

LFC Requester:

Eric Chenier

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: 1/30/26 **Bill Number:** SB0184 **Original** X **Amendment** **Substitute**

Short Title: TRANSFER CYFD'S BEHAVIORAL HEALTH DIVISION TO HEALTH CARE AUTHORITY

Sponsor: Sen. Lopez, Sen. Pinto, Sen. Sedillo Lopez, Sen. Charley, Sen. Pope

Name and Code Number: HCA 630

Person Writing: Rosalind Smith – BHSD

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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	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 184 (SB184) creates a new Children’s Behavioral Health Services Division within the Health Care Authority (HCA) and transfers selected children’s behavioral health functions from the Children, Youth and Families Department (CYFD) to the HCA. The bill establishes the new division as a separate organizational unit within HCA and assigns it responsibility for planning, overseeing, and providing behavioral health services for children statewide.

SB184 authorizes the transfer of up to ninety percent of CYFD behavioral health personnel, along with associated functions, appropriations, contracts, and property that are primarily tied to the transferred personnel. The bill requires coordination between the new division and other state agencies. The bill does not include an appropriation and establishes a transfer effective date of July 1, 2026.

FISCAL IMPLICATIONS

According to the Legislative Finance Committee’s Volume II recommendation, CYFD’s children’s behavioral health operating budget recommendation is approximately \$52,700.0, fifty-two million seven hundred thousand dollars. SB184 authorizes the transfer of “up to ninety percent” of personnel associated with this function. If applied proportionally, up to \$47,400.0, forty-seven million four hundred thousand dollars in operating funding could be implicated by the transfer; however, the bill does not specify whether operating appropriations will be transferred in full, in part, or on a personnel-by-personnel basis.

Further, the bill limits the transfer of appropriations to those “primarily associated with the personnel transferred,” creating uncertainty regarding the disposition of operating funds, shared costs, and programmatic expenditures that are not directly tied to individual staff positions. This estimate reflects only operating funding and does not include contracts, federal funds, or property and office rental expenditures that may also be subject to transfer pursuant to the bill.

HCA will be required to absorb initial implementation costs within existing resources.

SIGNIFICANT ISSUES

None for BHSD

PERFORMANCE IMPLICATIONS

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. It is unclear how the establishment of a new Children's Behavioral Health Services Division under HCA will impact Kevin S responsibilities. Kevin S., et al. v. Blalock, et al., No. 1:18-cv-00896 (<https://www.cyfd.nm.gov/legal/kevin-s-settlement/>).

Depending on the number of employees that come from CYFD in the transition, it could put a strain on ITD resources, specifically the help desk. We may need to look at adding help desk staff in the mid-to-long term to accommodate the new personnel. Additionally, Office of General Counsel, Office of Human Resources, Office of Fair Hearings and the Administrative Services Division will likely all require additional staff to support the needs of the new division.

ADMINISTRATIVE IMPLICATIONS

The Health Care Authority's BHSD currently collaborates with CYFD behavioral health services on several shared functions, including behavioral health clinical policy and service coordination. HB184 may further strengthen the relationship between BHSD and the new Children's Behavioral Health Services Division through expanded oversight and system planning, including consideration for shared services across the lifespan.

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

Relationship to SB56: CYFD ABOLISHED: CHILD WELFARE AUTHORITY CREATED

DHI—This bill does not take into consideration the discussion of CYFD BH licensing proposed moved to HCA DHI licensing July 1, 2026. One of the goals of this move is to create a streamlined standard interface between providers and the state regulatory agency through the lifespan of care the clients are receiving. The goal would be to allow providers to get consistent messaging about licensing and regulatory compliance from a single agency. This legislation duplicates the same process/services segregated by age between two agencies.

TECHNICAL ISSUES

HB184 provides that up to ninety percent of current staff at the behavioral health services division of CYFD would transfer to the new children's behavioral health services division of HCA. However, it does not state whether the remaining ten percent will be retained by CYFD, eliminated, or reassigned elsewhere within the Health Care Authority.

Additionally, it does not address how the responsibilities and workload associated with the non-transferred positions will be addressed.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS