

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: 1/22/26 **Bill Number:** SB0056 **Original** **Amendment** **Substitute**

Short Title: CYFD ABOLISHED; CHILD WELFARE AUTHORITY CREATED

Sponsor: Sen. Padilla

Name and Code Number: HCA 630

Person Writing: Rosalind Smith – BHSD and Jennifer Williams-MAD

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$0.0	\$0.0	NA	NA

(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	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB56 creates a child welfare authority to be governed by a board of seven regents appointed by the governor with advice and consent of the Senate. A state superintendent of child welfare shall be appointed with consent from the Senate and will structure the child welfare authority. A child welfare advisory committee shall be formed by eleven individuals appointed by the board of regents, including at least two members between the ages of 16 and 21.

FISCAL IMPLICATIONS

None for BHSD
None for MAD.
None for ITD

SIGNIFICANT ISSUES

Presently, the Health Care Authority (HCA) and Children Youth & Families Department (CYFD) are required to collaborate and coordinate services for children in state custody pursuant to the Kevin S agreement. Should CYFD become an independent entity with a Superintendent under the supervision of a Board of Regents rather than a Cabinet Secretary in the Executive Branch that answers to the Governor, collaboration may be hindered. It could become more difficult to hold the agencies accountable when they do not answer to the same executive. It is unclear how potential future conflicts between the two agencies will be resolved. Kevin S., et al. v. Blalock, et al., No. 1:18-cv-00896

<https://www.cyfd.nm.gov/legal/kevin-s-settlement/>

PERFORMANCE IMPLICATIONS

HCA’s Behavioral Health Services Division (BHSD) works on projects and deliverables related to the Kevin S. settlement agreement, the Behavioral Health Reform and Investment Act, and other behavioral health service delivery activities (e.g. crisis services, treatment support, etc.). It is unclear how the reorganization will impact the workgroups and the ongoing collaboration with CYFD staff. If there are changes to the CYFD structure and staff, this may hinder BHSD’s ability to continue certain deliverables. The reorganization could lead to possible disruptions in services and loss of staff as the implementation of the reorganization takes place. This could further hinder existing work.

HCA’s Medical Assistance Division (MAD) also works on projects and deliverables related to the

Kevin S. settlement agreement and other child welfare programs, including the Comprehensive Addiction and Recovery Act (CARA). It is unclear how the reorganization will impact the workgroups and the ongoing collaboration with CYFD staff. This may hinder MAD's ability to continue certain deliverables if there are changes to the CYFD structure and staff. The reorganization could lead to possible disruptions in services and loss of staff as the implementation of the reorganization takes place. This could further hinder existing work.

The current technology plan includes modifying the CARA portal to handle Kevin S. cases; if anything in this bill changes how Kevin S cases are handled between CYFD and HCA, this plan may change, and we will need to come up with a new technology approach for those cases.

ADMINISTRATIVE IMPLICATIONS

BHSD would need to collaborate with the state superintendent and the new board of regents on implementation or changes with overlapping statutory requirements, reporting, and any other administrative oversight or work already in progress with the current CYFD. This collaboration includes work under the Behavioral Health Reform and Investment Act, although it is unclear what the scope and extent of this involvement would be.

MAD would need to work with the board of regents and the state superintendent to collaborate on changes that affect MAD, including out-of-state placement of children in state custody, engaging in common contracting procedures, and shared responsibility for children's mental health and substance use treatment. The implementation date of the new commission is July 1, 2027.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relationship to HB86: MAJOR REORGANIZATION OF CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Relationship to HJR4: TRANSFERS CYFD POLICY CONTROL FROM GOVERNOR TO A CYFD COMMISSION

TECHNICAL ISSUES

None for BHSD

None for MAD

None for ITD

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS