

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: December 30, 2014 – UPDATED APRIL 20, 2015

State: New Mexico

Fiscal Year to which credit applies: 2015

Overall Report (check one)
Two-parent Report

Apply the overall credit to the two-parent participation rate? yes no

PART 1 –Eligibility Changes Made Since FY 2005 (Complete this section for EACH change)

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

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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)

The average household size for a TANF case was approximately 3 in 2005 and 2014. The difference between the maximum monthly benefit for a household of size 3 between 2005 and 2014 was \$9. Therefore, the state assumes that any cases receiving a monthly benefit of \$9 and under would have been impacted by this policy. Currently, 0.48% of the caseload is receiving TANF cash benefits between \$1 and \$10. The estimated impact is .48% of the FY 2014 caseload, or 63 cases.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **-63**

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1. Name of eligibility change: **Suspension of the Transition Bonus Program**

2. Implementation date of eligibility change: January 31, 2011

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

The Transition Bonus program provided a \$200 monthly bonus instead of a monthly cash assistance payment to active TANF households who were working a minimum of 30 hours per week with a gross income less than 150% of the Federal Poverty Limit. 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

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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 disregarded, 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 disregarded 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 previously described. 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 2014 caseload, or 479 cases.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **-479**

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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 disregarded and replaced it with the Employment Retention and Advancement 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.

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

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Fiscal Year to which credit applies: 2015

PART 2 – Estimate of Caseload Reduction Credit

(Complete Part 2 using Excel Workbook provided.)

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Overall Credit

	A	B	C	D	E	F
1	State: New Mexico			Fiscal Year to which credit applies:		2015
2				Date of Completion:	4/20/2015	UPDATED
3	PART 2 – Estimate of Caseload Reduction Credit					
4						
5	<u>Impact of All Changes</u>			<u>Caseload Reduction Calculation</u>		
6	15% Budget Adjustment	-63		FY 2005 TANF Caseload	17,566	
7	Excess Hours Disregard	-479		FY 2005 SSP Caseload		
8				Total FY 2005 Caseload	17,566	
9				FY 2014 TANF Caseload	13,161	
10				FY 2014 SSP Caseload		
11				Total FY 2014 Caseload	13,161	
12				Excess MOE Cases in FY 2014	6,648	
13				Adjusted FY 2014 Caseload	6,513	
14				Caseload Decline	11,053	62.9%
15				Decline – Net Impact	10,511	
16						
17				Caseload Reduction Credit =		59.8%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-542				
27						
28						

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

	A	B	C	D	E	F
1	State: New Mexico			Fiscal Year to which credit applies:		2015
2				Date of Completion:	4/20/2015	UPDATED
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	15% Budget Adjustment	-5		FY 2005 TANF 2-Parent Caseload	812	
7	Excess Hours Disregard	-40		FY 2005 SSP 2-Parent Caseload		
8				Total FY 2005 Caseload	812	
9				FY 2014 TANF 2-Parent Caseload	1,089	
10				FY 2014 SSP 2-Parent Caseload		
11				Total FY 2014 2-Parent Caseload	1,089	
12				Excess MOE 2-Parent Cases in FY 2014	550	
13				Adjusted FY 2014 Caseload	539	
14				Caseload Decline	273	33.6%
15				Decline – Net Impact	228	
16						
17				2-Parent Caseload Reduction Credit =		28.1%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-45				
27						
28						

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

	A	B	C	D	E	F
1	State: New Mexico			Fiscal Year to which credit applies:		2015
2				Date of Completion:		12/12/2014
3	<u>Excess MOE Calculation Worksheet</u>					
4						
5	Caseload Data			Expenditure Data		
6	FY 2005 TANF Caseload	17,566		Total Expenditures		
7	FY 2005 SSP Caseload	0		FY 2014 Total Federal Expenditures		\$46,737,656
8	Total FY 2005 Caseload	17,566		FY 2014 Total MOE Expenditures		\$118,288,753
9	FY 2014 TANF Caseload	13,161		Total Expenditures (Federal + MOE)		\$165,026,409
10	FY 2014 SSP Caseload	0				
11	Total FY 2014 Caseload	13,161		Assistance Expenditures		
12				FY 2014 Federal Expenditures on Assistance		\$10,980,418
13	2-Parent Caseload Data			FY 2014 MOE Expenditures on Assistance		\$9,205,865
14	FY 2005 2-p TANF Caseload	812		Total Expenditures on Assistance (Federal + MOE)		\$20,186,283
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		12.23%
16	Total FY 2005 Caseload	812				
17	FY 2014 2-p TANF Caseload	1,089		Expenditures Per Case		
18	FY 2014 2-p SSP Caseload	0		Average Expenditures per Case		\$12,539
19	Total FY 2014 Caseload	1,089		Average Expenditures per Case on Assistance		\$1,534
20						
21				MOE and Excess MOE		
22				Required MOE (80% or 75%)		\$34,931,500
23				Excess MOE Expenditures		\$83,357,253
24				Excess MOE Expenditures on Assistance		\$10,196,387
25	Adjusted Caseload Data					
26	Adjusted FY 2014 Overall Caseload	6,513		Assistance Cases Funded by Excess MOE		6,648
27	Adjusted FY 2014 2-parent Caseload	539		2-Parent Assistance Cases Funded by Excess MOE		550
28						
29						
30						
31						
32						

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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)

Brent Earnest

(name)

Cabinet Secretary

(title)