

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: October 2024	
State: New Mexico	Fiscal Year to which credit applies: 2025
Overall Report <input checked="" type="checkbox"/> (check one)	Apply the overall credit to the two-parent participation rate? <input checked="" type="checkbox"/> yes <input type="checkbox"/> no
PART 1 –Eligibility Changes Made Since FY 2005 (Complete this section for EACH change)	
<ol style="list-style-type: none"> 1. Name of eligibility change: Extension of IR/PR 2. Implementation date of eligibility change: May 2022 3. Description of policy, including the change from prior policy: Implementation of IR/PR extension during the Federal National Disaster in New Mexico due to the wildfires This allowed for TANF cases whose IR/PR was due in the month of May 2022 to September 2022 to be extended. This applied to those who didn't turn in their IR/PR for those months were automatically extended an additional three to six months. Had these individuals not submitted an IR/PR the TANF case would have closed. 4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form): The methodology used to estimate the impact of the IR/PR extension during May-September 2022 was to identify TANF cases that had IR/PR due that got extended. These cases reflect the group affected by the policy change. 	
5. Estimated average monthly impact of this eligibility change on caseload in comparison year: 1,026	

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1. Name of eligibility change: Good Cause Exemptions from work requirements
2. Implementation date of eligibility change: March 20, 2020
3. Description of policy, including the change from prior policy: In response to the stay-at-home health orders and the State of Public Health orders, New Mexico provided flexibility to TANF participants to apply good cause to those participants who are not complying with the work program requirements. Along with this, New Mexico suspended the imposition of sanctions due to the hardship individuals were seeing due to the orders that were imposed.
4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form) The impact of the Good Cause Exemptions from work requirements was estimated by using the average monthly number of 3rd level sanctions from October 2019 to February 2020. We used period because it reflects sanctions frequency prior to the COVID-19 pandemic. The average number of 3rd level sanctions during this period is calculated 3.1% of the average caseload in FFY20, which is 327 for All Family households and 25 for 2 parent households. The caseload data was obtained from the TANF Monthly Sample Aggregate Report (DRT-03), and the 3rd level sanction closures data was obtained from a statewide closures report developed by a contractor working with the State of New Mexico's TANF program.

This policy is no longer in affect and did not impact 2022 caseload.

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

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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 the 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 2020 caseload, or 386 cases, for all families and 26 cases for 2 parent households.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: 386

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1. Name of eligibility change: Transition Bonus Program (TBP)
2. Implementation date of eligibility change: July 1, 2023
3. Description of policy, including the change from prior policy: HSD received \$1.8 million from the New Mexico Legislature in 2022 to reinstate the Transition Bonus Program which was discontinued in 2011. The Transition Bonus Program provides an incentive bonus to working families who lose eligibility for TANF because their earnings are too high. Qualifying families will receive \$200 per month for up to 18 months to supplement their income and steps-up their benefits to eliminate the cliff effect. TANF participants must maintain at least 30 hours per week in paid employment, have income under 150% of the Federal Poverty Level, have received at least 3 months of TANF benefits in their lifetime, received one month of TANF in the past three months and have not received 18 months of TBP or received 60 months of TANF assistance.
8.102.501 NMAC
4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form) The estimated number of participants and households between October 1, 2022 and September 30, 2023 are 159 and 51, respectively. Therefore, the average monthly participants and households is 13.3 and 4.2, respectively.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: 4.2

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1. Name of eligibility change: Monthly Cash Benefit Increase
2. Implementation date of eligibility change: August 1, 2023
3. Description of policy, including the change from prior policy: During the 2023 New Mexico Legislative Session, through House Bill 2 and signed into law by Governor Michelle Lujan Grisham, the monthly Cash benefit increased by 23%. This is the first increase in cash assistance for New Mexicans since 2011. To qualify for TANF, a person must live in New Mexico, be below income and resource limits for the program, have dependent children aged 18 or younger who are citizens or have eligible immigration status and if children are 19, they must be full-time high school students expected to graduate before the end of the month in which they become 20.
4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form) The estimated number of participants impacted by the cash benefit increase is roughly an estimate of 9,000. However, since this is not a change in eligibility, there is no impact to caseloads.

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

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PART 2 – Estimate of Caseload Reduction Credit

(Complete Part 2 using Excel Workbook provided.)

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Date of Completion <u>October 9, 2024</u>	
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PART 3 -- Certification

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 2005.

(signature)

(name)

(title)