act provides for partial federal reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. Title IV-E also provides funds for related case management activities, training, data collection, and other costs of program administration. To be eligible to claim federal support under Title IV-E,

New Mexico must have a Title IV-E Plan that is approved by the U.S. Department of Health and Human Services, Administration for Children and Families. The effect of moving an entire state-wide department to a commission, outside of the Executive financial infrastructure, presents a level of uncertainty with respect to continued use of federal funds outside of the current CYFD-specific approved plan. At the very least, there is a high possibility that this move will delay CYFD's ability to seek adequate federal reimbursement to ensure the timely provision of services to children, and possibly delay the provision of services themselves.

While child protective services account for slightly more than the majority of CYFD's mission, the fact remains that CYFD is also responsible for juvenile justice, children's behavioral health, prevention and early intervention programs, and community-based supports across the continuum of care. CYFD is bound by federal and state law to work closely with the tribal nations under both the Indian Child Welfare Act and the Indian Family Protection Act, and any plan to restructure CYFD's leadership and oversight must take all of these into account.

FISCAL IMPACT: There is an enormous fiscal impact associated with rebranding the State's child welfare program, not just for outreach and educational purposes, but, more importantly, to ensure that mandatory reporters and the public at large know how and to whom abuse and neglect reports can be made. Further, reestablishing the hundreds of contracts and other agreements, including Joint Power Agreements, intergovernmental agreements, and intragovernmental agreements, would be required. The Website would need to be completely redesigned and all social media would have to be adjusted.

AGENCY CULTURE IMPACT: The systemic issues that CYFD employees face cannot be changed by changing the leadership of the agency. Employee turnover rates, child maltreatment rates, repeat child maltreatment rates, and vacancy rates cannot be solved simply by changing the person in charge. The ability of CYFD to hire professional social workers versus those with other varying types of degrees does not change by changing the structure of CYFD. The systemic issues that CYFD faces are seen nationwide, and are not issues that can be eliminated by a structural change from a cabinet secretary overseen by the governor to an executive director overseen by an independent commission.

PERFORMANCE IMPLICATIONS

CYFD has no performance measures concerning this task force.

ADMINISTRATIVE IMPLICATIONS

CYFD cannot absorb the administration impact of participation on this memorial task force with existing resources.

CYFD cannot absorb the administrative implications of the change from an executive level department to a commission with existing resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to HJR004, HB086, and SB prefile draft 232467.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

None proposed.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None proposed.