

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

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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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: 1/23/2026 *Check all that apply:*
Bill Number: SB 56 Original Correction
 Amendment Substitute

Sponsor: Michael Padilla **Agency Name and Code** AOC 218
Short Title: CREATE CHILD WELFARE AUTHORITY **Number:** _____
Person Writing Alison B. Pauk
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	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				N/A	N/A	

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Conflicts with - HJR 4, HB 86, and HM 1
Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 54 amends certain sections of the Children’s Code and proposes new sections; it also amends, recompiles and/or repeals certain sections of the Children, Youth and Families Department Act, the Child Placement Agency Licensing Act, the Kinship Guardianship Act, and the Criminal Code as follows:

- **Section 32A-1-4 NMSA 1978:**
 - New Subsection C: adds the definition of “authority” or “department” to mean the child welfare authority;
 - New Subsection D: adds the definition of “board of regents” to mean the governing body of the authority;
 - Subsection H: strikes the definition of “department;”
 - Relettered Subsection L: updates the language in the definition of “foster parent,” in accordance with other changes made in this bill;
 - Relettered Subsection S: cleans up the language in the definition of “Indian tribe.”
 - Relettered Subsection U: updates the language in the definition of “legal custody,” in accordance with other changes made in this bill;
 - Relettered Subsection X: updates the language in the definition of “permanency plan,” in accordance with other changes made in this bill;
 - Subsection X: strikes the definition of “person.”
 - Subsection EE: strikes the definition of “secretary” and replaces it with “state superintendent,” defining it as the “state superintendent of child welfare.”
- **New Section 32A-1A-1:** a new section of the Children’s Code entitled the “Child Welfare Authority Act.”
- **New Section 32A-1A-2:** states the purpose of the child welfare authority is to provide an independent, accredited state agency governed by a board of regents to administer state child welfare, juvenile justice, and other programs formerly administered by CYFD. Additionally, the authority is to cooperate and collaborate with other state and judicial agencies and courts, schools, and local governments to establish a “comprehensive, coordinated and integrated child welfare system.”
- **New Section 32A-1A-3:** makes the child welfare authority an adjunct agency of the executive branch of state government, governed by the board of regents, that:
 - consists of seven members, with staggered terms, appointed by the governor with advice and consent of the senate, and no more than four members appointed from the same political party, that includes:
 - current or retired children’s court or family court judge;
 - licensed foster parent;
 - licensed youth behavioral health specialist;
 - juvenile justice professional with a graduate degree in juvenile justice or with at least seven year’s experience;
 - licensed social worker; and
 - two public members who have demonstrated an interest in and knowledge of child welfare or juvenile justice.
 - meets at least quarterly; vacancies are filled by the governor for the remainder of the unexpired term;

- duties include:
 - approving the mission, goals, objectives, policies and procedures of the authority;
 - appointing the state superintendent;
 - approving the operating budget;
 - approving proposed authority rules;
 - selecting the accrediting agency to accredit the authority;
 - appointing advisory committees.
- **New Section 32A-1A-4:** provides direction as to the qualifications and appointment of the state superintendent.
- **New Section 32A-1A-5:** details the composition of the authority, consisting of:
 - the office of the state superintendent, that includes:
 - chief council and staff attorneys
 - quality assurance bureau
 - tribal affairs bureau
 - administrative services division, that includes:
 - budget bureau
 - human resources support bureau
 - employee support unit; and
 - information technology support bureau
 - child and family welfare division, that includes:
 - protective services bureau
 - foster care bureau
 - juvenile justice division, that includes:
 - juvenile probation office
 - corrections and rehabilitation bureau;

The state superintendent may also appoint directors and chiefs, and reorganize the organizational units. The state superintendent retains the authority and responsibility for administration of any such laws. The authority shall have access to all non-confidential data and information of other state agencies.

- **New Section 32A-1A-6:** establishes the general powers and duties of the state superintendent, that includes being responsible to the board of regents and managing all operations under the general direction of the board of regents. Additionally, the power and duties of what the state superintendent shall and may do are listed at length.
- **New Section 32A-1A-7:** includes additional duties of the authority or board of regents that include: developing priorities based on best practices; strengthening collaboration; maintaining a statewide database; developing standards of service; analyzing policies of other departments affecting children and families to encourage a common contracting procedure, common service definitions, and a uniform system of access; adopting rules to control disposition and placement of children, including limitations to out-of-state placement of children; assume and implement responsibility for children's mental health and substance abuse services, coordinating with HCA; assume, implement, and lead responsibility among all state agencies for domestic violence services; implement prevention and early intervention services; conduct service gap assessments; ensure behavioral health services are provided and be in compliance with the Behavioral Health Reform and Investment Act; develop and implement the Families First Prevention and Services Act.
- **New Section 32A-1A-8:** establishes and lays out duties of the quality assurance bureau of the child welfare authority.

- **New Section 32A-1A-9:** creates a “child welfare advisory committee” composed of eleven members, appointed by the board of regents, who assist in the development of policies and procedures for the authority.
- **New Section 32A-1A-10:** lays out the qualifications and powers of juvenile corrections officers.
- **New Section 32A-1A-11:** prohibits those who are the subject of substantiated child abuse allegations or have been convicted of felony charges related to job duties from being employees or volunteers of the department unless their case was dismissed by a court.
- **New Section 32A-1A-12:** aligns state law with the federal Juvenile Justice and Delinquency Prevention Act of 1974 that includes the juvenile justice advisory committee and its powers and duties.
- **Section 30-22-11.1 NMSA 1978:** amended to include cleanup language pursuant to the proposed new language in earlier sections of this bill.
- **Section 30-22-11.2 NMSA 1978:** amended to include cleanup language pursuant to the proposed new language in earlier sections of this bill.
- **Section 32A-22-2 NMSA 1978:** updates the title of the secretary of the health care authority and changes the title of CYFD secretary to “state superintendent of child welfare.”
- **Section 32A-26-11 NMSA 1978:** amended to include cleanup language pursuant to the proposed new language in earlier sections of this bill.
- **Section 40-7A-3 NMSA 1978:** amended to include cleanup language pursuant to the proposed new language in earlier sections of this bill.
- **Section 40-10B-3 NMSA 1978:** amended to include cleanup language pursuant to the proposed new language in earlier sections of this bill, but also strikes the definition of “Indian,” “Indian child,” “Indian child’s tribe,” “Indian custodian,” and “Indian tribe.”
- **Section 20:** a temporary provision requiring:
 - all functions, appropriations, money, records, furniture, equipment, supplies, and other property of CYFD be transferred to the child welfare authority by January 1, 2027;
 - all contractual agreements and obligations of the department, including tribal-state agreements, be obligations of the child welfare authority on January 1, 2027;
 - all statutory reference to the department, including tribal-state agreements, shall be deemed to be references to the child welfare authority on January 1, 2027;
 - the rules of the department shall be deemed rules of the of the child welfare authority until amended or repealed by the authority;
 - the governor’s office, DFA, SPO, and CYFD shall assist in a smooth transition from the department to the child welfare authority.
- **Section 21:** a temporary provision requiring the governor to appoint a board of regents of the child welfare authority by August 15, 2026, and the board may advertise and interview candidates for the state superintendent of child welfare position for employment beginning January 1, 2027.
- **Section 22:** recompiles Section 9-2A-21 and 9-2A-22 as Sections 32A-1A-15 and 32A-1A-16; recompiles Section 9-2A-24 and 9-2A-25 as Sections 32A-1A-17 and 32A-1A-18.
- **Section 23:** repeals Sections 9-2A-1 through 9-2A-20, 9-2A-23 and 32A-19-1.

The effective date of the provisions of Section 21 of this bill is July 1, 2026; the effective date of provisions of Sections 1 through 20, 22, and 23 is January 1, 2027.

There is no appropriation listed in this bill.

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

1) If passed, Senate Bill 56 would rename the Children, Youth and Families Department (CYFD) to the “child welfare authority” and make it an adjunct agency of the executive branch, pursuant to Section 9-1-6 NMSA 1978. The adjunct agency would be led by a board of directors and the “state superintendent of child welfare.”

2) The structure of child welfare agencies vary from state to state, with the majority of states having an established, centralized administrative system including New Mexico. These are called state-administered child welfare systems. According to the fact sheet entitled *State vs. County Administration of Child Welfare Services* and written by the federal Children’s Bureau, nine states have county-administered systems, and two states have hybrid systems (as of the date the fact sheet was written). See <https://cwig-prod-prod-drupal-s3fs-us-east-1.s3.amazonaws.com/public/documents/services.pdf>. SB 56 would not change New Mexico from a state-administered child welfare system, but it would allow the authority to be an adjunct state agency. One example of a newer adjunct state agency in New Mexico is the Office of Family Representation and Advocacy (see Section 32A-27-3 NMSA 1978).

3) SB 56 amends definitions in Section 40-10B-3 NMSA 1978 to update language pursuant to the new language in earlier sections of this bill. Additionally, SB 56 amends Section 40-10B-3 to strike the definition of “Indian,” “Indian child,” “Indian child’s tribe,” “Indian custodian,” and “Indian tribe.” These definitions mirror those in the Children’s Code Section 32A-1-4 NMSA 1978 but are not found elsewhere in the Kinship Guardianship Act of Chapter 40, Domestic Affairs. Furthermore, these definitions were newly added in 2023’s SB 31, Guardianship Changes bill. It is unclear why SB 56 seeks to remove the definitions of “Indian,” “Indian child,” “Indian child’s tribe,” “Indian custodian,” and “Indian tribe.”

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

See “Fiscal Implications,” above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with HJR 4 and HB 86 that propose a children, youth and families commission. Many sections of SB 56 are similar to HB 86.

Conflicts with HM 1 that proposes LFC create a task force to study whether it is feasible to amend the New Mexico Constitution to create a separate, independent children, youth, and families department.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

SB 56's New Section 32A-1A-11 prohibits the employment of a person with substantiated allegations of child abuse or neglect. Although this law is already in effect under Section 9-2A-8.2, it is at odds with the national movement towards utilizing the voices of people with lived experience. According to the federal Child Welfare Information Gateway found at <https://www.childwelfare.gov/topics/casework-practice/lived-experience/?top=275>

Lived experience, sometimes called lived expertise, refers to the knowledge and perspectives of those who have firsthand involvement with child welfare. These individuals have valuable insights about the system's impact, so it is crucial that family-serving organizations collaborate with them to develop, implement, and improve policies, practices, and programs. Those who have lived experience, such as parents, youth, and kinship caregivers, have unique perspectives and wisdom that can drive overall system improvement.

Additionally, a substantiation of abuse or neglect does not necessarily mean that a petition was filed with the court or a child was taken into custody. When a case is referred to CYFD, an investigation is started. Upon completion of the investigation, the department will make a determination whether or not the referral is substantiated or unsubstantiated. Section 8.10.3.17 NMAC found at www.srca.nm.gov/wp-content/uploads/attachments/08.010.0003.pdf. If a case is substantiated, that means the department determined there is credible evidence to support the conclusion that the child has been abused or neglected, but it does not necessarily require a petition be filed with the court to initiate a children's court case or removal of a child. If the referral is substantiated but there is no children's court case pending, the CYFD worker notifies the parents or guardians who were the subject of the investigation in writing that they may request an administrative review of the decision to substantiate. 8.10.3.22 NMAC.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS