

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: October 12, 2018

State: New Mexico

Fiscal Year to which credit applies: 2019

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: **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.

Effective July 1, 2018, the Budgetary Adjustment to the Monthly Benefit Amount was reduced from 7.5% to 0%. Therefore an impact of zero is being reported.

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 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 2018 caseload, or 385 cases, for all families and 26 cases for 2 parent households.

5. Estimate average monthly impact of this eligibility change on caseload in comparison year: -385

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Date of Completion: **October 12, 2018**

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Fiscal Year to which credit applies: 2019

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

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Date of Completion: October 12, 2018

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Fiscal Year to which credit applies: 2019

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 October 9, 2018

State: New Mexico **Fiscal Year to which credit applies:** 2019

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:		2019
2				Date of Completion:	10/12/2018	
3	PART 2 – Estimate of Caseload Reduction Credit					
4						
5	<u>Impact of All Changes</u>			<u>Caseload Reduction Calculation</u>		
6	Excess Hours Disregard	-385		FY 2005 TANF Caseload	17,566	
7				FY 2005 SSP Caseload		
8				Total FY 2005 Caseload	17,566	
9				FY 2018 TANF Caseload	10,571	
10				FY 2018 SSP Caseload		
11				Total FY 2018 Caseload	10,571	
12				Excess MOE Cases in FY 2018	4,608	
13				Adjusted FY 2018 Caseload	5,963	
14				Caseload Decline	11,603	66.1%
15				Decline – Net Impact	11,218	
16						
17				Caseload Reduction Credit =		63.9%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-385				
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:		2019
2				Date of Completion:	10/12/2018	
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	-26		FY 2005 TANF 2-Parent Caseload	812	
7				FY 2005 SSP 2-Parent Caseload		
8				Total FY 2005 Caseload	812	
9				FY 2018 TANF 2-Parent Caseload	709	
10				FY 2018 SSP 2-Parent Caseload		
11				Total FY 2018 2-Parent Caseload	709	
12				Excess MOE 2-Parent Cases in FY 2018	309	
13				Adjusted FY 2018 Caseload	400	
14				Caseload Decline	412	50.7%
15				Decline – Net Impact	386	
16						
17				2-Parent Caseload Reduction Credit =		47.5%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-26				
27						
28						

**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:		2019
2				Date of Completion:		10/12/2018
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 2018 Total Federal Expenditures		\$61,992,931
8	Total FY 2005 Caseload	17,566		FY 2018 Total MOE Expenditures		\$109,837,932
9	FY 2018 TANF Caseload	10,571		Total Expenditures (Federal + MOE)		\$171,830,863
10	FY 2018 SSP Caseload	0				
11	Total FY 2018 Caseload	10,571		Assistance Expenditures		
12				FY 2018 Federal Expenditures on Assistance		\$30,708,801
13	2-Parent Caseload Data			FY 2018 MOE Expenditures on Assistance		\$6,754,852
14	FY 2005 2-p TANF Caseload	812		Total Expenditures on Assistance (Federal + MOE)		\$37,463,653
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		21.80%
16	Total FY 2005 Caseload	812				
17	FY 2018 2-p TANF Caseload	709		Expenditures Per Case		
18	FY 2018 2-p SSP Caseload	0		Average Expenditures per Case		\$16,255
19	Total FY 2018 Caseload	709		Average Expenditures per Case on Assistance		\$3,544
20						
21				MOE and Excess MOE		
22				Required MOE (80% or 75%)		\$34,931,500
23				Excess MOE Expenditures		\$74,906,432
24				Excess MOE Expenditures on Assistance		\$16,331,575
25	Adjusted Caseload Data					
26	Adjusted FY 2018 Overall Caseload	5,963		Assistance Cases Funded by Excess MOE		4,608
27	Adjusted FY 2018 2-parent Caseload	400		2-Parent Assistance Cases Funded by Excess MOE		309
28						
29						
30						
31						
32						

	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 2018	10,571	-	10,571	3.64%	385

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 2018 caseload. The monthly impact is estimated to be 385 cases.

	Impact	Caseload	% of Caseload
All Family	385	10,571	100.0%
Two Parent	26	709	6.7%