

***New Mexico***  
***Human Services Department***  
**Review of Federal Fund Budget Increases**

Presentation to the  
Legislative Finance Committee  
Pamela S. Hyde, Secretary  
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July 8, 2009



# HSD YEAR-END BARs

- ◆ **Additional Federal Revenue to meet projected expenditures**
  - Single year appropriation
  - Multi-year appropriations
- ◆ **ARRA funds**
  - Multi-Year Budgeting
    - Payments could occur at any point
    - Funds cannot be used for any other purpose
    - Reasonable estimates available
    - Eases administrative burden and improves tracking (R codes like A or Z codes)
  - Single-Year Budgeting
    - Specific Grant of Award (time limited)
    - Not easily predictable



# BUDGETING FEDERAL FUNDS

## Human Services Department FY09 Year End Federal Fund Increases

<u>Fund</u>	<u>Division</u>	<u>P-Code</u>	<u>Type</u>	<u>Description</u>	<u>Amount</u>
97600	MAD	P524	451903 Budget Increase	Increase Federal Funds - Regular FMAP to needed to cover projected ≈	110,386,414
97600	MAD	P766/P524	451903 & 499105 Program Transfer	Transfer budget from P766 (MAD BH) to P524 (Medical Assistance)	36,000,000
97500	ISD	P525	451903 Budget Increase	COMMODITIES budget match to entitlement	1,000,000
97500	ISD	P525	451903 Budget Increase	SNAP Benefits (meet year-end projected needs)	4,100,000
90100	PS/ITD	P522	451903 Budget Increase	EDMS (FEDERAL PORTION ONLY FY 2009 & FY 2010)	410,195
					151,896,609
89000	ISD	P525	451903 Budget Increase	SNAP - ARRA	172,000,000
89000	ISD	P525	459103 Budget Increase	SNAP ADMIN - ARRA	1,110,432
89000	ISD	P525	451903 Budget Increase	OPBUD4 Section 5 ARRA FY09 & FY10	4,000,000
89000	ISD	P525	451903 Budget Increase	OPBUD4 Section 6 ARRA FY09	8,660,600
89000	MAD	P976	ARRA	ARRA - Medical Assistance FMAP Increase (multi-year)	383,624,500
89000	MAD	P976	ARRA	ARRA - Medical Assistance FMAP Increase (multi-year)	152,354,000
89000	CSED	P523	ARRA	ARRA - Child Support Incentives	8,453,500
89000	ISD	P525	ARRA	ARRA - TEFAP	691,557
89000	ISD	P525	ARRA	ARRA - TEFAP Admin	173,332
					731,067,921
					882,964,530



# HSD FEDERAL ECONOMIC STIMULUS FUNDING

AGENCY RECOVERY PLAN SUMMARY TABLE (\$ in thousands)						
Program Title	\$ to NM by Formula or Direct Approp	Single-Year Op Bud	Multi-Year OP Bud	FY 2009 Multi-Year BAR	FY 2010 Multi- Year BAR	TOTAL
		<i>Submitted in FY 2009</i>				
Medicaid FMAP ( <i>amounts are projected and subject to change;</i> )						
2009	161,790.0					
2010/2011	374,188.5		152,354.0	383,624.5		535,978.5
Medicaid DSH ( <i>reflects incremental increase; amounts are projected and subject to change</i> )	499.0				499.0	499.0
Transitional Medicaid ( <i>amounts are projected and subject to change</i> )	192,832.9				192,832.9	192,832.9
Qualifying Individuals ( <i>amounts are projected and subject to change</i> )	8,326.0				8,326.0	8,326.0
						-
Health Information Technology	TBD					-
						-
Supplemental Nutrition Program (Food Stamp) Admin.	2,220.8			1,110.4	1,110.4	2,220.8
Supplemental Nutrition Program (Food Stamp) Benefits	172,000.0			172,000.0		172,000.0
						-
Temporary Assistance to Needy Families (TANF) Supplemental	6,553.1				6,553.1	6,553.1
Temporary Assistance to Needy Families (TANF) Emergency Contingency <i>(ECF to be appropriated)</i>	32,680.6	8660.6	4,000.0		15,339.4	28,000.0
					4,680.6	4,680.6
Community Services BG	5,695.1				5,695.1	5,695.1
						-
The Emergency Food Assistance Program	1,038.1	691.5		173.3	173.3	1,038.1
						-
Child Support Enforcement	8,453.500			8,453.6		8,453.600
						-
						-
						-

TOTAL

966,277.6

9,352.1

156,354.0

565,361.8

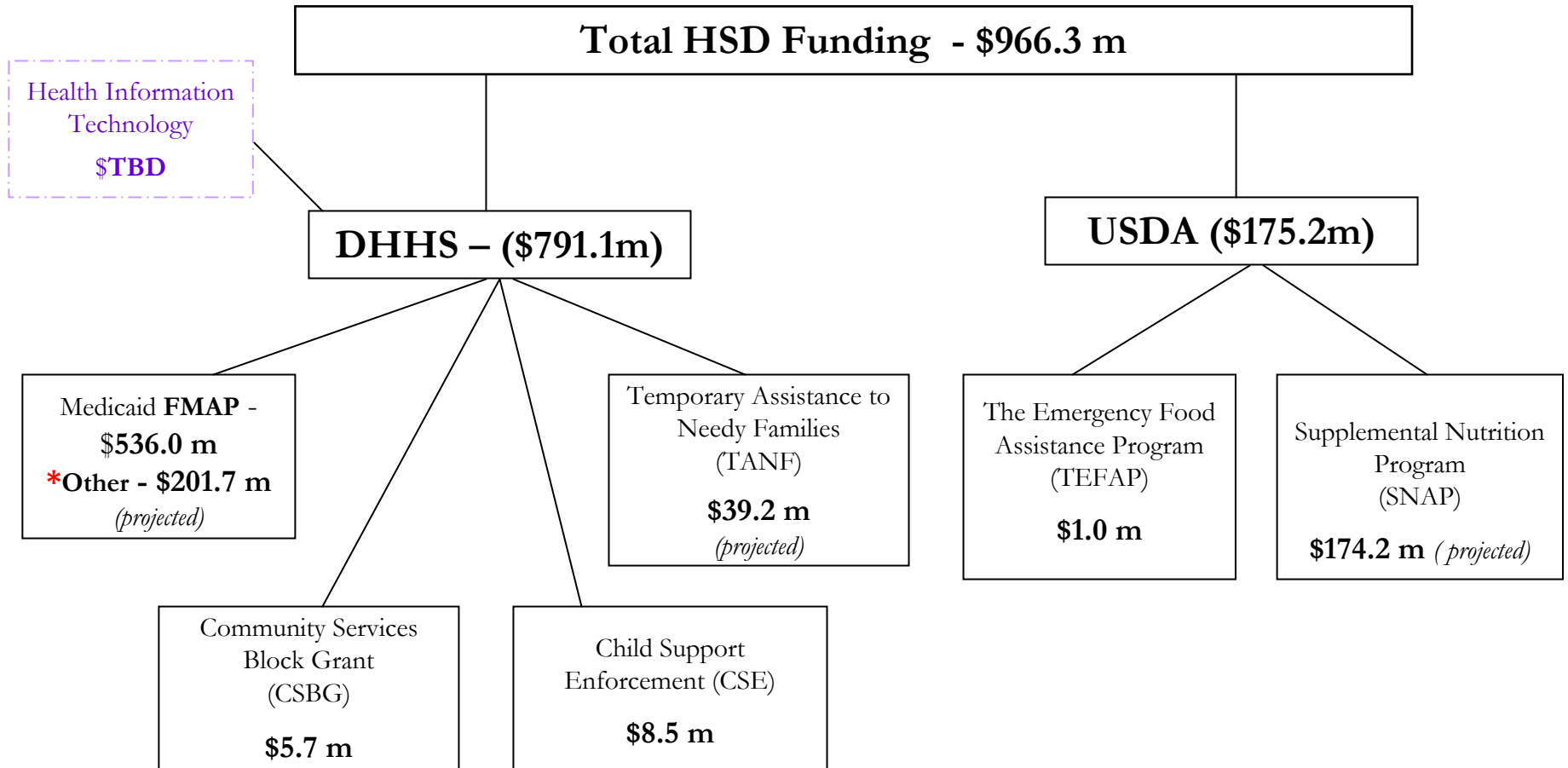
235,209.8

966,277.7

731,067.90



# AMERICAN RECOVERY AND REINVESTMENT FUNDS BY SOURCE



\* Includes exiting programs that would have expired but for ARRA



# ARRA PROGRAMS

## ◆ Commodity Assistance - The Emergency Food Assistance Program (TEFAP) Commodity Assistance \$691.5 (no cash outlay); Administrative \$346.6 => \$1,038.1

### ➤ Terms

#### – Food

- Must be used for commodity food purchases starting March 2009
- No cash outlay

#### – Administrative

- \$173.3/year for any allowable TEFAP administrative cost
- 40% passed-through or expended on behalf of Emergency Feeding Organizations (EFOs)
- States must match any funds retained or distribute to organizations not EFOs
- Obligate by September 30, 2009 or available for redistribution; not available beyond September 30, 2010

### ➤ NM-ORR Approved Uses

- USDA commodities available on March 16, 2009
- New Mexico Association of Food Banks (NMAFB) placed orders for \$691,557
- 100% of Administrative funds to NMAFB for food distribution

### ➤ Benefit: Immediate relief to symptoms of poverty



# ARRA PROGRAMS

## ◆ Supplemental Nutrition Program (SNAP)

**Benefits \$172,000.0; Administrative 2,220.8 => \$174,220.8**

### ➤ Terms

- Benefit increases implemented by 4/1/2009;
  - 13.6% increase in SNAP benefits (\$250/mo for a family of 3 increase to \$313; diff = \$63)
  - Increase in the minimum allotment from \$14.00 to \$16.00
- Comply with the Able-Bodied Adults Without Dependents (*ABAWD*) provisions by 4/1/09
  - Suppress (not enforce) 20 hour/week work requirement
  - Lifts time limits for closing cases not meeting requirement, and
- Administrative Expenses – funding for costs associated with carrying out the change in benefits required by the ARRA and for administering SNAP

### ➤ Use

- Administrative funds (100% FFP)
  - Hire additional staff to manage increased caseload (18% over FY2008 represents; 20,000 households; 1,500/month)
  - Supplant 50% GF - \$1.1 M used by 9/30/2009; \$1.1 M between 10/1/09 – 9/30/2010.

### ➤ Benefits & Issue

- Benefits
  - Direct infusion of \$ into the economy - every \$5 in food stamps = \$ 9.20 total economic activity
  - Increased FTE in offices (statewide)



# ARRA PROGRAMS

## ◆ Temporary Assistance to Needy Families (TANF)

**2010 Supplemental \$6,553.1; Emergency Contingency Fund (ECF) \$32,680.6 => \$39,233.7**

➤ *All TANF appropriations are limited to use for TANF*

### ➤ TANF ECF

#### – Terms

- Application; 2009 & 2010 Contingency funds limited to 50% of TANF block grant [\$110,600.0 - \$22,100.0 (2009) = \$33,200.0]
- Must meet eligibility criteria

#### – Proposed Use

- Use EC before block grant and cash assistance (stretch availability of block grant & carryover)
- Cover costs of increased caseload

#### – Benefits:

- Extends availability of carryover
- ECF funds are time limited and will not be available after Sept 30, 2010
- TANF Funds will continue to be available to the Department after expiration of ECF

➤ **TANF Supplemental** – Reauthorized for FFY 2010

➤ **TANF Carryover** – removes limitation restricting use to cash assistance





# ARRA PROGRAMS

## ◆ Child Support Incentives (\$8,453.5)

### ➤ Terms

- Temporarily restores federal matching funds for Child Support Enforcement (CSE) incentive payments
- Must apply federal incentive funds toward expenditures in the CSE program to obtain matching funds
- The ARRA affects incentives spent in FFY 2009 and FFY 2010

### ➤ Proposed Uses

- Use match to offset budget deficiencies in FY 2009 and FY 2010
- Aggressive Establishment Support Order Project; 61 term FTE created
- Customer Service Information Center Outbound Calls Project; 2 jobs saved (private)
- Medical Insurance Matching Project; 2 jobs created (private)
- HSD/ITD Child Support Enforcement System (CSES) Enhancement Project
  - Contractual services/equipment
  - 11 Term FTE

### ➤ Benefits:

- Public and private sector jobs created & private sector jobs saved
- Improved performance measures = increased incentive funds;
- Program positioned to function more efficiently
- More money for children and their families



# ARRA PROGRAMS

## ◆ Medicaid FMAP Increase

- Funds existing program and replaces GF
- Terms
  - Across the board FMAP increase – 6.2%; additional increases tied to unemployment increases
  - Eligibility standards, methodologies, or procedures not more restrictive than those in effect on 7/1/2008
  - No increased cost shifting to Local governments greater than that in place on 9/30/2008
  - Draw funds for eligible expenditures only
  - Proof of “prompt pay” requirements
  - Comply with Rainy Day Provision
- Use
  - FY 2009: Relieve General Fund use for authorized expenditures
  - FY 2010: Reduce General Fund used to support program

## ◆ Medicaid – Transitional Medical Assistance

- Terms
  - 18-month extension of existing program (post-TANF parents)
  - Report average monthly enrollment and average monthly participation rates for adults and children

## ◆ Medicaid – Qualifying Individuals

- Terms: Same as existing program



# ARRA PROGRAMS

## ◆ Community Services Block Grant

**\$5,695.1**

- Community Action Agencies (eligible entities)
  - Designated by the Governor
  - Reduction of poverty: Head Start, housing, weatherization, emergency food, etc.
- Terms
  - 1% for benefits enrollment coordination activities for various benefit programs
  - Remaining funds distributed to eligible entities (Community Action Agencies)
- Use
  - Consult with eligible entities regarding planned activities (March 20th)
  - Distribute funds to eligible entities
- Benefit: Direct infusion of \$ into the community

New Mexico Community Action Agencies (CAA)	Counties Covered	Base Allocation	Additional Allotment (2007 Census)	TOTAL
Community Action Agency of Southern NM	Dona Ana, Grant, Luna, Hidalgo, Sierra	\$100,000	\$ 911,384	\$1,011,384
Economic Council Helping Others, Inc.	San Juan	\$100,000	\$ 318,247	\$ 418,247
Eastern Plains Community Action Agency	De Baca, Guadalupe, Harding, Curry, Quay, Roosevelt, Union	\$100,000	\$ 236,586	\$ 336,586
Southeastern NM Community Action Corp	Chaves, Eddy, Lea, Lincoln, Otero	\$100,000	\$ 658,560	\$ 758,560
HELP New Mexico	Bernalillo, Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Taos	\$100,000	\$1,594,821	\$1,694,821
Mid-West Community Action Program	Catron, McKinley, Cibola, Socorro, Valencia	\$100,000	\$ 591,337	\$ 691,337
TBD (RFP)	Sandoval	\$100,000	\$ 172,177	\$ 272,177
Help New Mexico	Santa Fe, Torrance		\$ 430,585	\$ 430,585
<b>TOTAL</b>		<b>\$700,000</b>	<b>\$4,913,697</b>	<b>\$5,613,697</b>



# ARRA PROGRAMS

## ◆ Health Information Technology – *Not yet available.*

### ➤ Terms

- Grant to plan and build a health records exchange
- Loan Program, administered by states, to help providers purchase EHR equipment to “plug into” Exchange
  - Technical assistance for providers
- Financial assistance through Medicaid to providers to purchase and use IT equipment; no match



# COMPLIANCE & INFORMATION

- ◆ **Compliance Guide**
- ◆ **Federal Reports**
  - Quarterly Financial Status and Program Reports
  - Cash
- ◆ **NM-ORR Reports**
  - Recovery Plan
  - Weekly Reports
  - Bi-Weekly Financial Status Update
- ◆ **Contact Information: (websites)**
  - HSD: <http://www.hsd.state.nm.us/>
  - NMORR: <http://www.recovery.state.nm.us/>
- ◆ **Public Information – Betina Gonzales McCracken**
- ◆ **Constituent Questions – Claire Romero**
- ◆ **ARRA Contact – Elaine Olah**

