



STATE OF NEW MEXICO
HUMAN SERVICES DEPARTMENT
HUMAN SERVICES REGISTER

I. DEPARTMENT

Human Services Department

II. SUBJECT

2016 Caseload Reduction Credit Report

III. PROGRAMS AFFECTED

Temporary Assistance for Needy Families (TANF)

IV. ACTION

Final FY16 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 2015 caseload fell in comparison to the FY 2005 caseload. This is termed the TANF Caseload Reduction Credit.

VI. FINAL REPORT

The final TANF Caseload Reduction Credit Report 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 final report may be requested by contacting the Income Support Division's Work and Family Support Bureau (WFSB) at (505) 827-7227.

The Department offered a 30 day public comment period which began at 8:00am on November 16, 2015 and ended at 5:00pm on December 15, 2015. No comments were received.

VII. EFFECTIVE DATE

October 1, 2015

VIII. PUBLICATION

Publication of this report approved on December 30, 2015 by:



BRENT EARNEST, SECRETARY
HUMAN SERVICES DEPARTMENT

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: December 16, 2015

State: New Mexico

Fiscal Year to which credit applies: 2016

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)

The average household size for a TANF case was approximately 3 in 2005 and 2015. The difference between the maximum monthly benefit for a household, the size of 3, between 2005 and 2015 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 2015 caseload, or 58 cases, for all families and 5 cases for 2 parent households.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: -58

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 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 2015 caseload, or 438 cases, for all families and 34 cases for 2 parent households.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **-438**

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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 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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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, 2015

State: New Mexico

Fiscal Year to which credit applies: 2016

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:		2016
2				Date of Completion:	12/16/2015	
3	PART 2 – Estimate of Caseload Reduction Credit					
4						
5	Impact of All Changes			Caseload Reduction Calculation		
6	15% Budget Adjustment	-58		FY 2005 TANF Caseload	17,566	
7	Excess Hours Disregard	-438		FY 2005 SSP Caseload		
8				Total FY 2005 Caseload	17,566	
9				FY 2015 TANF Caseload	12,018	
10				FY 2015 SSP Caseload		
11				Total FY 2015 Caseload	12,018	
12				Excess MOE Cases in FY 2015	5,640	
13				Adjusted FY 2015 Caseload	6,378	
14				Caseload Decline	11,188	63.7%
15				Decline – Net Impact	10,692	
16						
17				Caseload Reduction Credit =		60.9%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-496				
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:		2016
2				Date of Completion:	12/16/2015	
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	-34		FY 2005 SSP 2-Parent Caseload		
8				Total FY 2005 Caseload	812	
9				FY 2015 TANF 2-Parent Caseload	940	
10				FY 2015 SSP 2-Parent Caseload		
11				Total FY 2015 2-Parent Caseload	940	
12				Excess MOE 2-Parent Cases in FY 2015	441	
13				Adjusted FY 2015 Caseload	499	
14				Caseload Decline	313	38.6%
15				Decline – Net Impact	274	
16						
17				2-Parent Caseload Reduction Credit =		33.8%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-39				
27						
28						

	Maximum Monthly Benefit			Average HH Size /Benefit	Comparable HH Size	Average Maximum Benefit
	HH=2	HH=3	HH=4			
2005	\$310	\$389	\$469	2.57	3	\$389
2015	\$304	\$380	\$459	2.75	3	\$380
Difference b/w 2005 & 2015	(\$6)	(\$9)	(\$10)			(\$9)

Notes:
 Approximately 0.48% of households are currently receiving between \$1 and \$10.
 The monthly impact is estimated to be 0.48% of the 2015 caseload or 58 cases.

	Impact	Caseload	% of Caseload
All Family	58	12,018	100.0%
Two Parent	5	940	7.8%

	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 2015	12,018	-	13,156	3.64%	438

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 2015 caseload. The monthly impact is estimated to be 438 cases.

	Impact	Caseload	% of Caseload
All Family	438	12,018	100.0%
Two Parent	34	940	7.8%

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

	A	B	C	D	E	F	G
1	New Mexico			Fiscal Year to which credit applies:		2016	
2				Date of Completion:		12/16/2015	
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 2015 Total Federal Expenditures		\$74,060,782	
8	Total FY 2005 Caseload	17,566		FY 2015 Total MOE Expenditures		\$131,298,176	
9	FY 2015 TANF Caseload	12,018		Total Expenditures (Federal + MOE)		\$205,358,958	
10	FY 2015 SSP Caseload	0					
11	Total FY 2015 Caseload	12,018		Assistance Expenditures			
12				FY 2015 Federal Expenditures on Assistance		\$44,766,109	
13	2-Parent Caseload Data			FY 2015 MOE Expenditures on Assistance		\$7,979,973	
14	FY 2005 2-p TANF Caseload	812		Total Expenditures on Assistance (Federal + MOE)		\$52,746,082	
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		25.68%	
16	Total FY 2005 Caseload	812					
17	FY 2015 2-p TANF Caseload	940		Expenditures Per Case			
18	FY 2015 2-p SSP Caseload	0		Average Expenditures per Case		\$17,088	
19	Total FY 2015 Caseload	940		Average Expenditures per Case on Assistance		\$4,389	
20							
21				MOE and Excess MOE			
22				Required MOE (80% or 75%)		\$34,931,500	
23				Excess MOE Expenditures		\$96,366,676	
24				Excess MOE Expenditures on Assistance		\$24,751,609	
25	Adjusted Caseload Data						
26	Adjusted FY 2015 Overall Caseload	6,378		Assistance Cases Funded by Excess MOE		5,640	
27	Adjusted FY 2015 2-parent Caseload	499		2-Parent Assistance Cases Funded by Excess MOE		441	
28							
29							

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

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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)

Secretary Human Service Dept.

(title)