

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 65

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO CHILD WELFARE; AMENDING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT ACT TO CREATE THE FOSTER CARE PLUS PILOT PROJECT; DIRECTING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT AND THE HEALTH CARE AUTHORITY TO COLLABORATE TO CONTRACT WITH APPROPRIATE CLINICAL EXPERTS TO DEVELOP AND IMPLEMENT THE THREE-YEAR PILOT PROJECT IN DONA ANA, CHAVES, SAN JUAN, MCKINLEY, BERNALILLO, SANTA FE AND EDDY COUNTIES; PROVIDING THAT THE PILOT PROJECT WILL SERVE ELIGIBLE CHILDREN IN STATE

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CUSTODY AND THEIR FAMILIES AND WILL INCLUDE ENHANCED FOSTER CARE SERVICES; PROVIDING ELIGIBILITY REQUIREMENTS; ALLOWING PLACEMENT GAP INCENTIVES; REQUIRING EVIDENCE-BASED ASSESSMENTS AND TREATMENT MODELS; DEFINING TERMS; PROVIDING FOR SPECIALIZED INCENTIVE TRACKS HAFC→; ~~MAKING AN APPROPRIATION~~←HAFC .

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Children, Youth and Families Department Act is enacted to read:

"[NEW MATERIAL] FOSTER CARE PLUS PILOT PROJECT CREATED-- PURPOSE--PILOT PROJECT REQUIREMENTS--ELIGIBILITY-- ADMINISTRATION.--

A. The "foster care plus pilot project" is created within the department as a three-year pilot project for children in state custody and their families within Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe and Eddy counties. The purpose of the pilot project is to provide children with in-home or home-like placements along with short-term stabilization support and services and crisis response and bridge placement when appropriate.

B. The department, in collaboration with the health care authority, shall contract with appropriate clinical experts with demonstrated experience in evidence-based treatment models and stabilizing placements for children with acute behavioral health or mental health needs. Contractors

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selected to provide services pursuant to this section shall work with the department and the health care authority to develop and implement the foster care plus pilot project that uses home-like settings intended to reduce placement disruptions, including therapeutic foster homes. The pilot project shall provide the following evidence-based treatment and enhanced foster care support and services:

- (1) twenty-four-hour crisis intervention;
- (2) monthly in-home caseworker visits to discuss child functioning, parenting techniques and caregiver self-care;
- (3) weekly in-home child therapy;
- (4) monthly in-home family therapy;
- (5) parent training focusing on therapeutic communication and trauma-informed crisis management; and
- (6) treatment team meetings to collaborate on a child's individualized service and support plan.

C. To fill placement gaps for children who require short-term stabilization or behavioral health support services, the department, in collaboration with the health care authority, shall establish financial and pilot project incentives to expand placement options, including small, home-like facilities or therapeutic foster homes. The incentives may include:

- (1) enhanced contract rates for qualified

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therapeutic foster parents or home-like facility providers;

(2) start-up financial support for small, home-based or residential placement settings that serve six or fewer children; and

(3) bonus payments for placement providers who accept children participating in specialized incentive tracks as provided in Subsection E of this section.

D. A child's participation in the foster care plus pilot project shall be based upon the child's clinical assessment at the time of entry into the pilot project and as may be required or recommended after initial entry. Children with a history of frequent placements, a risk of placement disruption or a clinical diagnosis requiring higher levels of therapeutic support shall be prioritized for pilot project participation.

E. The foster care plus pilot project shall include specialized incentive tracks developed for children participating in the pilot project who:

- (1) have acute behavioral needs;
- (2) are over twelve years of age;
- (3) are part of a sibling group; or
- (4) require short-term stabilization

placements of seven to thirty days as a bridge to permanency or long-term placement.

F. Upon implementation, the foster care plus pilot

project shall be administered by the department with continuing assistance as appropriate by the health care authority, and on or before November 1, 2026 and by November 1 of each year thereafter, the department shall submit an annual report detailing the performance and outcomes of the pilot project to the legislative finance committee and the legislative health and human services committee.

G. For the purposes of this section:

(1) "evidence-based treatment" means a clinical or therapeutic intervention that is recognized by a national or state child welfare or behavioral health authority and is validated by research and supported by outcomes data;

(2) "specialized incentive track" means a structured path that provides a child extra support and services and includes enhanced payments or benefits to the foster parents or provider who cares for the child; and

(3) "therapeutic foster home" means a licensed foster home or kinship placement approved to provide in-home behavioral health services."

HAFC → ~~SECTION 2. APPROPRIATION. --Two million five hundred thousand dollars (\$2,500,000) is appropriated from the general fund to the children, youth and families department for expenditure in fiscal years 2027 through 2029 to, in collaboration with the health care authority, contract with appropriate clinical experts to develop, implement and~~

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~~administer the foster care plus pilot project in Dona Ana, Chaves, San Juan, McKinley, Bernalillo, Santa Fe and Eddy counties. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.~~ ←HAFC

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