

***New Mexico Human Services Department  
Temporary Assistance For Needy Families  
(TANF) Update***

**Presentation to  
Legislative Health & Human Services and  
Legislative Finance Committee  
Katie Falls, Deputy Secretary, HSD  
July 8, 2009**



**New Mexico Human Services Department**

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# Highlights for Today's Discussion

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1. Overview of TANF population and services
2. National Trends
3. Funding
4. Challenges and Opportunities



# Profile of the TANF Population

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- ◆ **16,981 cases**
  - 20% increase from May 2008 – 14,159 enrollment;
  - lowest enrollment was 13,518 in July 07
- ◆ **42,639 individuals:** 15,672 adults and 26,967 children (23% increase)
  - May 2008: 35,215 individuals
  - July 2007: 33,334 individuals
- ◆ **Family composition**
  - Average household size is 2.5
  - 15% are 2 parent families
  - 51% are 1 parent families
  - Almost 72% are Hispanic
  - Ages of head of households:
    - 48% between 20 -29
    - 30% between 30 -39
    - 14% between 40 - 49
    - 8% are 60 years or older



# Profile of the TANF Population

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- ◆ Of the 15,672 adults receiving TANF cash assistance benefits, **9,248** are required to participate in a work activity:
  - 57% Report earned income
  - 3% Report unearned income
  - 4% Report both earned and unearned
  - 36% Report no income



# Program Goals

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- ◆ Four goals of TANF
  - Provide assistance to needy families
  - **End dependence of needy parents by promoting job preparation, work, and marriage**
  - Reduce out-of-wedlock pregnancies
  - Encourage formation of two-parent families
  
- ◆ The purpose of the New Mexico Works Program is
  - **To improve the quality of life** for parents and children by increasing family income, resources and support.
  - To increase family income through family employment and child support and by utilizing cash assistance as a support service to enable and assist parents to participate in employment.



# Nationally – What We Know About TANF Leavers

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- ◆ 75 -85% of families eligible for welfare were served in AFDC.
- ◆ 42% of eligible families being served through TANF
  - time limits & sanctions
- ◆ Increase in low-income single mothers without work or welfare – *Disconnected Single Mothers*
  - Increase from 11.7% in 1995 to 20% in 2005 (Blank and Kovak, 2008).
  - Research show that these disconnected adults are more likely to have significant barriers to self-sufficiency, including disabilities.
- ◆ “Disconnected Welfare Leavers in Colorado” – Lewin Group, March 2009
  - Disconnected leavers differ from leavers with earnings in several key ways. They are more likely to be
    - Slightly older,
    - Hispanic or non-white,
    - lack a high school education,
    - married or living with a partner, and;
    - to have younger children than leavers with earnings.



# National Trends, continued

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## ◆ Sources of income for those left TANF

- Most common is SNAP – two-thirds receive this benefit
- 30% receive child support
- 29% financial assistance from family or friends
- 17% live with other household members (other than spouse) who have earnings

## ◆ Reasons for not working

- 26.5% poor health
- 23.2% cannot find a job
- 14.9% no childcare
- 2.8% caring for ill or disabled family member



# New Mexico data

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- ◆ 40% of TANF adults are exempted from work requirements
  - 3 federal work exemptions and 6 additional state exemptions.
- ◆ Exemptions as of March 2009
  - 1,746 – caring for a child under 12 months old
  - 1,513 – incapacitated
  - 629 – Pregnant, 3rd Trimester
  - 226 – other/good cause
  - 162 – caring for an incapacitated household member
  - 49 – Age 60 or older
- ◆ 73% of TANF caseload have been receiving benefits for 12 months or less
- ◆ 9,627 households have reached 60 months life-time limits since 2002
- ◆ 920 sanctioned (May 2009, 1<sup>st</sup> - 3<sup>rd</sup> level sanctions)





# New Mexico Maximus Study 1999-2003

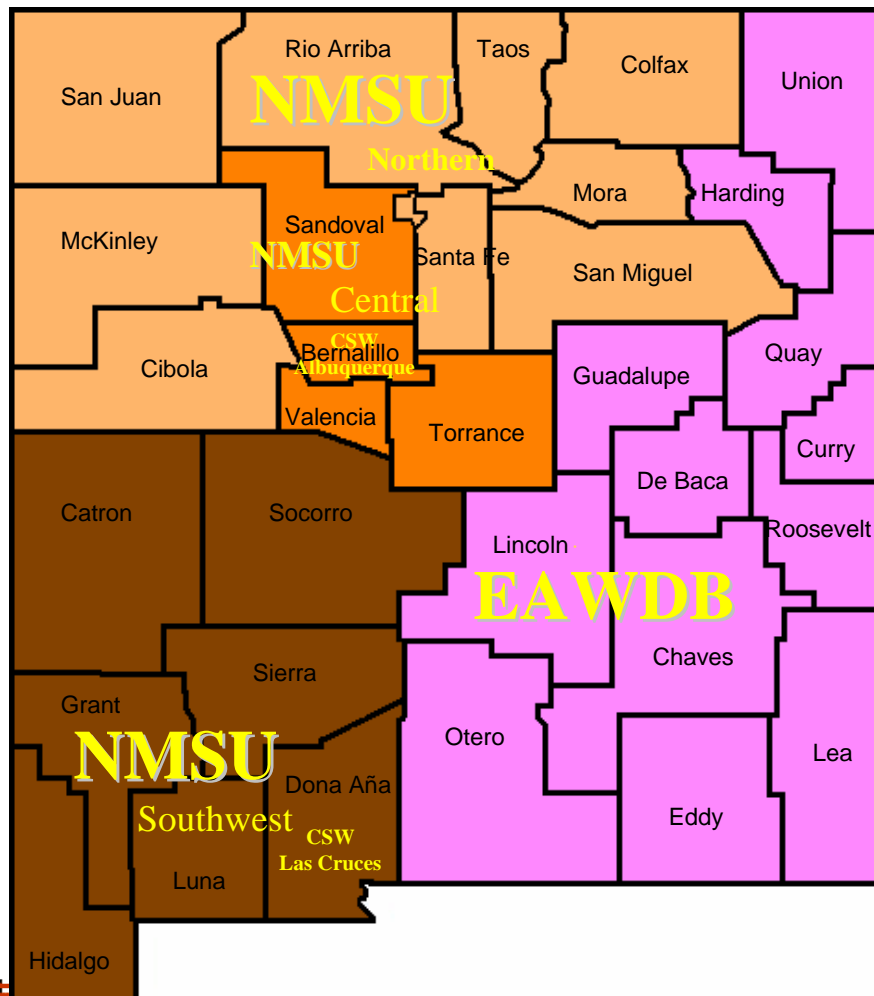
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- ◆ Most important barriers to employment are physical and mental health problems, learning disabilities, having to care for a sick or disabled family member.
- ◆ Health problems were the most common reason cited by unemployed respondents for not working.
- ◆ Multiple barriers were common.
- ◆ Those with physical health problems were also more likely to have mental health problems and a learning disability.
- ◆ Older respondents and whites were more likely to have physical/mental health problems.
- ◆ Educational deficits correlated to learning disabilities.



# Services and Providers: FY 2009 NMW Service Delivery Areas

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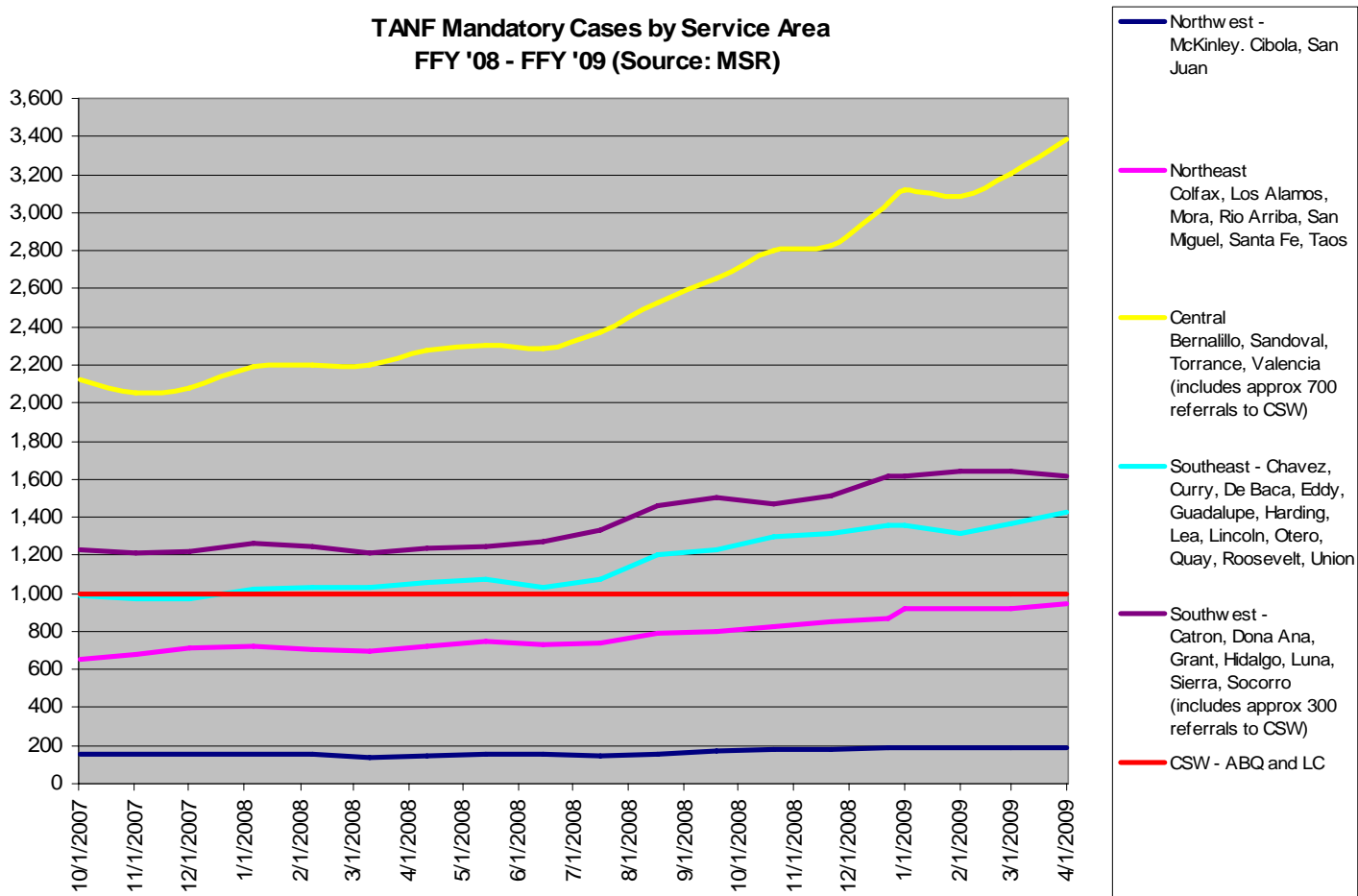


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# Services and Providers: TANF Mandatory Cases by Service Area FFY 08 – FFY 09

TANF Mandatory Cases by Service Area  
FFY '08 - FFY '09 (Source: MSR)

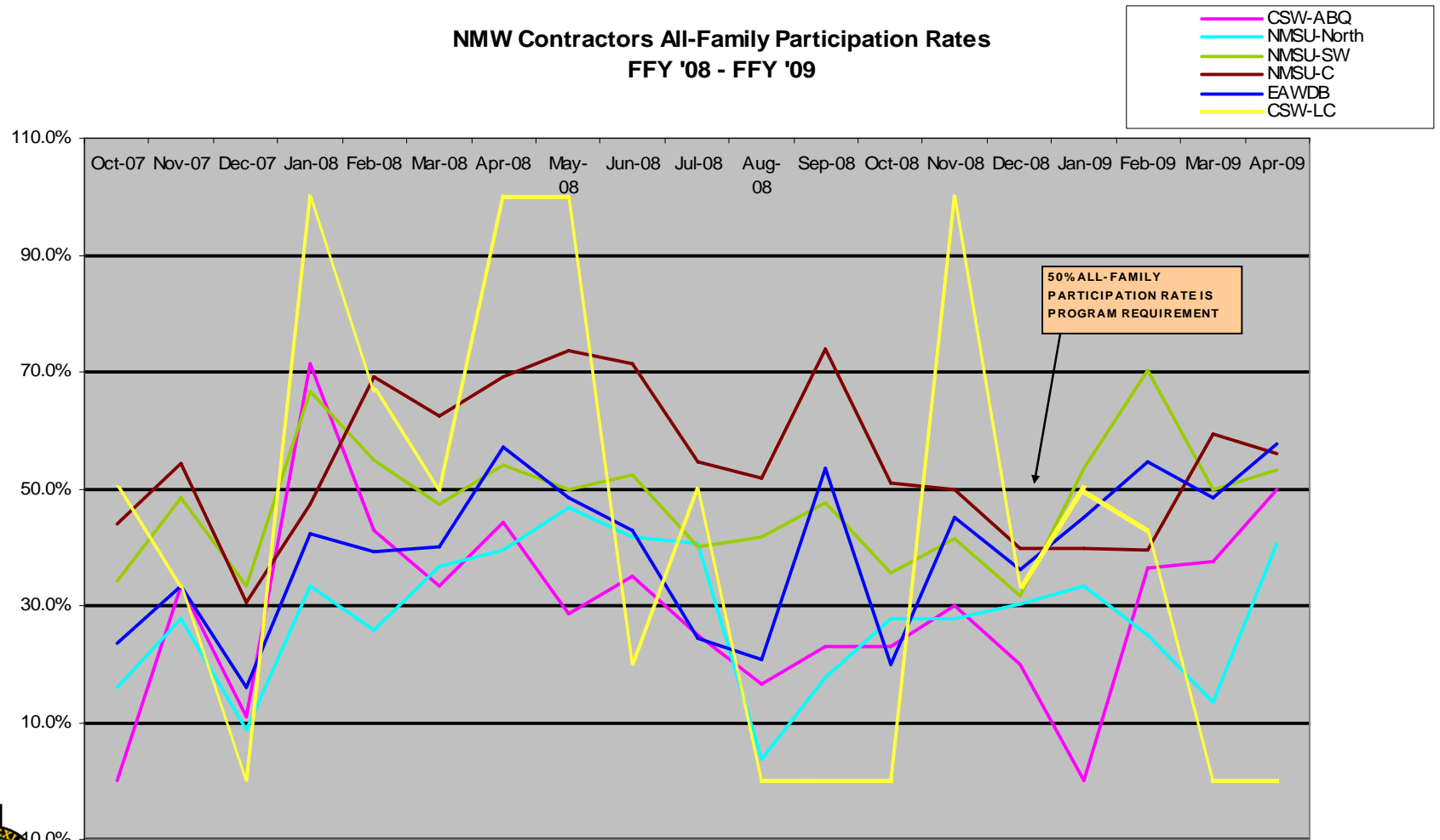


# Services and Providers: TANF Mandatory Cases by Service Area FFY 08 – FFY 09

Service Area	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Northwest - McKinley, Cibola, San Juan	147	155	154	147	154	169	178	179	188	186	189	185	192
Northeast Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Santa Fe, Taos	724	749	733	741	787	801	826	847	872	917	921	921	949
Central Bernalillo, Sandoval, Torrance, Valencia (includes approx. 700 cases referred to CSW-ABQ)	2,273	2,303	2,288	2,369	2,530	2,658	2,797	2,826	3,054	3,115	3,082	3,203	3,383
Southeast - Chavez, Curry, De Baca, Eddy, Guadalupe, Harding, Lea, Lincoln, Otero, Quay, Roosevelt, Union	1,056	1,070	1,030	1,073	1,202	1,227	1,299	1,313	1,358	1,354	1,317	1,362	1,423
Southwest - Catron, Dona Ana, Grant, Hidalgo, Luna, Sierra, Socorro (includes approx. 300 cases referred to CSW-LC)	1,235	1,244	1,273	1,333	1,464	1,502	1,470	1,514	1,619	1,613	1,638	1,637	1,615
Statewide Totals	5,435	5,521	5,478	5,663	6,137	6,357	6,570	6,679	7,091	7,185	7,147	7,308	7,562



# Services and Providers: NMW Contractors All-Family Participation Rates FFY '08 - FFY '09



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# TANF Funding – Appropriations & Costs

- ◆ TANF funding is spent in Three Primary Areas
  - Cash Assistance
  - Support Services (for TANF recipients, TANF eligible and non-TANF eligible)
  - Administrative Costs for HSD (primarily for salaries for ISD workers)
- ◆ ARRA Funding
  - Potential for NM = \$55,289,050
    - TRD Working Families Tax Credit: \$16,586,715
      - Balance = \$38,702,335
    - ARRA Spent on Cash Assistance in FY09: \$11,052,800
      - Balance = \$27,649,535

## TANF Historical Funding *Appropriations*

	FY07	FY08	FY09	FY10
Cash Assistance	\$69,341.5	\$68,956.4	\$67,972.4	\$66,472.4
Support Services	\$49,279.3	\$51,929.3	\$63,329.3	\$65,079.3
HSD Admin	\$10,795.2	\$11,069.5	\$9,490.4	\$12,645.9
<b>TOTAL</b>	<b>\$129,416.0</b>	<b>\$131,955.2</b>	<b>\$140,732.1</b>	<b>\$144,197.6</b>

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# TANF Funding

- ◆ Revenue for FY10 (federal funds)
  - TANF Block Grant \$110,578,100
  - TANF Supplemental Grant \$6,531,000
  - Beginning Carryforward FY10 \$63,848,258
  - ARRA funds remaining \$27,649,535
  - **TOTAL \$208,606,893**

## Projected TANF **Costs** in FY10

FY 10 Expenses (all federal dollars)	FY10 Opbud	Projected Need
Cash Assistance (excluding state funded program for 2 parent & exempts) *	\$59,347,400	\$78,833,875
Support Services	\$65,079,300	\$65,079,300
HSD Admin	\$12,645,900	\$12,645,900
<b>TOTAL COSTS</b>	<b>\$137,072,500</b>	<b>\$156,559,075</b>
*ARRA funds used for cash assistance \$19,486,475		



# TANF Funding

## ◆ Revenue for FY11

- TANF Block Grant \$110,578,100 federal
- TANF Supplemental Grant \$1,632,800 (reduction of \$4,898.2)
- Beginning Carryforward FY11 \$43,884,758 federal
- ARRA funds remaining \$8,163,060
- **TOTAL \$164,258,718**

## Projected TANF **Costs** for FY11 \*

FY 11 Expenses (all federal dollars)	Projected Need
Cash Assistance (excluding state funded program for 2 parent & exempts) **	\$78,833,875
Support Services	\$65,079,300
HSD Admin	\$12,645,900
<b>TOTAL COSTS</b>	<b>\$156,559,075</b>
* Assumes flat enrollment from FY 10	
** Used remaining balance of ARRA funds	





# TANF Funding

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- ◆ Outlook for FY 12
  - TANF Block Grant = \$110,578,100
  - Carry Forward = estimated \$7,699,643 to \$11,892,948
  - **TOTAL REVENUE = \$118,277,743 to \$122,471,048**
  
- ◆ Other Issues Impacting Funding
  - Hardship Waivers
  - Legal Guardians
  - Transition Bonus Program



# Challenges and Opportunities

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- ◆ Conflict between federal performance requirements and what's best for clients
- ◆ Data issues
- ◆ Contract issues
- ◆ Accountability
- ◆ Funding Priorities

