



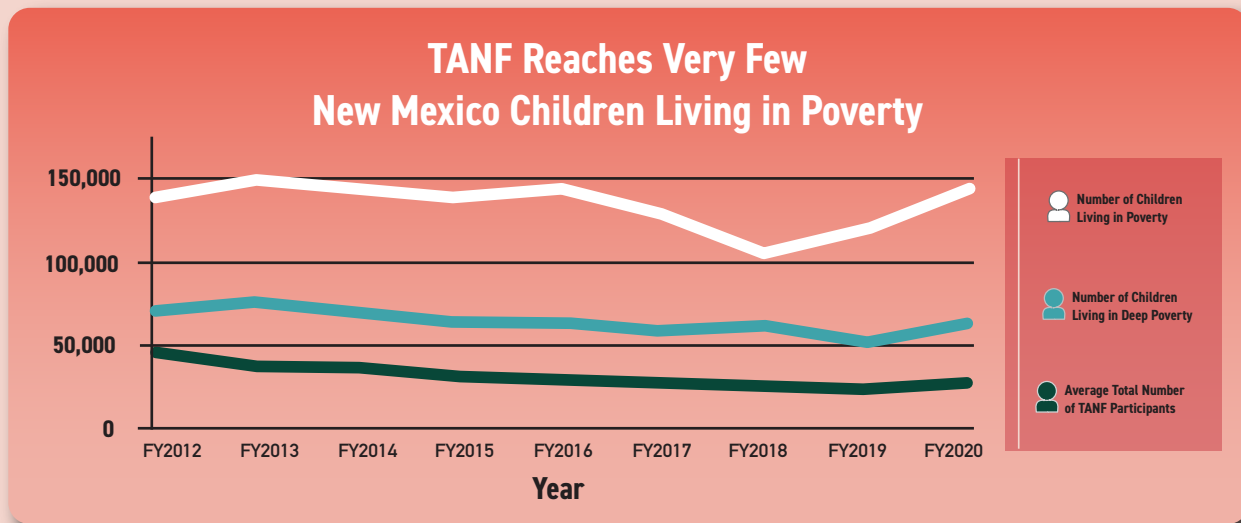
PUTTING FAMILIES FIRST:

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REFORMS TO NEW MEXICO'S TANF PROGRAM

Children are the future of New Mexico, but unnecessary and punitive rules in the Temporary Assistance for Needy Families program stop low-income families with children from getting the help they need.

Temporary Assistance for Needy Families/New Mexico Works provides a small amount of cash assistance and work supports to very low-income families with children. It is funded through a federal block grant and administered by New Mexico's Human Services Department. Families must have incomes below 100% of the Federal Poverty Level to qualify for any cash assistance (less than \$21,960 a year for a family of three). Families qualify for a maximum cash grant of \$447/month, or \$5,400 a year.



Even modest increases in family income, especially during early childhood, have been shown to have dramatic impacts on economic well-being and a child's future educational attainment. Yet, despite high child poverty rates, access to TANF has decreased due to punitive program requirements that lock families out of benefits. New Mexico has reduced its own investment in the program. According to the LFC, only 40% of eligible families are enrolled in TANF/NMW.

Families with children need New Mexico's help. The state should transform TANF into a two-generation family-support model that works with parents and their children to provide opportunity for long-term well-being while helping meet basic needs.



1 Stop punishing children for program violations

New Mexico reduces the cash grant for an entire family each time it believes a parent violates a program rule, like failing to turn in documentation of work hours. New Mexico should join 9 other states in ending full family sanctions and protect 75% of the cash grant for the children.

2 Restore exemptions to work requirements required by state law

State law requires the state to exempt New Mexicans who have barriers to employment and permits the state to only require specific activities, like applying for federal disability benefits. In 2011, HSD stopped exempting New Mexicans with significant barriers to employment from unpaid work hour requirements, even when they are disabled, dealing with domestic violence, or have a newborn. These punitive requirements caused a 40% decline in enrollment but no measurable increase in employment or opportunity. Data shows that 30% of families have benefits cut or reduced for failure to meet HSD's punitive work requirements.

3 Increase the cash grant so families can meet basic needs

The dollar amount of the cash grant has not changed since 1996 – a 31% decrease in value when adjusted for inflation. The average cash grant for a family who receives TANF is \$338 a month, or **18% of the federal poverty level for a family of 3**. Increasing the cash grant to at least 50% of the Federal Poverty Guidelines would ensure very low income families have some financial ability to meet basic needs for their children. 20 states and the District of Columbia have increased benefits since July 2020 in recognition of the importance of income for children's long-term growth and development — and the inadequacy of their existing TANF benefits.

4 Provide flexibility for families to meet program requirements

New Mexico allows families *only one* chance a year to avoid a cash benefit reduction for an alleged program violation. Typically, families lose benefits and are locked out of the program for up to 6 months—even if they correct the alleged violation. New Mexico should join other states in providing additional and ongoing opportunities for families to demonstrate compliance with program rules and retain benefits.

5 Stop retaining any child support paid to families and exclude child support from the benefit calculation

Right now, New Mexico collects and keeps all but \$100-\$200 (depending on household size) of child support paid to families who currently participate in TANF. New Mexico should follow Colorado's lead and pass through all of the child support funds to families and exempt child support from the cash benefit calculation. This would increase the TANF benefit amount by as much as 33% for a single mother of two children. This has been shown to increase compliance with child support payment requirements. Eliminating child support retention all together would also reduce administrative and IT costs by 6-8%.