



STATE OF NEW MEXICO
HUMAN SERVICES DEPARTMENT
HUMAN SERVICES REGISTER

I. DEPARTMENT

Human Services Department

II. SUBJECT

2018 Caseload Reduction Credit Report

III. PROGRAMS AFFECTED

Temporary Assistance for Needy Families (TANF)

IV. ACTION

Proposed TANF Caseload Reduction Credit Report

V. BACKGROUND

The United States Department of Health and Human Services requires the New Mexico Human Services Department meet certain Temporary Assistance for Needy Families (TANF) work participation requirements. To assist in meeting these requirements, federal regulations (45 CFR 261.40) allow New Mexico to decrease its work participation rate percentage by the number of percentage points that the FY 2017 caseload fell in comparison to the FY 2005 caseload. This is termed the TANF Caseload Reduction Credit. The total Federal expenditures and Maintenance of Effort (MOE) expenditures that are included in this report are subject to change due to fluctuations during year end budget close out and increases in MOE funding.

VI. PROPOSED REPORT

The estimated changes and corresponding methodologies are reported in the proposed TANF Caseload Reduction Credit Report which is available on the Human Services Department website at: <http://www.hsd.state.nm.us/LookingForInformation/income-support-division-plans-and-reports.aspx>. If you do not have Internet access, a copy of the proposed report may be requested by contacting the Income Support Division's Work and Family Support Bureau (WFSB) at (505) 827-7227.

If you are a person with a disability and you require this information in an alternative format, please contact the American Disabilities Act Coordinator, at (505) 827-7701 or

through the New Mexico Relay system, at 711 or toll free at 1-800-659-1779. The Department requests at least a 10-day advance notice to provide requested alternative formats.

VII. EFFECTIVE DATE

Federal Fiscal Year 2017

VIII. PUBLIC COMMENT PERIOD

The comment period will begin at 8:00 a.m. on November 14, 2017 and end at 5:00 p.m. on December 14, 2017. Individuals wishing to comment on the TANF Caseload Reduction Credit report should contact the Income Support Division, P.O. Box 2348, Pollon Plaza, Santa Fe, New Mexico, 87505-2348, or by calling (505) 827-7227.

IX. ADDRESS

Interested persons may address written or recorded comments to:

Human Services Department
P.O. Box 2348 Pollon Plaza
Santa Fe, NM 87504-2348

Interested persons may also address comments via electronic mail to:
HSD-isdrules@state.nm.us.

X. PUBLICATION

Publication of this report approved on October 31, 2017 by:



BRENT EARNEST, SECRETARY
HUMAN SERVICES DEPARTMENT

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: October 12, 2017

State: New Mexico **Fiscal Year to which credit applies:** 2018

Overall Report <input checked="" type="checkbox"/> (check one) Two-parent Report <input type="checkbox"/>	Apply the overall credit to the two-parent participation rate? <input checked="" type="checkbox"/> yes <input type="checkbox"/> no
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PART 1 –Eligibility Changes Made Since FY 2005
(Complete this section for EACH change)

1. Name of eligibility change: **15% Budgetary Adjustment to the Monthly Benefit Amount**
2. Implementation date of eligibility change: January 1, 2011
3. Description of policy, including the change from prior policy:
 Effective January 1, 2011, HSD implemented a new methodology to calculate the monthly benefit allotment which includes reducing the allotment by 15%. The monthly benefit allotment for TANF, Education Works and the state funded cash assistance programs (i.e. State Funded Aliens and General Assistance for the Unrelated Child Households) was reduced. For example, currently the payment standard for a household of three is \$447. With the new methodology reducing the payment standard 15% or, in this example \$67, the resulting maximum monthly benefit allotment for a family of three is now \$380.00.
4. Description of the methodology used to calculate the estimated impact of this eligibility change:
 (attach supporting materials to this form)

 In FY 2016, TANF Maximum Monthly Benefits have returned to a higher amount than that which was in place in 2005. The 15% Budgetary Adjustment was reduced to 7.5% in October 2015. Therefore, an impact of zero is being reported.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: 0

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

1. Name of eligibility change: **Eliminating the Excess Hours Worked Disregard**

2. Implementation date of eligibility change: July 1, 2008

3. Description of policy, including the change from prior policy:

House Bill 342, which proposed to eliminate the Excess Hours Worked Disregard, passed in the 2007 Regular Legislative Session. This bill made changes to the New Mexico Works Act (NMSA 27-2B-7 (F)) in which the Excess Hours Worked Disregard was eliminated. This portion of the New Mexico Works Act stated that the department shall apply the following income disregards to the benefit group's earned income and then subtract that amount from the benefit group's financial standard of need: (1) for the first two years of receiving cash assistance or services, if a participant works over the work requirement rate set by the department pursuant to the New Mexico Works Act, one hundred percent of the income earned by the participant beyond that rate; and (2) for the first two years of receiving cash assistance or services, for a two-parent benefit group in which one parent works over thirty-five hours per week and the other works over twenty-four hours per week, one hundred percent of income earned by each participant beyond the work requirement rate set by the department.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

To estimate the impact of eliminating the Excess Hours Worked Disregard, the state assumes that the proportion of cases qualifying for this disregard would have been the same as the proportion of cases qualifying for the Transition Bonus, a similar policy in place in FY 2010 and described on page three. In FY 2010, 3.64% of the caseload qualified for the Transition Bonus. Therefore, it is assumed that the caseload impact of eliminating this disregard is 3.64% of the FY 2017 caseload, or 403 cases, for all families and 30 cases for 2 parent households.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: -403

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

1. Name of eligibility change: **Employment Retention and Advancement Bonus Program**

2. Implementation date of eligibility change: July 1, 2008

3. Description of policy, including the change from prior policy:

House Bill 342, which passed in the 2007 Regular Legislative Session, proposed to eliminate the Excess Hours Worked Disregard and replaced it with the Employment Retention and Advancement Bonus Program (herein, "Transition Bonus Program"). This bill made changes to the New Mexico Works Act (NMSA 27-2B-G (G)). The Transition Bonus Program provides a fixed \$200.00 monthly cash benefit to eligible existing or past TANF households that are currently employed. Eligible households receiving support services must: be subject to an 18 month lifetime limit; be categorically eligible for the Food Stamp Program; and be required to meet a six month eligibility requirement.

Applicants must meet initial eligibility in order to qualify for the Transition Bonus Program. These requirements are TANF/NMW non-financial eligibility (i.e. relationship, citizenship, etc); cannot be simultaneously participating in another cash assistance program; have received at least 3 months of TANF/NMW of which one must have been within the past three months; currently working a minimum of 30 hours per week, averaged over a month; have not received more than 18 months of the Transition Bonus Program or 60 months of TANF/NMW in a lifetime; gross earnings less than 150% of FPG.

Due to budgetary constraints, this program was suspended effective January 31, 2011.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: 0

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

1. Name of eligibility change: **Non MOE NMW 2 parent/exempt**

2. Implementation date of eligibility change: **July 1, 2007**

3. Description of policy, including the change from prior policy:

Implementation of the Non MOE NMW 2 parent/exempt program. Effective July 1, 2007, a certain number of two parent families, state exempt cases, and new approvals were paid out of state funds (non MOE) and are no longer included in the participation rate. This is not a separate state program. Effective July 1, 2012, the state stopped funding this program; therefore, June 2012 was the final month in which cases were removed from the TANF universe.

4. Description of the methodology used to calculate the estimated impact of this eligibility change:
(attach supporting materials to this form)

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **0**

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: December 16, 2016

State: New Mexico

Fiscal Year to which credit applies: 2017

PART 2 – Estimate of Caseload Reduction Credit

(Complete Part 2 using Excel Workbook provided.)

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT
Overall Credit

	A	B	C	D	E	F	
1	NEW MEXICO			Fiscal Year to which credit applies:		2018	
2				Date of Completion:	10/17/2017		
3	PART 2 – Estimate of Caseload Reduction Credit						
4							
5	Impact of All Changes			Caseload Reduction Calculation			
6	Excess Hours Disregard	-403		FY 2005 TANF Caseload	17,566		
7				FY 2005 SSP Caseload			
8				Total FY 2005 Caseload	17,566		
9				FY 2017 TANF Caseload	11,055		
10				FY 2017 SSP Caseload			
11				Total FY 2017 Caseload	11,055		
12				Excess MOE Cases in FY 2017	4,009		
13				Adjusted FY 2017 Caseload	7,046		
14				Caseload Decline	10,520	59.9%	
15				Decline – Net Impact	10,117		
16							
17					Caseload Reduction Credit =		57.6%
18							
19							
20							
21							
22							
23							
24							
25							
26	Net Impact	-403					
27							
28							

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT
Two-Parent Credit**

	A	B	C	D	E	F
1	NEW MEXICO			Fiscal Year to which credit applies:		2018
2				Date of Completion:	10/17/2017	
3	PART 2 – Estimate of Caseload Reduction Credit -- 2-Parent Caseload					
4						
5	<u>Impact of All Changes</u>			<u>Caseload Reduction Calculation</u>		
6	Excess Hours Disregard	-30		FY 2005 TANF 2-Parent Caseload	812	
7				FY 2005 SSP 2-Parent Caseload		
8				Total FY 2005 Caseload	812	
9				FY 2017 TANF 2-Parent Caseload	833	
10				FY 2017 SSP 2-Parent Caseload		
11				Total FY 2017 2-Parent Caseload	833	
12				Excess MOE 2-Parent Cases in FY 2017	302	
13				Adjusted FY 2017 Caseload	531	
14				Caseload Decline	281	34.6%
15				Decline – Net Impact	251	
16						
17				2-Parent Caseload Reduction Credit =		30.9%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-30				
27						
28						

	Average TANF Monthly Caseload (Excluding Transition Bonus)	Average Monthly Transition Bonus Caseload	Average Monthly Caseload	Impact of Policy on Caseload	Excess Hours Estimate
FY 2010	19,101	696	19,797	3.64%	696
FY 2017	11,055	-	11,055	3.64%	403

Notes:

The 2010 impact of the Transition Bonus was used to estimate the impact of the the Excess Hours Policy. (This was the last full year of the Transition Bonus.) In 2010, the transition bonus made up 3.64% of the caseload. It is assumed that cases on Excess Hours would make up 3.64% of the FY 2017 caseload. The monthly impact is estimated to be 403 cases.

	Impact	Caseload	% of Caseload
All Family	403	11,055	100.0%
Two Parent	30	833	7.5%

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT
Excess MOE Worksheet**

	A	B	C	D	E	F
1	NEW MEXICO			Fiscal Year to which credit applies:		2018
2				Date of Completion:		10/17/2017
3	Excess MOE Calculation Worksheet					
4						
5	Caseload Data			Expenditure Data		
6	FY 2005 TANF Caseload	17,566		Total Expenditures		
7	FY 2005 SSP Caseload	0		FY 2017 Total Federal Expenditures		\$90,060,620
8	Total FY 2005 Caseload	17,566		FY 2017 Total MOE Expenditures		\$106,062,007
9	FY 2017 TANF Caseload	11,055		Total Expenditures (Federal + MOE)		\$196,122,627
10	FY 2017 SSP Caseload	0				
11	Total FY 2017 Caseload	11,055		Assistance Expenditures		
12				FY 2017 Federal Expenditures on Assistance		\$26,218,502
13	2-Parent Caseload Data			FY 2017 MOE Expenditures on Assistance		\$7,979,755
14	FY 2005 2-p TANF Caseload	812		Total Expenditures on Assistance (Federal + MOE)		\$34,198,257
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		17.44%
16	Total FY 2005 Caseload	812				
17	FY 2017 2-p TANF Caseload	833		Expenditures Per Case		
18	FY 2017 2-p SSP Caseload	0		Average Expenditures per Case		\$17,741
19	Total FY 2017 Caseload	833		Average Expenditures per Case on Assistance		\$3,093
20						
21				MOE and Excess MOE		
22				Required MOE (80% or 75%)		\$34,931,500
23				Excess MOE Expenditures		\$71,130,507
24				Excess MOE Expenditures on Assistance		\$12,403,155
25	Adjusted Caseload Data					
26	Adjusted FY 2017 Overall Caseload	7,046		Assistance Cases Funded by Excess MOE		4,009
27	Adjusted FY 2017 2-parent Caseload	531		2-Parent Assistance Cases Funded by Excess MOE		302
28						
29						
30						
31						
32						