



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

Proposed 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. Total Federal and Maintenance of Effort (MOE) expenditures are subject to change due to fluctuations during year end budget close out and increases in MOE funding.

## VI. PROPOSED REPORT

The estimated changes and corresponding methodologies are reported in the proposed TANF Caseload Reduction Credit Report which 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 proposed report may be requested by contacting the Income Support Division's Work and Family Support Bureau (WFSB) at (505) 827-7227.

If you are a person with a disability and you require this information in an alternative format, please contact the American Disabilities Act Coordinator, at (505) 827-7701 or

through the New Mexico Relay system, at 711 or toll free at 1-800-659-1779. The Department requests at least a 10-day advance notice to provide requested alternative formats.

**VII. EFFECTIVE DATE**

October 1, 2015

**VIII. PUBLIC COMMENT PERIOD**

The comment period will begin at 8:00 a.m. on November 16, 2015 and end at 5:00 p.m. on December 15, 2015. Individuals wishing to comment on the TANF Caseload Reduction Credit Report should contact the Income Support Division, P.O. Box 2348, Pollon Plaza, Santa Fe, New Mexico, 87505-2348, or by calling (505) 827-7227.

**IX. ADDRESS**

Interested persons may address written or recorded comments to:

Human Services Department  
P.O. Box 2348 Pollon Plaza  
Santa Fe, NM 87504-2348

Interested persons may also address comments via electronic mail to:  
[HSD-isdrules@state.nm.us](mailto:HSD-isdrules@state.nm.us).

**X. PUBLICATION**

Publication of this report approved on October 28, 2015 by:

  
\_\_\_\_\_  
BRENT EARNEST, SECRETARY  
HUMAN SERVICES DEPARTMENT

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

**Date of Completion:** October 14, 2015

**State:** New Mexico **Fiscal Year to which credit applies:** 2016

Overall Report <input checked="" type="checkbox"/> (check one) Two-parent Report <input type="checkbox"/>	Apply the overall credit to the two-parent participation rate? <input checked="" type="checkbox"/> yes <input type="checkbox"/> 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**

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

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

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

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 14, 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	<b>New Mexico</b>			<b>Fiscal Year to which credit applies:</b>		<b>2016</b>
2				<b>Date of Completion:</b>	10/14/2015	
3	<b>PART 2 – Estimate of Caseload Reduction Credit</b>					
4						
5	<b>Impact of All Changes</b>			<b>Caseload Reduction Calculation</b>		
6	15% Budget Adjustment	-58		FY 2005 TANF Caseload	17,566	
7	Excess Hours Disregard	-438		FY 2005 SSP Caseload		
8				<b>Total FY 2005 Caseload</b>	<b>17,566</b>	
9				FY 2015 TANF Caseload	12,018	
10				FY 2015 SSP Caseload		
11				<b>Total FY 2015 Caseload</b>	<b>12,018</b>	
12				Excess MOE Cases in FY 2015	5,790	
13				<b>Adjusted FY 2015 Caseload</b>	<b>6,228</b>	
14				Caseload Decline	11,338	64.5%
15				Decline – Net Impact	10,842	
16						
17				Caseload Reduction Credit =		<b>61.7%</b>
18						
19						
20						
21						
22						
23						
24						
25						
26	<b>Net Impact</b>	<b>-496</b>				
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:	10/14/2015	
3	<b>PART 2 -- Estimate of Caseload Reduction Credit -- 2-Parent Caseload</b>					
4						
5	<b>Impact of All Changes</b>			<b>Caseload Reduction Calculation</b>		
6	15% Budget Adjustment	-5		FY 2005 TANF 2-Parent Caseload	812	
7	Excess Hours Disregard	-34		FY 2005 SSP 2-Parent Caseload		
8				<b>Total FY 2005 Caseload</b>	<b>812</b>	
9				FY 2015 TANF 2-Parent Caseload	940	
10				FY 2015 SSP 2-Parent Caseload		
11				<b>Total FY 2015 2-Parent Caseload</b>	<b>940</b>	
12				Excess MOE 2-Parent Cases in FY 2015	453	
13				<b>Adjusted FY 2015 Caseload</b>	<b>487</b>	
14				Caseload Decline	325	40.0%
15				Decline – Net Impact	286	
16						
17				<b>2-Parent Caseload Reduction Credit =</b>		<b>35.2%</b>
18						
19						
20						
21						
22						
23						
24						
25						
26	<b>Net Impact</b>	<b>-39</b>				
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	<b>New Mexico</b>			<b>Fiscal Year to which credit applies:</b>		<b>2016</b>	
2				<b>Date of Completion:</b>		10/14/2015	
3	<b>Excess MOE Calculation Worksheet</b>						
4							
5	<b>Caseload Data</b>			<b>Expenditure Data</b>			
6	FY 2005 TANF Caseload	17,566		<b>Total Expenditures</b>			
7	FY 2005 SSP Caseload	0		FY 2015 Total Federal Expenditures		\$69,885,014	*
8	<b>Total FY 2005 Caseload</b>	<b>17,566</b>		FY 2015 Total MOE Expenditures		\$132,388,877	**
9	FY 2015 TANF Caseload	12,018		<b>Total Expenditures (Federal + MOE)</b>		\$202,273,891	
10	FY 2015 SSP Caseload	0					
11	<b>Total FY 2015 Caseload</b>	<b>12,018</b>		<b>Assistance Expenditures</b>			
12				FY 2015 Federal Expenditures on Assistance		\$39,757,240	***
13	<b>2-Parent Caseload Data</b>			FY 2015 MOE Expenditures on Assistance			***
14	FY 2005 2-p TANF Caseload	812		<b>Total Expenditures on Assistance (Federal + MOE)</b>		\$39,757,240	
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		19.66%	
16	<b>Total FY 2005 Caseload</b>	<b>812</b>					
17	FY 2015 2-p TANF Caseload	940		<b>Expenditures Per Case</b>			
18	FY 2015 2-p SSP Caseload	0		Average Expenditures per Case		\$16,831	
19	<b>Total FY 2015 Caseload</b>	<b>940</b>		Average Expenditures per Case on Assistance		\$3,308	
20							
21				<b>MOE and Excess MOE</b>			
22				Required MOE (80% or 75%)		\$34,931,500	
23				Excess MOE Expenditures		\$97,457,377	
24				Excess MOE Expenditures on Assistance		\$19,155,395	
25	<b>Adjusted Caseload Data</b>						
26	Adjusted FY 2015 Overall Caseload	6,228		<b>Assistance Cases Funded by Excess MOE</b>		<b>5,790</b>	
27	Adjusted FY 2015 2-parent Caseload	487		<b>2-Parent Assistance Cases Funded by Excess MOE</b>		<b>453</b>	
28							
29							
30	* subject to change due to fluctuations during year end budget close out.						
31	** subject to change due to increases in MOE funding						
32	*** subject to change						

**FORM ACF-202 -- TANF CASELOAD REDUCTION REPORT**

**Date of Completion: October 14, 2015**

**State: New Mexico**

**Fiscal Year to which credit applies: 2016**

**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)

---

(name)

---

(title)