



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 FY17 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 2016 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 15, 2016 and ended at 5:00pm on December 15, 2016. No comments were received.

VII. EFFECTIVE DATE

Federal Fiscal Year 2017

VIII. PUBLICATION

Publication of this report approved on December 21, 2016 by:



BRENT EARNEST, SECRETARY
HUMAN SERVICES DEPARTMENT

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: December 16, 2016

State: New Mexico

Fiscal Year to which credit applies: 2017

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.

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

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 2016 caseload, or 422 cases, for all families and 33 cases for 2 parent households.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **-422**

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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, 2016

State: New Mexico

Fiscal Year to which credit applies: 2017

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	State?			Fiscal Year to which credit applies:		2017
2				Date of Completion:	12/16/2016	
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	-422		FY 2005 TANF Caseload	17,566	
7				FY 2005 SSP Caseload		
8				Total FY 2005 Caseload	17,566	
9				FY 2016 TANF Caseload	11,586	
10				FY 2016 SSP Caseload		
11				Total FY 2016 Caseload	11,586	
12				Excess MOE Cases in FY 2016	5,757	
13				Adjusted FY 2016 Caseload	5,829	
14				Caseload Decline	11,737	66.8%
15				Decline – Net Impact	11,315	
16						
17				Caseload Reduction Credit =		64.4%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-422				
27						
28						

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

	A	B	C	D	E	F
1				Fiscal Year to which credit applies:		2017
2				Date of Completion:	12/16/2016	
3	PART 2 – Estimate of Caseload Reduction Credit -- 2-Parent Caseload					
4						
5	Impact of All Changes			<u>Caseload Reduction Calculation</u>		
6	Excess Hours Disregard	-33		FY 2005 TANF 2-Parent Caseload	812	
7				FY 2005 SSP 2-Parent Caseload		
8				Total FY 2005 Caseload	812	
9				FY 2016 TANF 2-Parent Caseload	915	
10				FY 2016 SSP 2-Parent Caseload		
11				Total FY 2016 2-Parent Caseload	915	
12				Excess MOE 2-Parent Cases in FY 2016	455	
13				Adjusted FY 2016 Caseload	460	
14				Caseload Decline	352	43.3%
15				Decline – Net Impact	319	
16						
17				2-Parent Caseload Reduction Credit =		39.2%
18						
19						
20						
21						
22						
23						
24						
25						
26	Net Impact	-33				
27						
28						

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

	A	B	C	D	E	F
1				Fiscal Year to which credit applies:		2017
2				Date of Completion:		12/16/2016
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 2016 Total Federal Expenditures		\$92,363,443
8	Total FY 2005 Caseload	17,566		FY 2016 Total MOE Expenditures		\$160,674,536
9	FY 2016 TANF Caseload	11,586		Total Expenditures (Federal + MOE)		
10	FY 2016 SSP Caseload	0				\$253,037,979
11	Total FY 2016 Caseload	11,586		Assistance Expenditures		
12				FY 2016 Federal Expenditures on Assistance		\$46,988,012
13	2-Parent Caseload Data			FY 2016 MOE Expenditures on Assistance		\$12,159,736
14	FY 2005 2-p TANF Caseload	812		Total Expenditures on Assistance (Federal + MOE)		
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		23.38%
16	Total FY 2005 Caseload	812				
17	FY 2016 2-p TANF Caseload	915		Expenditures Per Case		
18	FY 2016 2-p SSP Caseload	0		Average Expenditures per Case		\$21,840
19	Total FY 2016 Caseload	915		Average Expenditures per Case on Assistance		\$5,105
20						
21				MOE and Excess MOE		
22				Required MOE (80% or 75%)		\$34,931,500
23				Excess MOE Expenditures		\$125,743,036
24				Excess MOE Expenditures on Assistance		\$29,392,495
25	Adjusted Caseload Data					
26	Adjusted FY 2016 Overall Caseload	5,829		Assistance Cases Funded by Excess MOE		5,757
27	Adjusted FY 2016 2-parent Caseload	460		2-Parent Assistance Cases Funded by Excess MOE		455
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 2016	11,586	-	11,586	3.64%	422

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 2016 caseload.
 The monthly impact is estimated to be 422 cases.

	Impact	Caseload	% of Caseload
All Family	422	11,586	100.0%
Two Parent	33	915	7.9%

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

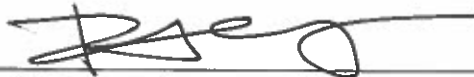
Date of Completion: December 16, 2016

State: New Mexico

Fiscal Year to which credit applies: 2017

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, Human Services Department

(title)