

Despite Benefits, Poverty Persists

Summary

Income support programs such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid provide immediate benefits to those living in or near poverty. However, large investments in these programs have generally not coincided with decreasing poverty in the state.

The Policy Spotlight: *In 2021, LFC staff examined the impacts of stacking multiple income support programs and found for most family types, receiving all potential benefits equates to a living wage. Additionally, staff found many potential income support recipients were not enrolling in programs for which they were eligible. Lastly, staff found the outcomes were generally not monitored by the implementing agency.*

In FY23, New Mexico spent over \$10.1 billion of state and federal funds on income support programs – \$2.6 billion more than in FY19. Over the same time, poverty levels have remained stubbornly high with poverty rates staying around 18 percent. In 2022, New Mexico had the highest poverty rate in the nation at 17.6 percent, and since at least 2000, New Mexico has persistently ranked as one of the poorest states in the country. Moreover, the significant increase in pandemic-related income support did little to change the state's poverty rates and structure.

Poverty rates are most affected by labor force participation rates, wages, and educational attainment. In New Mexico, most individuals receiving income supports work, but likely not full-time and not for wages high enough to meet the rising cost of living. Education and evidence-based training provided alongside income support programs could increase earnings for recipients, but there is no cohesive strategy at the state level to address this need. Current benefit structures also can disincentivize individuals from seeking higher-paying jobs or working full time.

Additionally, as found in 2021, many families are likely not enrolled in all programs for which they are eligible. However, recent requests from state agencies indicate an interest in expanding these programs to people and families of higher income rather than increasing program uptake among the existing low-income population.

Progress Reports foster accountability by assessing the implementation status of previous program evaluation reports, recommendations and need for further changes.



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Background

New Mexico has the highest poverty rate nationally despite recent drops in unemployment and significant income support investments.

Table 1. New Mexico Poverty Ranking

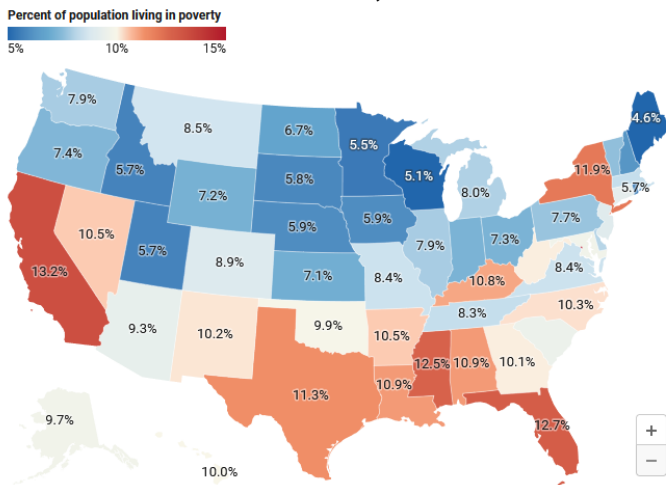
Year	State Ranking (lower is worse)
2022	1 st
2021	3 rd
2020	3 rd
2010	2 nd
2000	1 st

Source: US Census Bureau

New Mexico's poverty rate of 17.6 percent in 2022 is 58 percent higher than the national average of 11.5 percent and is the highest unadjusted poverty rate in the nation. Poverty rates vary by county. The state's poverty ranking has not substantively changed in 20 years despite large investments in income supports and pandemic-related stimulus programs.

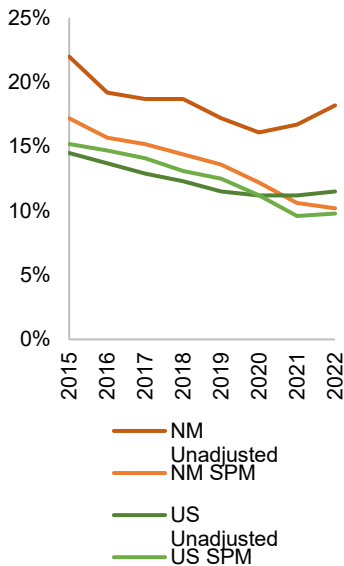
New Mexico's poverty rate is roughly at the national average when accounting for its large benefits package. The U.S. Census Bureau publishes both unadjusted poverty rates and supplemental poverty rates, the latter of which account for the state's cost of living and available benefits. In 2022, when accounting for the state's benefit package and cost of living, New Mexico's supplemental poverty rate was 10.2 percent, only 0.4 percent above the national average. For poverty rates broken down by race, ethnicity, age, and county, see Appendix A.

Figure 1. Supplemental Poverty Measure Poverty Rates by State, 2022



Source: Time Magazine analysis of US Census Bureau data

Chart 1. Three Year Average Unadjusted and Supplemental Poverty Measures (SPM)



Source: US Census Bureau

The state's supplemental poverty measure has decreased since 2015, likely due to the state providing the country's second-largest income support package when adjusted for cost of living. Therefore, these benefits provide assistance but do not lift families out of systemic poverty. The average income support package, including minimum wage, is 18 percent higher in New Mexico than the rest of the country. This includes minimum wage earnings and a subset of benefits – Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), federal earned income tax credit, federal child tax credit, and New Mexico's earned income tax credit.

Poverty rates are impacted by labor force participation, wages, and education.

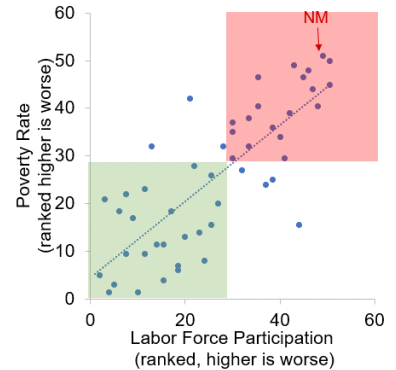
Labor force participation and wages directly impact how much money a family has at their disposal to meet their needs. In 2022, state labor force participation was significantly correlated with state poverty rates. Education is also strongly related to income; given New Mexico has college graduation rates lower than the national average, it is unsurprising that the state also has an average income lower than the national average. To improve the state’s wages and thus its poverty rates, New Mexico will likely need to increase educational attainment, particularly for those at or near the poverty level.

New Mexico's labor force participation rate is persistently lower than the national rate, driving the state's poverty rate. The unemployment rate in New Mexico has decreased from 7.9 percent in July 2021 to 3.6 percent in July 2023, but unemployment data does not measure people disconnected from the workforce. Despite the improvement in unemployment, labor force participation remains low, with only 57.1 percent of the population working in July 2023, lower than the U.S. rate of 62.6 percent. For New Mexico to have the same labor force participation rate as the nation, the state would need over 116 thousand more adults in the workforce. As of September 2023, there are an estimated 36.5 thousand more jobs than the number of unemployed individuals, meaning there is room in the labor market for more individuals to enter the labor force. There has been a slight, consistent increase in labor force participation since December 2022, with the rate rising by roughly 1 percent over the last six months. The Bureau of Labor Statistics highlights that the impact of the pandemic may be more pronounced due to a decline in the desired number of hours worked in addition to the decline in labor force participation. However, labor force participation rates are still roughly 2 percent lower than pre-pandemic levels. This rise in labor force participation coincides with the unwinding of some benefits that expanded during the pandemic. HSD reports increases in SNAP eligibility are not correlated with decreases in the labor force.

For many family types, the average wage is below a living wage. In 2022, the average wage in New Mexico was \$27.18/hour. This was a roughly 20 percent increase from 2019, partly due to a state-wide minimum wage increase in January 2023 and broader economic wage inflation. The cost of living has increased between 13 percent and 23 percent depending on family type, since 2021, driving up the cost of what is considered a living wage by the Massachusetts Institute of Technology. For families with children, the average wage is less likely to be a living wage than for childless families or single workers (see Appendix C).

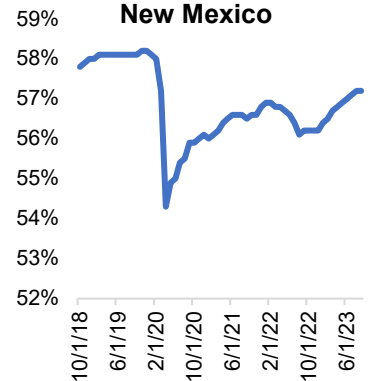
As discussed on page 6, if all state and federal benefits available are received, most low-income families with children should be able to secure enough value to meet their cost of living. However, as discussed on page 11, very few families take advantage of all the income support benefits available.

Chart 2. State Labor Force Participation Rates are Significantly Correlated with State Poverty Rates, 2022



Source: FRED and US Census Bureau

Chart 3. Labor Force Participation Rates, New Mexico



Source: FRED

Poverty rates are determined by the Federal Poverty Level (FPL), calculated by the U.S. Department of Health and Human Services. It is calculated using the number of individuals in the household and the cost of food and housing. The FPL measure is often criticized due to it underestimating the cost of housing within the U.S.

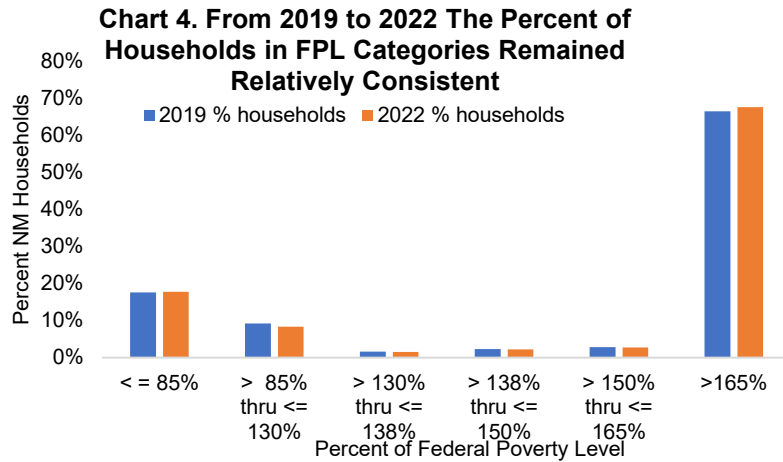
Table 2. Federal Poverty Guidelines by Household Size (in thousands)

% FPL	# of People Per Household			
	1	2	3	4
75%	\$10.9	\$14.8	\$18.6	\$22.5
100%	\$14.6	\$19.7	\$24.9	\$30.0
150%	\$21.9	\$29.6	\$37.3	\$45.0
200%	\$29.2	\$39.4	\$49.7	\$60.0
250%	\$36.3	\$49.3	\$62.2	\$75.0
300%	\$43.7	\$59.2	\$74.6	\$90.0
Living Wage	\$33.4	\$54.9	\$68.1	\$78.7

Note: Living wage calculated assuming one earner. Two-person household assumes two adults and no children.

Source: U.S. HHS, MIT

Despite the major increase in pandemic benefits and increases in wages, state household incomes stayed generally the same pre- and post-pandemic. In 2022, based on Taxation and Revenue Department analysis of personal adjusted gross income data, roughly one-third of households that filed taxes in New Mexico earned less than or equal to 165 percent of the FPL. In 2019, 33.6 percent of filing households were at or below 165 percent of the FPL, only 1 percentage point higher than in 2022. While the total number of filing households below or close to the FPL has shifted down slightly, this has not led to a meaningful change in household incomes or shifts in the poverty rate, potentially due to a drop in labor force participation.



Note: The 2019 and 2022 personal income tax data is based on returns filed as of November 1, 2023. Taxpayers may amend returns or file later; thus, the data presented is from a point in time. Income presented in the table is federal adjusted gross income as reported on New Mexico personal income tax returns.

Source: LFC Compilation of TRD Analyses

Table 3. Average New Mexico Income by Highest Degree Attained, 2022

Highest Degree Attained	Average Income
No high school degree	\$26,396
High school degree	\$31,961
Associate's Degree	\$39,701
Bachelor's Degree	\$55,322
Advanced Degree	\$73,105

Source: National Center for Education Statistics

Individuals with a bachelor's degree earn more than double what someone without a high school diploma earns. In New Mexico, individuals with no high school degree earn \$26 thousand a year, while individuals with a bachelor's degree earn \$55 thousand a year on average. These salaries are around \$6,000 less than the national average. Differences point to the need for higher education institutions to connect with individuals receiving income support. In New Mexico in 2022, only about 28.1 percent of individuals had at least a bachelor's degree, about 5 percent lower than the nation. The state has both low high school graduation rates and low college retention and completion rates, with fewer individuals receiving a college degree than other states. The state gap in educational attainment is contributing to a gap in wages.

The state spent at least \$10 billion in FY23 on income support programs to subsidize low wages and support people not working.

Income support programs are designed to assist families and individuals who need help to make ends meet. These benefit programs are largely federal, but New Mexico also offers growing amounts of state-funded support (see Appendix D). During the pandemic, the federal government drastically expanded many benefit programs to prop up the economy, provide aid to families who lost their jobs, and help keep families home during the public health emergency.

However, these expansions were not designed to be permanent. Because the national economy has rebounded and unemployment rates are low, the need for expanded benefit packages nationally has largely passed. The federal government began unwinding many of its income support expansions in spring 2023 with states still able to adjust their implementation of these programs as needed within federal regulations. (However, most unemployment insurance benefit expansions ended in fall 2021). Currently, the state is unwinding Medicaid expansions and reduced SNAP benefits in spring 2023 in accordance with federal regulations.

Most major federal income support programs temporarily expanded during the pandemic. During the pandemic, many income support benefits increased in response to significantly decreased labor force participation and employment due to stay-at-home orders and health concerns. These benefits were used as a tool to help prop up the economy. Program expansions included both increased flexibility and, in some cases, eligibility for SNAP, Medicaid, unemployment insurance, housing assistance, and stimulus payments (see Appendix D. for the full list of income supports and enrollment data). Beyond these programs, the federal government also subsidized incomes through three stimulus checks. In 2023 and continuing into 2024, many of these federal programs reduced their benefit packages, generally returning to prepandemic levels.

Many state-funded income support programs also notably expanded after the pandemic, but do not have a mandated unwinding similar to federal programs. In recent years, in addition to the federal Covid-19 pandemic expansions, New Mexico increased income support programs for individuals and families. State expansions included universal school meals, childcare assistance, working families tax credit (WFTC), child tax credits, and state rebate checks. Tax expenditures increased for low-income individuals and families with children due to amendments of the state tax code beginning in 2019.

Beginning in the fall of 2023, all children attending public school in New Mexico are eligible for free breakfast and lunch. In 2022, the income eligibility limit for families receiving subsidized childcare under the Childcare Assistance Program increased to 400 percent of the federal poverty level (FPL), or \$120,000 a year for a family of four. The state also continued to waive Childcare Assistance co-payments. Beyond these programmatic expansions, the state provided stimulus checks in 2021 to low-income individuals and in 2022 and 2023 to all residents. Child support enforcement was not examined within the context of this report. However, the state recently

Table 4. Most Common Income Support Programs and Tax Credits

Income Support	2023 enrollment	% state enrolled
Medicaid	911,126	43%
State Income Tax Rebate	767,373	NA
SNAP	480,545	23%
Low-Income Comprehensive Tax Rebate (LICTR)	350,439	17%
Child Tax Credit (Federal)	292,000	14%
Universal School Meals	308,265	15%
Working Families Tax Credit	207,921	10%
Earned Income Tax Credit (Federal)	207,921	10%

Note: Medicaid is considered an income support because it offsets the cost of buying health insurance of having to pay for care thus subsidizing individuals or families without an actual cash transfer. For a complete list of programs, see Appendix D.

Source: LFC analysis of multiple state agency data

made changes to its administration of child support, and these changes may positively affect child poverty.

State and federal funding for large-scale assistance programs and tax credits increased by 42 percent from FY19 to FY24. This increase is driven mainly by tax expenditures, projected to increase by 331 percent over the same period (see Appendix E. for total program funding). This increase in tax expenditures is driven by three recent tax policy changes: an expansion of the working families tax credit, the low-income comprehensive tax rebate, and the creation and expansion of the child tax credit. Beyond tax policy changes, state general fund expenditures for the income support and Medicaid are projected to increase by more than 50 percent. State general fund spending on childcare assistance is projected to decrease by roughly 25 percent due to the large increase in federal funding provided during the pandemic. However, for FY25, the state is being asked to cover Childcare Assistance Program expansions with general fund or permanent fund dollars as federal pandemic funding diminishes. See Appendix E. for the general fund expenditure changes only.

Table 5. Legislative Changes to Taxes Impacting Low-Income Families
(in millions)

	FY20	FY21	FY22	FY23	FY24	FY25
Increased WFTC from 10% to 17% (HB6, 2019)	(\$37)	(\$39)	(\$39)	(\$41)	(\$41)	(\$41)
Increased WFTC to 25% add ITIN and under 25 (HB291, 2021)	0	0	(\$25)	(\$23)	(\$49)	(\$49)
Created dependent deduction (HB6, 2019)	(\$26)	(\$27)	(\$28)	(\$28)	(\$28)	(\$28)
LICTR expansion (HB291, 2021)	0	0	(\$49)	(\$50)	(\$51)	(\$52)
Child income tax credit creation (HB163 2022)	0	0	0	0	(\$74)	(\$74.7)
Child income tax credit expansion (HB547 2023)	0	0	0	0	(\$102.6)	(\$106.6)
Total	(\$63)	(\$66)	(\$141)	(\$142)	(\$346)	(\$351)

Note: The dependent deduction is not exclusive to low-income families additionally the state dependent deduction replaces the federal dependent deduction that was eliminate. This table excludes state income tax rebates that occurred in FY22 and FY23 at an estimated total expense of \$338.7 million in FY22 and \$1 billion in FY23. See HB2, special session 2022 and HB547, 2023.

Source: LFC files

Table 6. Total Federal and State Expenditures on Income Support and Health Programs Increased, FY19 to FY24
(in thousands)

	FY19	FY20	FY21	FY22	FY23*	FY24*	\$ Change from FY19	% Change FY19-FY22
Tax Expenditures	\$100,054	\$139,372	\$153,246	\$156,855	\$228,437	\$431,037	\$330,983	331%
Income Support (TANF, General Assistance, and SNAP)	\$822,187	\$1,060,518	\$862,259	\$970,974	\$986,132	\$1,213,450	\$391,263	47%
Medicaid	\$6,502,825	\$6,502,825	\$7,305,680	\$8,432,631	\$8,692,358	\$8,795,254	\$2,292,429	35%
Childcare Assistance	\$139,000	\$148,500	\$158,400	\$155,100	\$216,500	\$308,897	\$169,897	122%
Total	\$7,564,066	\$7,851,215	\$8,479,585	\$9,715,560	\$10,123,427	\$10,748,638	\$3,184,572	42%

Note: FY23 and FY24 data are opbuds or budgeted. Tax expenditures are only from LICTR, WFTC and Childcare to prevent indigence. Tax expenditures for FY23 and FY24 are projections based using the projected increase from HB6 (2019), HB291(2021), HB163(2022) and HB547(2023) plus the previous 5-year average tax expenditures for WFTC, LICTR, and childcare credit to prevent indigence. See Appendix E. for general fund expenditures only.

Source: LFC Files, HB2







Lower-income households generally lost the most benefits due to post-pandemic unwinding.

Temporary expansions of federally funded benefits during the pandemic largely ended and, as a result, benefit levels decreased between 2021 and 2023. In 2021, the Legislative Finance Committee (LFC) staff estimated the total income plus benefits for 2021 for multiple family types, finding this combination generally provided enough to meet a family's estimated need. While benefits do not equate to cash, they allow families to reduce spending. In 2023, the changes in total income plus benefits range from -23 percent to +13 percent depending on family type and income level (see Appendix F). The households most impacted are typically at or below 150 percent of the FPL. However, this impact varies by household type.

Since 2021, incomes increased around 13 percent for the family types examined – which offset some of the benefit decreases. (LFC staff used the 13 percent FPL increase to estimate income growth, wages have increased slightly more, as discussed above). Increases in the state's minimum wage and national economic inflation led to families making more, such that individuals at the higher end of the FPL range examined generally experienced less of a decline in the percent change in total income and benefits from 2021 to 2023. Despite federal reductions in stimulus payments and SNAP, several state programs increased benefit amounts. Childcare Assistance, universal school meals, Medicaid, and Medicare all experienced increases in the amount families received due to state expansions. Yet, the increases to both wages and some income support programs did not offset the reduction in others.

If working and receiving all benefits available, low-income two-parent households with children continue to take home roughly a living wage. If a married couple with two children receives every benefit to which they are eligible, even if they have no income, in actuality, they are taking home an estimated 186 percent of the FPL, roughly 13 percent less in benefits than they would have received in 2021. However, it is unlikely most families are enrolled in all programs for which they are eligible, as half of those enrolled in a Human Services Department income support program are only enrolled in one program, as discussed later in the report. (see Appendix F for an analysis of all family types at varying income levels).

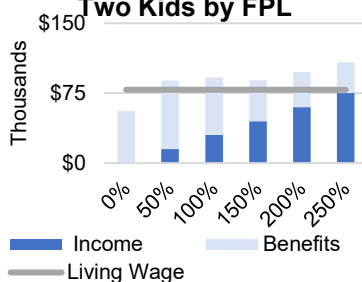
Figure 2. Most Types of Low-Income Family can Meet Basic Needs using Current Income Supports

Family Type	Needs Met if Enrolled in All Services Available ?	Income at 100 Percent FPL	Estimated Total Income Plus Benefits at 100 Percent FPL	Change in Total Benefits + Income from 2021
	✘	\$14,580	\$29,723	-5%
	✘	\$19,720	\$40,716	-14%
	✔	\$14,580	\$39,056	5%
	✔	\$24,860	\$79,988	-10%
	✔	\$30,000	\$91,970	-12%
	✔	\$24,860	\$89,631	-6%

Note: In these scenarios, needs met is defined as meeting a living wage according to MIT's state cost based on family size; children are 3 and 7, ages chosen to represent programs for both early childhood and school-age children; SNAP and TANF limits based on net rather than gross income; Childcare Assistance amounts based off no copay (as was the case through November 2023) and Childcare Assistance was not included for the family at 0% of the FPL. In the original version of the 2021 report, for single households with children had a lower total due to a corrected error.

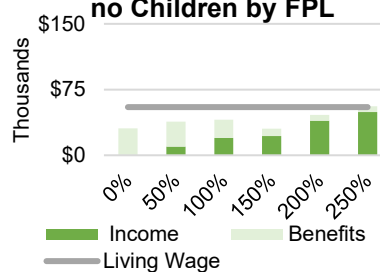
Source: LFC Files

Chart 5. Estimated Value of Income and Benefits for Married Couple with Two Kids by FPL



Source: LFC Files

Chart 6. Estimated Value of Income and Benefits for Married Couple with no Children by FPL



Source: LFC Files

Income Support Programs Provide Assistance but Have Not Meaningfully Impacted Systemic Poverty

“The goal of the Income Support Division (ISD) is to:

- Relieve, minimize, or eliminate poverty and
- To make available certain services for eligible low-income individual and families through statewide programs of financial, food, and quality health and human services that improve the security and promote independence for New Mexicans in their communities.”

Source: HSD Website

Many of the state's income support programs provide immediate assistance to those in need. However, absent meaningful change in the state's poverty rankings and rates, to improve systemic poverty families may need to make more money so they can earn a living wage without utilizing income support programs. As mentioned in the LFC's previous report, there can be program disincentives to earn a higher wage, especially when benefits decrease with increased earnings.

Persistent poverty levels in New Mexico indicate many families in income support programs are not moving out of poverty.

Encouraging work, increasing educational attainment, and providing evidence-based training programs can increase wages. Virginia's Joint Legislative Audit Review Commission recently released a report highlighting that individuals enrolled in TANF and SNAP rarely exit poverty or achieve self-sufficiency.ⁱ However, New Mexico may be able to address some of the potential work disincentives that can occur if earning more money leads to a decrease in benefits proportional to the increase in wages—the “cliff effect.” To address these potential cliffs, the state should ensure all income support programs have off-ramps by increasing copays as income increases. The state can also connect those on income support programs to higher education because increasing degree attainment is highly correlated with increased wages.

Most individuals on income support programs are employed but likely not full-time. Of the programs examined in this report, at least 62 percent of adults recipients were employed to some degree. In New Mexico, of working families with incomes below 100 percent of the FPL, 61 percent have at least one part-time worker and no members working full-time year-round. National research shows similar trends among many low-income individuals working part-time (see Appendix H). Focusing on families in the Childcare Assistance Program, the number of individuals who are working as well as working and going to school has grown over the last 10 years, but the number of those solely attending an educational program has decreased. Additionally, incomes have moderately risen for those using Childcare Assistance, likely due to higher income limits for eligibility. For Medicaid, while 64 percent of adult recipients are working and enrolled in the program, 77 percent of enrollees have incomes below 100 percent of the FPL (see Appendix I. for additional information).

Table 7. Percent of Adults Working While Enrolled in Income Support Programs

Program	Percent Working
TANF	74%
SNAP	62%
LIHEAP	72%
Medicaid	64%
Childcare Assistance	97%

Note: For September 2023

Source: HSD, KFF, and LFC Analysis of ECECD Data

Most income support programs do not connect recipients with education or training, and the few with work requirements do not ensure coordination with each other or state educational institutions.

Individuals may need to attain a degree or gain additional training to increase their earning potential. As of summer 2023, SNAP, TANF, and childcare assistance are the only income support programs with a work or education requirement for at least some populations. SNAP requires states to provide an annual education and training plan to be provided to the federal government. In the FY24 proposed SNAP Education and Training Plan, the Human Services Department (HSD) mentions coordination between its education and training program and two community colleges. However, it does not include how SNAP coordinates education and training efforts, nor does it mention coordination with the state's Workforce Innovation and Opportunity Act (WIOA) program or HSD's TANF education components. In a 2020 Policy Spotlight, LFC staff recommended state agencies focused on the workforce and the higher education system should work together. Specifically, the report recommended the Workforce Solutions Department (WSD) ensure proven programs with high returns on investment be prioritized and expanded. HSD should also prioritize programs shown to work for its education and training components for SNAP and TANF.

As of 2022, New Mexico has the seventh lowest work participation rate in the country for its TANF and separate state-funded cash assistance program. Less than 10 percent of all families who received either TANF or New Mexico's cash assistance program are working as defined by the federal Administration for Children and Families (ACF). Furthermore, the state does not have a meaningful target reported to the federal government (the target was 0 percent, according to ACF data). Because workforce participation is correlated with decreases in poverty, the state should assist those receiving these benefits in finding and sustaining work. WSD and HSD are responsible for implementing NM Works, which provides job search and job readiness activities, wage subsidy, and career link opportunities. However, the state needs to ensure the effectiveness of these programs, given its low work participation rate. Federal requirements will add mandated reporting of employment post-TANF enrollment starting in 2025.

New Mexico's current benefit structure likely disincentivizes increasing wages.

Financial gains plateau for households with incomes from 50 percent of the FPL to 150 percent of the FPL as increasing wages correspond with decreasing benefits, particularly Medicaid, SNAP, and tax credits. For example, a married couple with two children whose wages increase by \$30 thousand would lose more than \$29 thousand in benefits, including estimated losses of more than \$11 thousand in Medicaid, \$6,700 in SNAP, and \$6,000 in taxes through state and federal earned income tax credits. Therefore, the actual benefit from the additional \$30 thousand in earnings is only \$378 in financial gains. This stagnation in family take-home earnings likely impacts employment choices, as discussed in the 2021 LFC report.

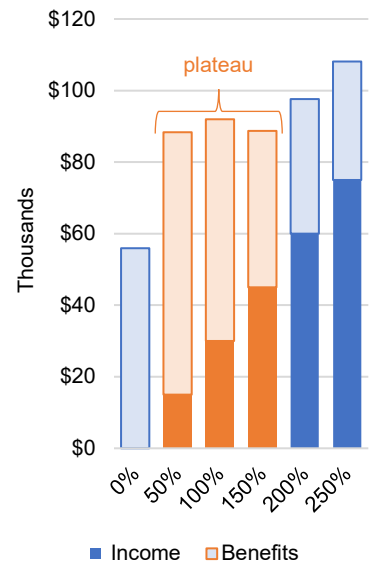
Furthermore, the wage plateau ends at roughly the average salary of at least one earner with an associate's degree. Therefore, additional education may be required to increase income above the plateau because the plateau is relatively

Table 8. FY24 SNAP Education and Training Proposed Plans Connections with Other Education and Training Opportunities in the State

	HSD response in State Plan
Coordination with Community Colleges	Mentioned working with CNM and Clovis, however the other 16 community colleges in the state are not mentioned
TANF/General Assistance	N/A
WIOA Combined plan	SNAP education and training is not included as a partner in the state's WIOA combined plan.

Source: HSD

Chart 7. Estimated Monetary Value of Income and Benefits for a Married Couple with Two Kids by Income as Percent of the Poverty Level, 2023



Source: LFC Files

large. Without additional education, increasing wages to rise above this plateau may be difficult.

Recent changes to the Childcare Assistance Program also create a stark wage cliff, likely disincentivizing increased earnings. In New Mexico, families receiving childcare assistance before the pandemic had to provide a copay indexed to their earnings. While ECECD has a plan for how to issue copays including allowing families to stay enrolled in Childcare Assistance until reaching 425 percent of the FPL, the state removed the copay requirement during the pandemic and has yet to reinstate it. Therefore, families now face a steep benefit cliff when they reach the program's income threshold of 425 percent of the FPL. Therefore, if a family with two children ages 3 and 7 suddenly earned above 425 percent of the FPL, or \$120 thousand, they would need to pay an additional estimated \$15 thousand in childcare annually, while previously this would have been fully subsidized.

Other states and the National Conference of State Legislatures highlighted best practices to reduce the benefit cliff and remove some work disincentives, some of which were highlighted in the 2021 LFC report. These best practices include ensuring multiple programs do not have the same or similar eligibility cutoff points. For instance, SNAP and Medicaid have similar cutoff points (at 130 and 138 percent of the FPL). These close cutoffs can lead to families facing multiple cutoffs from one pay increase or promotion. Along these lines, including phase-outs within programs can allow for families to start having copays or reductions in some types of benefits (similar to how SNAP has reductions in amounts families receive) so that there is no sharp drop off in benefits.

Montana highlights that some states have both asset and workforce development programs to ease potential cliff effects. As mentioned in the 2021 LFC report, allowing for income support recipients to build up assets can help them when they face additional costs due to benefit reductions and can help lower the chance of program churn (when individuals move on and off programs) by improving financial stability. Workforce development programs may help provide training in high-demand occupations. Massachusetts has a Learn to Earn initiative with multiple goals, including growing a family's net resources to minimize the impact of increased income on benefit receipts, improving coordination across benefits, and reducing cliff effects.

Some progress was made by New Mexico's TANF and other income support programs in easing cliff effects. New Mexico's TANF program still has a \$3,500 asset limit, the same as in 2021. However, TANF reinstated its Transition Bonus Program in July 2023, which provides an incentive bonus to working families, allowing them to receive \$200 per month for up to 18 months to supplement their income and help lower the cliff effect.

Since the last LFC report, New Mexico also added a \$4,250 asset limit for SNAP, and Medicaid continues to have a 5 percent income disregard and a \$2,000 asset limit. However, these asset limits are not indexed to inflation as New Mexico's income support tax credits are. Increasing asset limits and indexing them to inflation may allow for improved financial stability and mitigate cliff effects of those on and exiting income supports.

New Mexico Should Address Access Barriers Prior to Program Expansion

For FY25, agencies requested significant expansions of existing income support programs, without ensuring adequate access for currently eligible people. In New Mexico, some programs do not fully reach their target populations. This results in low program uptake when compared to the rest of the nation. However, HSD requested to expand TANF and SNAP, by providing these benefits to higher-income people in addition to their existing client base. At the same time, TANF does not reach an estimated three out of four eligible recipients and SNAP is not serving its existing clientele in a timely manner. In seeking to expand these programs, HSD risks exacerbating access issues for poorer families in exchange for providing benefits to less poor families. Rather than focusing on expansion, the state could explore strategies to increase uptake, including easing application processes and using behavioral nudges.

While uptake is generally low, HSD's Income Support Division (ISD) asked for at least \$25 million to expand program eligibility and \$57 million in total program expansions.

Rather than focus on serving the lowest-income individuals by increasing access to those already eligible for income support programs, HSD requested a budget expansion for FY25 to serve higher-income individuals. These specific expansion items include increasing TANF eligibility to 95 percent of the federal poverty level, which would cost approximately \$23 million and expanding SNAP eligibility.

For FY25, HSD requested nearly \$50 million to expand SNAP enrollment while its time to process existing SNAP clients is inadequate. For FY25, HSD is requesting \$31 million in recurring funding and \$17 million in one-time appropriations to offer expanded eligibility for all SNAP participants from 165 percent of the federal poverty level to 200 percent, in addition to other targeted benefit increases for the elderly, individuals with disabilities, and children. However, recent performance reporting from HSD indicates the agency may be struggling to serve its existing SNAP clients. Since June 2022, SNAP has not met the federal target of 95 percent of its applications processed within 45 days, indicating the program is having trouble serving all its existing clients in a timely manner, with the pandemic unwinding potentially contributing. As of August 2023, only 39 percent of applications were processed within 30 days (see Appendix J). According to a new agreement, HSD has 90 days to reduce the SNAP application backlog.

HSD recently increased its TANF cash assistance benefits by 23 percent and requested funds to expand eligibility to 95 percent of the FPL, despite poor performance. TANF provides cash assistance, training, and work opportunities to women and families with children making less than 85 percent of the FPL. In August 2023, temporary cash assistance payments increased from \$539 to \$663 for a family of four. This is the first increase in assistance payments since 2011. However, TANF has persistently missed its Accountability in Government Act performance measure targets. Additionally, in FY22, it stopped reporting on two outcome measures in HSD's quarterly report card.

Table 9. Human Services Department FY25 Select Budget Expansion Requests

Program	Amount Requested (in thousands)
SNAP Increase in Benefits from \$25 to \$150 Monthly for Elderly and Disabled	\$29,772.5
TANF Increase Eligibility to 95% of Federal Poverty Level	\$22,924.4
Call Center Contract	\$1,759.1
Equifax Income Verification	\$390.0
Security Services	\$ 310.1
SNAP Increase Threshold to 200% FPL	\$643.0
SNAP Meal Access Program	\$700.0
SNAP Summer EBT	\$310.0
Total	\$56,809.1

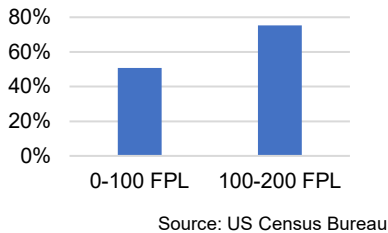
Note: this excludes \$30,078,000 in special appropriations requested.

Source: HSD

The Childcare Assistance program eligibility expanded in 2022 to 400 percent of the FPL; however, there are still access issues for the lowest-income families.

About half of New Mexico families report being unable to access childcare when needed, according to ECECD. In July 2023, ECECD published the New Mexico ECECD 2023 Family Engagement and Satisfaction Survey which found that of the 3,551 respondents on average 51 percent of families reported being able to use childcare assistance when they needed it, and 49 percent of families could not. Some of the main barriers to accessing childcare assistance, or the state subsidy of childcare for lower-income families, that were reported include that families found the sign-up process too complicated (18 percent), the service too expensive (17 percent), or they did not have the time to use the services (14 percent). Additional data examining access to childcare from Chapin Hall and the Anna Age Eight Institute as well as the University of New Mexico's Cradle to Career Policy Institute (CCPI) found similar results. Additionally, CCPI found that 51 percent of families either left a job or reduced their hours due to lack of childcare access.

Chart 8. Households Making More Than 100 Percent FPL are More Likely to Work than Households Making Less, 2022



Families making less than \$50 thousand were less likely to use childcare assistance than families making between \$50 and \$100 thousand, meaning that the lowest income families may be less likely to use childcare than slightly higher income families. Specifically, approximately 46 percent of respondents making less than \$50 thousand reported using childcare assistance while almost 50 percent between 50 and 100 reported using childcare. A lower rate of individuals making under \$50 thousand may use childcare assistance because fewer families at that income level are working and families are required to be engaged in the workforce or school to qualify for childcare assistance. According to national Census data, in 2022, 51 percent of families between 0 percent and 100 percent of the FPL were working while 75 percent of families between 100 percent and 200 percent of the FPL had at least one worker.

A significant portion of individuals are not enrolling in services for which they are eligible.

Income support programs can aid in getting families food, housing, or health insurance (among other types of benefits) and the state has an interest in helping those who qualify use the programs they can. However, the state is estimated to have approximately 100 thousand individuals uninsured but whose incomes would allow them to qualify for Medicaid. Low enrollment also occurs in other federal income support programs such as Supplemental Nutrition for Women, Infants, and Children (WIC) and TANF. As of 2020, TANF enrollment, both in New Mexico and nationally, declined significantly since 2010 with only about 1 in 4 individuals with children in poverty using TANF in New Mexico. For WIC, in New Mexico, only 40.5 percent of eligible individuals receive benefits, statistically lower than the national average and generally lower than the uptake rate for neighboring states. However, WIC has more federal restrictions, increasing enrollment challenges. The 2021 report found that access issues are not experienced equally by all groups, indicating potential equity challenges.

Other jurisdictions have streamlined their application systems and made it easier to access programs.

Easing access to support programs has many components, including ensuring individuals and families are aware of a program and that they know how to apply for benefits. Additionally, ensuring the application process is as simple as possible can help increase enrollment. Lastly, community initiatives can help agencies determine where access is problematic while also helping improve program awareness. In 2021, the Department of Finance and Administration surveyed New Mexicans, finding that many individuals do not know about programs they may be eligible for. When people knew about these programs, they were sometimes hesitant to apply because they were too busy or worried that accepting new assistance could jeopardize other benefits they were receiving.

To improve enrollment, New Mexico should coordinate where services are provided and utilize community-based initiatives. The 2021 LFC report highlighted potential ways to help address the state's low uptake for its programs. However, most of these have not been addressed. One-stop shops, or collocating multiple services, are shown to be effective in other states and may help reduce the burden of applying for multiple programs, especially if they are across different state agencies. Community-based groups, including coalitions, can help increase uptake by determining the needs of individual communities. In the 2023 legislative session, ECECD was allocated \$1 million for early childhood coalitions to determine the needs for early childhood services and help coordinate providers. A 2023 evaluation of the Home Visiting support program for new families highlighted the potential benefits these coalitions can provide and pointed out the need to hold coalitions accountable to get the best outcomes.

National non-partisan policy research groups and other states have worked to increase program uptake through best practices and streamlining the application process. To increase uptake of programs, Results for America and the Behavioral Insights Team created the EAST frameworkⁱⁱ that emphasizes ease, program attractiveness, social connections, and timely benefits. One of the examples of an approach that can make programs more attractive to families is helping families engage through behavioral nudges. For example, providing personalized text messages to parents led to increased preschool attendance for children in Dayton, Ohio. Unlike New Mexico, Minnesota has an online WIC application rather than requiring an in-person appointment. Most low-income individuals are working and those enrolling in WIC are either pregnant or with young children, making it difficult to take time off work or arrange childcare to get to a WIC appointment. Beginning Spring 2022, DOH increased its communication with multiple agencies regarding eligible clients and has reduced administrative burden for participants. Since May 2022, WIC enrollment grew 18 percent, but WIC is not close to serving all potential clients, with another 15 thousand waiting for services.

The Medicaid management information system replacement (MMISR) has a component that is supposed to act as a unified public interface, creating a single portal where customers can access and apply for multiple state programs. However, the MMISR project is overbudget and behind schedule, currently **expecting to cost a total of \$589 million to build and maintain and is not scheduled for completion until FY27.**

Agencies Generally do not Track the Outcomes of Income Support Programs in New Mexico

Understanding a program's impact is necessary to inform funding and expansion decisions. If agencies are not tracking the outcomes of their programs, it is difficult to determine if the state is getting the expected benefits for a program and if the state should examine or change programming.

Outcome tracking has remained unchanged or deteriorated since the previous LFC report, and impact monitoring needs to be prioritized.

While LFC's 2021 report emphasized the importance of outcome assessment and recommended agencies expand monitoring of outcomes for income support programs, agencies have not significantly shifted their performance data. Tracking program performance can help agencies adjust resources and determine how and when to expand programming. However, adjustments made in performance monitoring have resulted in less outcome reporting in the case of TANF, even as process metrics continue to be below targets. In 2021, TANF reported the percent of individuals completing their high school equivalency certification, but it no longer incorporates this previously reported outcome measure. SNAP, WIC, and Childcare Assistance programs have no Accountability in Government Act outcome measures. Medicaid continues to partially monitor outcomes by tracking the percentage of managed care members whose diabetes is controlled. However, there are no outcome measures reported for Medicaid behavioral health. The state needs to assess the performance of its programs to ensure income support programs are providing the expected outcomes.

Table 11. Income Support Programs Frequently Do Not Report Outcome Measures

	Included in Accountability in Government Act measures reported to the Legislature	2021 AGA measures included outcomes	2023 AGA measure included outcomes
TANF	Yes	Yes	No
SNAP	Yes	No	No
WIC	No	No	No
Medicaid	Yes	Partially	Partially
Childcare Assistance	Yes	No	No

Source: LFC Analysis of Quarterly Report Card Data

It is unclear whether the state is getting the intended health and financial benefits from its income support programs.

As mentioned in the 2021 *Stacking of Income Supports* report, national research highlights the benefit of some income support programs. For instance, SNAP and Medicaid can both positively impact health and financial outcomes and TANF can improve employment and income. However, the departments administering income support programs generally do not track whether these outcomes materialize in New Mexico.

Analysis by LFC staff for this and other reports indicates New Mexico might benefit more from income support programs than other states. For example, for this report, LFC staff conducted analyses examining the SNAP program and its goal of decreasing food insecurity. LFC staff found in late spring 2023 the rate of individuals who reported being food insecure increased immediately following the unwinding of SNAP benefits because of the end of the pandemic-related public health emergency (see Appendix K). This implies that expanded SNAP benefits may have helped to lessen some food insecurity—a finding similar to national research.

Conversely, changes in the state’s Childcare Assistance Program may not result in the intended purpose of allowing more families to work. As the state’s Childcare Assistance income eligibility increased from 2018 (200 percent of FPL) to 2022 (400 percent of FPL), overall labor force participation, the share of working-age adults working or looking for work, did not increase. While increasing eligibility limits in New Mexico to 400 percent of the FPL likely did not impact the labor force participation rates—these families were likely already participating in the labor force—families may have benefited in other ways, such as lowering financial stress, through using the program.

Looking ahead, the state has an opportunity to monitor other income support programs, including state and federal child tax credits. National research on the expanded federal child tax credit finds positive outcomes, including reductions in child poverty as measured by the supplemental poverty index, improved well-being, and increased spending, particularly for low-income families—without negative impacts to labor force participation.^{iii,iv,v,vi,vii} The 2021 national credit was provided to all families making up to \$400 thousand and did not only target low-income households.

In 2022, New Mexico created a similar child tax credit, and this credit significantly increased in 2023. Tax year 2023 is the first year for which the credit can be claimed; therefore, the specific effect of this credit is unknown, and the state should monitor the impact. Because the maximum credit is \$600, significantly less than the national credit, the benefit will likely not be as large as the national credit. New Mexico’s credit is also not limited to low-income families but does provide a larger credit for low-income households. Recognizing the national impacts of the program may not translate wholly to New Mexico, the state, potentially through the Taxation and Revenue Department should monitor the state’s child tax credit impact on poverty, family income, and workforce participation to determine if the credit is providing the state the expected benefits. Beyond this tax credit, another recent policy change was state minimum wage increases. Understanding the impact of this increase could also be useful.

While there are many guaranteed income pilots nationwide, most still do not show strong impacts.

Recent national studies show few impacts of cash payments and guaranteed income. Over the last several years, the concept of guaranteed basic income (GBI) or universal basic income (UBI) became increasingly popular (see Appendix L for distinction between GBI and UBI). According to the Stanford Basic Income Lab, there have been over 100 GBIs nationally. However, few GBIs in the United States have published results.^{viii} The existing evidence on previous and ongoing GBIs is limited but the most rigorous research shows

According to ECECD’s 2023 family satisfaction survey:

- 87 percent reported that childcare assistance positively impacted family well-being.

Additionally, childcare assistance was reported to:

- relieve financial stress and
- provide reassurance that children were in a safe environment.

Source: New Mexico ECECD 2023 Family Engagement and Satisfaction Survey

few impacts. A randomized control trial conducted by the National Bureau of Economic Research examined the effects of the Supplemental Security Income (SSI) Program in the United States.^{ix} The study found sustained financial support provided to infants with poor health through the SSI program did not result in discernible improvements in a range of key outcomes, including health, education, and long-term economic prospects. The most rigorous research available from national studies shows limited impact of GBI on participants, while less rigorous studies report mixed results.^x

There are four GBI pilot programs in New Mexico, with little information on impact to date. Since 2021, two GBI projects have concluded in New Mexico. One of these projects, spearheaded by New Mexico Appleseed, focused on unhoused students in the communities of Cuba and West Las Vegas. This initiative found those individuals who received the cash transfer (as well as tutoring and social-emotional support) had high retention and graduation rates, as well as high grade point averages, as reported by their school district. However, there was no control group to allow for a comparison. Simultaneously, the Santa Fe Community College (SFCC) also conducted a pilot with a focus on parents enrolled in a certificate or degree program at SFCC and making less than 65 percent of the average median income. Results from this initiative are not yet released. There are two other pilots currently collecting data, one is statewide and focuses on immigrants. The other is for low-income individuals in Las Cruces and is set to be evaluated by New Mexico State University's Crimson Research.

Next Steps

Previous steps that should still be addressed:

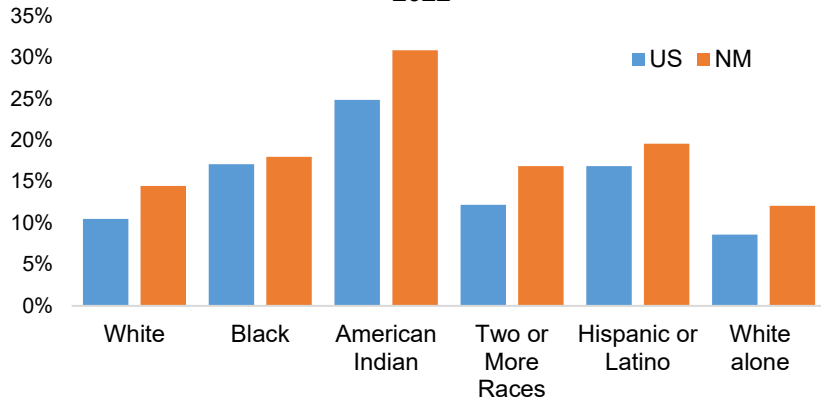
- The state should focus on ways to bring equity into accessing services by ensuring settlement conditions for outstanding and past legal proceedings are quickly reached, continuing to facilitate community-based initiatives, establishing "one-stop shops" where all services for low-income individuals can be accessed simultaneously, and reducing application burden using best practices.
- The Human Services Department and other agencies providing income support should ensure uptake of programs is at least at the national average prior to expanding services to higher income levels.
- The Human Services Department and other state agencies should determine who is affected by cliffs. Then, using these data, consider adopting best practices from the National Conference of State Legislatures to mitigate cliff effects. These include aligning program rules, expanding individual development accounts, and increasing asset limits or income disregards.
- Agencies, including the Workforce Solutions Department, the Human Services Department, and the Early Childhood Education and Care Department, should work with the Legislative Finance Committee and the Department of Finance and Administration to ensure programs report outcome measures related to the goal of the program through the Accountability in Government Act process.

New steps to be taken:

- The Departments of Human Services, Early Childhood Education and Care, Health, and Workforce Solutions should connect income support program participants with education and training programs. For programs with work requirements, such as the Supplemental Nutritional Assistance Program and Temporary Assistance for Needy Families, agencies should continue to provide these connections, which can be measured by work participation rates. Other programs should work to develop connections with the Workforce Solutions Department and higher education institutions.
- The Early Childhood Education and Care Department should reinstate copays of around 9 percent of family income for families making above 250 the federal poverty level to help ease potential cliff effects, as is best practice.
- The Human Services Department and Department of Health should allow for virtual appointments to enroll in programs such as Supplemental Nutrition for Women, Infants, and Children.
- The Early Childhood Education and Care Department and other relevant state agencies should ensure accountability for community coalitions, such as the early childhood coalitions.
- The state, potentially through the Taxation and Revenue Department, should monitor the state's child tax credit's impacts on poverty, family income, and workforce participation to determine if the credit is providing the state with the expected benefits.

Appendix A. 2022 New Mexico Poverty Rates by Ethnicity, Race, Age, and County

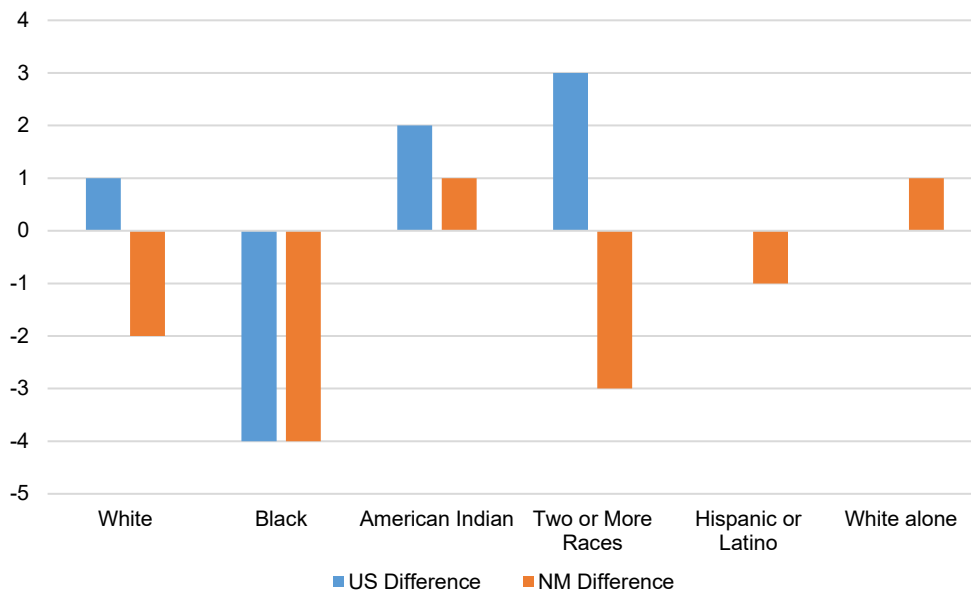
Disparities in Poverty Rates by Race or Ethnicity, 2022



Source: US Census Bureau

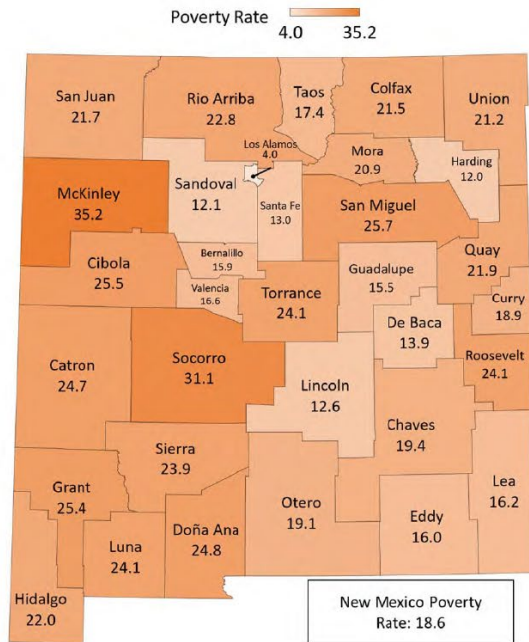
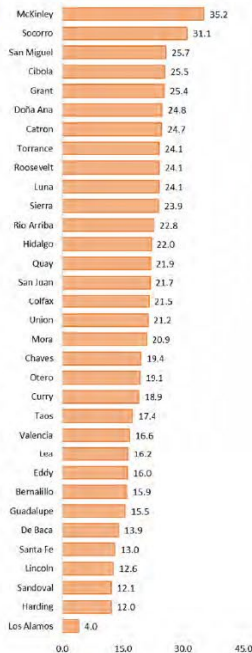
Between 2019 and 2022, poverty rates fell for most ethnic and racial groups, however, rates are still higher than the US average. Despite this finding, poverty has decreased for two-thirds of the racial groups in New Mexico when compared to 2019. The largest decreases in poverty occurred for black and bi- or multi-racial individuals, with a reduction of 4 and 3 percent, respectively.

Changes in Poverty Rates in the US and NM between 2019 & 2021 by Race/Ethnicity



Additionally, for specific, at-risk groups – including children and the elderly – poverty declined between 2019 and 2021. In 2022, almost 23.5 percent of children under the age of 18 lived in poverty in New Mexico (down from 24.9 percent in 2019) and 13 percent of individuals over the age of 65 are also below the poverty line (down from 13.5 percent in 2019).

New Mexico Poverty Rate by County as of 2020

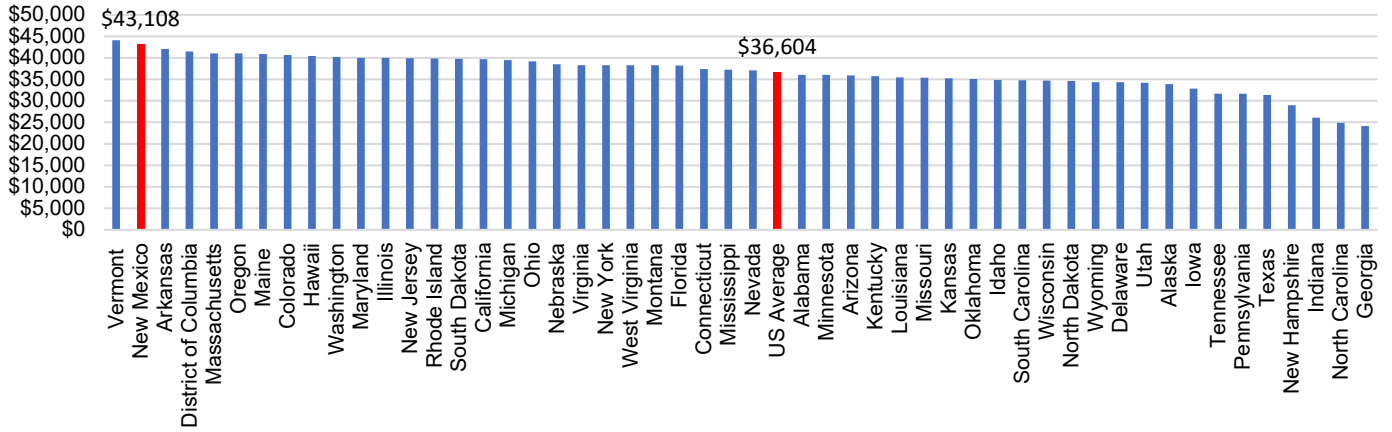


Source: U.S. Census Bureau, Poverty Status in the Past 12 Months (S1701), 2020 American Community Survey 5-year estimates. Retrieved from <https://data.census.gov>, March 17, 2022.

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Appendix B. New Mexico Ranking versus US on Total Benefits Provided for Low Income Families

Chart XX. Total Annual Resources, Adjusted for Cost of Living, 2022



Source: Prenatal to 3 Policy Impact Center

Appendix C. Living Wage for Different Family Types

	1 ADULT				2 ADULTS (1 WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Living Wage	\$16.07	\$32.99	\$42.03	\$55.22	\$26.43	\$32.72	\$37.82	\$42.39
Poverty Wage	\$6.53	\$8.80	\$11.07	\$13.34	\$8.80	\$11.07	\$13.34	\$15.61
Minimum Wage	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00

Source: MIT Living Wage Calculator <https://livingwage.mit.edu/states/35>

Appendix D. List of Federal and State Income Support Programs

Name	Agency	Service Area	State or Federal	Income Requirements	Benefit Amount Range (household size of 3)	2020 enrollment #	2023 enrollment #
Dependent Care Tax Credit	IRS	Income Support	Federal	Individuals paying for childcare, regardless of income, may apply. Individuals receiving childcare assistance and not paying a copay are not eligible.	Credit of \$3,000 for one qualifying dependent and \$6,000 for two or more qualifying persons	123,334	NA
Medicaid	HSD	Health	Federal	Family making 138% FPG (\$33,72 annually)		889,973	911,126
Income Tax Rebate	TRD	Income Support	State	No income requirements	\$500 to \$1000 rebate	166,031	767,373
SNAP	HSD	Food Security	Federal	Family making 130% FPG (\$29,940 annually)	Maximum benefit amount is \$740 monthly	474,797	480,545
Child Tax Credit	TRD	Income Support	State	Credit based on sliding scale	\$600 credit if AGI less than \$25,000	NA	422,857 (estimate for tax year 2023)
Low Income Comprehensive Tax Rebate (LICTR)	TRD	Income Support	State	Rebate based on sliding scale	\$220 rebate if Modified Gross Income is between \$1,000 and \$7,500	208,086	350,439
Child Tax Credit	IRS	Income Support	Federal	Income less than \$200,000 for single filer and \$400,000 if filing jointly	\$2,000 per child	235,256	292,000
School Lunches	PED	Food Security	Federal	Every child attending public school is eligible for free breakfast and lunch.	Annual benefit amount during school year is \$1,204.79	257,945	308,265
Working Families Tax Credit (NM)	TRD	Income Support	State	Earned income must be less than \$59,187	25% of federal EITC	199,624	207,921
Earned Income Tax Credit	IRS	Income Support	Federal	Earned income must be less than \$59,187	Maximum credit amount: \$3,995	199,000	207,921
Pandemic EBT (P-EBT)	HSD/ PED	Food Security	Federal	Child in household must have attended school as of the last date of SY22-23 and be approved for Free and Reduced Lunch	Monthly benefit amount is \$120	168,000	68,788
SSI		Income Support	Federal	Individual must make less than \$1,193 and a couple must make less than \$2,827 per month	Benefit rate is \$914 for an individual and \$1,371 for a couple.	62,064	56,276
UI	WSD	Income Support	Fed/State	Unemployed w/ good cause & able, available, & looking for work	Benefits range from \$67 to \$503 per week	121,781	46,181
Pell Grants	HED	Education Assistance	Federal	Income less than \$50,000 annually	Average benefit amount is \$3,757.14	44,156	33,714

Child Care Subsidy	ECECD	Income Support	Fed/State	Family making 400% FPG (\$99,440 annually)	Average monthly benefit amount is \$762	13,790	22,246
Housing Assistance	MFA	Housing Assistance	Federal/State		Average benefit amount is \$6,214.15	18,400	18,872
WIC	DOH	Food Security	Fed/State	Family making 185% FPG (\$45,991 annually)	WIC provides food package including items like milk, vegetables, fruit, etc. This is estimated to amount to \$69.66 a month.	37,686	37,780
TANF	HSD	Income Support	Federal	Family making 85% FPG (\$30,720 annually)	Maximum benefit amount is \$549 monthly	29,421	7,724
Low Income Home Energy Assistance Program (LIHEAP)	HSD	Income Support	Federal	Family making 150% FPG (\$34,560 annually)	Average benefit amount is \$270	159,674	2,381
General Assistance Program	HSD	Income Support	State	Family making 85% FPG (\$19,584 annually)	\$412 per month	1,986	1,649
Child care to prevent indigency credit against PIT (state)	TRD	Income Support	State	40% of actual compensation paid to a caregiver	May not exceed \$480 for each qualifying dependent or \$1,200 for all qualifying dependents	1,065	474

Note: These data are point in time measurements.

Source: LFC Files

Appendix E. Total Expenditures on Large Scale Income Support Programs FY19 to FY24

Tax and General Fund Expenditures on Income Support and Health Programs Increased, FY19 to FY24 (in thousands)

	FY19	FY20	FY21	FY22	FY23*	FY24*	\$ Change from FY19	% Change FY19-FY24
Tax Expenditures	\$100,054	\$139,372	\$153,246	\$156,855	\$228,437	\$431,037	\$330,983	331%
Income Support	\$12,585	\$13,732	\$11,770	\$10,918	\$20,201	\$20,201	\$7,616	61%
Medicaid	\$933,625	\$985,697	\$906,767	\$1,051,600	\$1,195,587	\$1,448,583	\$514,958	55%
Childcare Assistance	\$52,600	\$52,600	\$49,500	\$49,500	\$51,200	\$40,400	(\$12,200)	(23%)
Total	\$1,098,864	\$1,191,401	\$1,121,283	\$1,268,873	\$1,495,425	\$1,940,221	\$836,615	106%

Note: FY23 and FY24 data are operating budgets or budgeted. Tax expenditures are from LICTR, WFTC, Child Tax Credits and Childcare to prevent indigence. Tax expenditures for FY23 and FY24 are projections based using the projected increase from HB6 (2019), HB291(2021), HB163 (2022) and HB547(2023) plus the previous 5-year average tax expenditures for WFTC, LICTR, child tax credit, and childcare credit to prevent indigence. See Appendix D. for total expenditures.
Source: LFC Files, HB2

Appendix F. Estimated Total Annual Benefit Amounts to families Based on Age, Household Size, and Federal Poverty Over Past Year

List of Estimated Income Support and Other Programs Available to a Single Working Adult with No Children, by Federal Poverty Level						
	Percent of the Federal Poverty Level					
	0	50	100	150	200	250
Income	\$0	\$7,290	\$14,580	\$21,870	\$29,160	\$36,450
Estimated Maximum Program Benefits						
Medicaid	\$5,761	\$5,761	\$5,761	\$0	\$0	\$0
2023 State of NM Stimulus	\$500	\$500	\$500	\$500	\$500	\$500
TANF	NA	NA	NA	NA	NA	NA
SNAP	\$3,372	\$1,185	\$276	\$0	\$0	\$0
LIHEAP	\$2,520	\$2,100	\$2,100	\$1,680	\$0	\$0
Housing	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214
General Assistance	\$2,940	\$2,916	\$0	\$0	\$0	\$0
EITC	\$0	\$597	\$149	\$0	\$0	\$0
LICTR	\$0	\$205	\$105	\$80	\$50	\$0
WFTC	\$0	\$149	\$37	\$998	\$998	\$998
SSI	\$10,968	\$10,968	\$0	\$0	\$0	\$0
UI	\$0	\$1,950	\$3,926	\$5,902	\$7,852	\$9,828
Pell	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757
Total Benefits	\$21,308	\$19,628	\$15,143	\$9,472	\$7,762	\$7,712
Percent Change in Total Benefits from 2021 to 2023	-3%	-11%	-17%	0%	3%	3%
Total Income + Benefits	\$21,308	\$26,918	\$29,723	\$31,342	\$36,922	\$44,162
Percent Change in Total Income + Benefits from 2021 to 2023	-3%	-6%	-5%	9%	11%	11%
FPL of total income and benefits	146	185	204	215	253	303
Living wage	\$ 33,426					

List of Estimated Income Support and Other Programs Available to a Single Working Adult with Two Children, by Federal Poverty Level

	Percent of the Federal Poverty Level					
	0	50	100	150	200	250
Income	\$0	\$12,430	\$24,860	\$37,290	\$49,720	\$62,150
Estimated Maximum Program Benefits						
Medicaid	\$ 15,661	\$ 15,661	\$ 15,661	\$ 9,900	\$ 9,900	\$ 5,400
2023 State of NM Stimulus	\$500	\$500	\$500	\$500	\$500	\$500
SNAP	\$8,800	\$5,154	\$1,424	\$0	\$0	\$0
TANF	\$5,364	\$5,364	\$0	\$0	\$0	\$0
LIHEAP	\$3,360	\$2,940	\$2,940	\$2,520	\$0	\$0
Housing	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$624
General Assistance	NA	NA	NA	NA	NA	NA
LICTR	\$0	\$235	\$115	\$0	\$0	\$0
EITC	\$0	\$4,970	\$5,169	\$2,558	\$0	\$0
Working Families Tax Credit	\$0	\$1,243	\$1,292	\$640	\$0	\$0
Child Tax Credit	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Child Care to Prevent Indigency Credit against Pit	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Assistance	\$0	\$14,592	\$14,592	\$14,592	\$14,592	\$14,592
School Lunch	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410
WIC	\$810	\$810	\$810	\$810	\$0	\$0
Dependent Care Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
SSI	\$10,968	\$10,968	\$0	\$0	\$0	\$0
UI	\$0	\$3,354	\$6,708	\$10,062	\$13,416	\$14,690
Pell	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757	\$0
Total Benefits	\$47,119	\$64,092	\$55,128	\$44,143	\$37,616	\$27,526
Percent Change in Total Benefits from 2021 to 2023	-10%	-11%	-18%	-13%	-15%	-30%
Total Income + Benefits	\$47,119	\$76,522	\$79,988	\$81,433	\$87,336	\$89,676
Percent Change in Total Income + Benefits from 2021 to 2023	-10%	-8%	-10%	-3%	-1%	-5%
FPL of total income and benefits	190	308	322	328	351	361
Living wage	\$87,422					

List of Estimated Income Support and Other Programs Available to a Married Couple, by Federal Poverty Level						
	Percent of the Federal Poverty Level					
	0	50	100	150	200	250
Income	\$0	\$9,860	\$19,720	\$21,870	\$39,440	\$49,300
Estimated Maximum Program Benefits						
2023 State of NM Stimulus	\$500	\$500	\$500	\$500	\$500	\$500
SNAP	\$6,192	\$3,234	\$276	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
LIHEAP	\$2,520	\$2,100	\$2,100	\$1,680	\$0	\$0
Housing	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214
General Assistance	\$3,948	\$3,948	\$0	\$0	\$0	\$0
EITC	\$0	\$560	\$222	\$58	\$0	\$0
LICTR	\$0	\$250	\$105	\$105	\$0	\$0
WFTC	\$0	\$140	\$56	\$15	\$0	\$0
SSI	\$16,452	\$16,452	\$16,452	\$16,452	\$0	\$0
UI	\$0	\$2,652	\$5,304	\$5,902	\$10,634	\$13,286
Pell	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757
Total Benefits	\$19,374	\$16,946	\$9,473	\$8,572	\$6,714	\$6,714
Percent Change in Total Benefits from 2021 to 2023	-43%	-51%	-68%	-32%	-37%	-37%
Total Income+Benefits	\$19,374	\$26,806	\$29,193	\$30,442	\$46,154	\$56,014
Percent Change in Total Income + Benefits from 2021 to 2023	-43%	-38%	-38%	-22%	1%	3%
FPL of Total Income and Benefits	98	136	148	154	234	284
Living Wage 1 Working	\$	54,974				
Living Wage 2 Working	\$	27,477				

List of Estimated Income Support and Other Programs Available to a Married Couple with Two Children, by Federal Poverty Level

	Percent of the Federal Poverty Level					
	0	50	100	150	200	250
Income	\$0	\$15,000	\$30,000	\$45,000	\$60,000	\$75,000
Estimated Maximum Program Benefits						
Medicaid	\$21,423	\$21,423	\$21,423	\$9,900	\$9,900	\$5,400
2023 State of NM Stimulus	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
SNAP	\$11,256	\$6,756	\$2,256	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
LIHEAP	\$3,360	\$2,940	\$2,940	\$2,520	\$0	\$0
Housing	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214
General Assistance	\$5,952	\$5,952	\$0	\$0	\$0	\$0
EITC	\$0	\$6,010	\$5,380	\$2,221	\$0	\$0
LICTR	\$0	\$235	\$100	\$0	\$0	\$0
Working Families Tax Credit	\$0	\$1,503	\$1,345	\$555	\$0	\$0
Child Tax Credit	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Child Care to Prevent Indigency Credit against Pit	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Assistance	\$0	\$14,592	\$14,592	\$14,592	\$14,592	\$14,592
School Lunch	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410
WIC	\$810	\$810	\$810	\$810	\$0	\$0
Dependent Care Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
SSI	\$16,452	\$16,452	\$16,452	\$0	\$0	\$0
UI	\$0	\$4,030	\$8,086	\$12,142	\$14,690	\$14,690
Pell	\$3,757	\$3,757	\$3,757	\$3,757	\$0	\$0
Total Benefits	\$55,925	\$73,344	\$61,970	\$43,722	\$37,616	\$33,116
Percent Change in Total Benefits from 2021 to 2023	-13%	-13%	-20%	-18%	-19%	-22%
Total Income + Benefits	\$55,925	\$88,344	\$91,970	\$88,722	\$97,616	\$108,116
Percent Change in Total Income + Benefits from 2021 to 2023	-13%	-9%	-12%	-4%	-2%	0%
FPL of Total Income and Benefits	186	294	307	296	325	360
Living Wage 1 Working	\$ 78,666					
Living Wage 2 Working	\$ 48,693					

List of Estimated Income Support and Other Programs Available to an Elderly Individual, by Federal Poverty Level						
	FPL					
	0	50	100	150	200	250
Income	\$0	\$7,290	\$14,580	\$21,870	\$29,160	\$36,450
Estimated Maximum Program Benefits						
2023 State of NM Stimulus	\$500	\$500	\$500	\$500	\$500	\$500
SNAP	\$3,372	\$996	\$276	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
LIHEAP	\$3,360	\$2,940	\$2,940	\$2,520	\$0	\$0
Housing?	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214
General Assistance	\$2,940	\$2,940	\$0	\$0	\$0	\$0
EITC	\$0	\$597	\$149	\$0	\$0	\$0
LICTR	\$0	\$205	\$105	\$80	\$50	\$0
WFTC	\$0	\$149	\$37	\$0	\$0	\$0
Elderly Food Programs	\$2,922	\$2,922	\$2,922	\$2,922	\$2,922	\$2,922
SSI	\$10,968	\$10,968	\$0	\$0	\$0	\$0
UI?	\$0	\$1,950	\$3,926	\$5,902	\$7,852	\$9,828
Pell?	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757
Total Benefits	\$19,308	\$17,463	\$13,143	\$12,236	\$9,686	\$9,636
Percent Change in Total Benefits from 2021 to 2023	-32%	-38%	-46%	-43%	-48%	-48%
Total Income + Benefits	\$19,308	\$24,753	\$27,723	\$34,106	\$38,846	\$46,086
Percent Change in Total Income + Benefits from 2021 to 2023	-32%	-28%	-26%	-16%	-12%	-9%
FPL of Total Income and Benefits	132	170	190	234	266	316
Living Wage	\$ 33,426					

List of Estimated Income Support and Other Programs Available to an Elderly Individual with Two Grand Children, by Federal Poverty Level

	Percent of the Federal Poverty Level					
	0	50	100	150	200	250
Income	\$0	\$12,430	\$24,860	\$37,290	\$49,720	\$62,150
Estimated Maximum Program Benefits						
Medicaid (for children)	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$5,400
Medicare (for elderly individual)	\$11,572	\$11,572	\$11,572	\$11,572	\$11,572	\$11,572
2023 State of NM Stimulus	\$500	\$500	\$500	\$500	\$500	\$500
SNAP	\$8,800	\$5,154	\$1,424	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
LIHEAP	\$4,200	\$3,780	\$3,780	\$0	\$0	\$0
Housing	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214	\$6,214
General Assistance	\$4,944	\$4,944	\$0	\$0	\$0	\$0
EITC	\$0	\$4,970	\$5,169	\$2,558	\$0	\$0
LICTR	\$0	\$235	\$115	\$0	\$0	\$0
Working Families Tax Credit	\$0	\$1,243	\$1,292	\$640	\$0	\$0
Child Tax Credit	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Child Care to Prevent Indigency Credit against Pit	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Assistance	\$0	\$14,592	\$14,592	\$14,592	\$14,592	\$14,592
School Lunch	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410	\$2,410
WIC	\$810	\$810	\$810	\$810	\$0	\$0
Dependent Care Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
Elderly Food Programs	\$2,992	\$2,992	\$2,992	\$2,992	\$2,992	\$2,992
SSI	\$10,968	\$10,968	\$0	\$0	\$0	\$0
UI	\$0	\$3,354	\$6,708	\$10,062	\$13,416	\$14,690
Pell	\$3,757	\$3,757	\$3,757	\$3,757	\$3,757	\$0
Total Benefits	\$56,342	\$73,316	\$64,771	\$56,188	\$52,180	\$47,680
Percent Change in Total Benefits from 2021 to 2023	-4%	-6%	-12%	-11%	-7%	-5%
Total Income + Benefits	\$56,342	\$85,746	\$89,631	\$93,478	\$101,900	\$109,830
Percent Change in Total Income + Benefits from 2021 to 2023	-4%	-3%	-6%	-3%	2%	4%
FPL of Total Income and Benefits	227	345	361	376	410	442
Living wage	\$ 87,422					

Appendix G. Eligibility Status of Immigrants for Income Support Programs

Most federal income support programs are available to legal immigrants after five years.

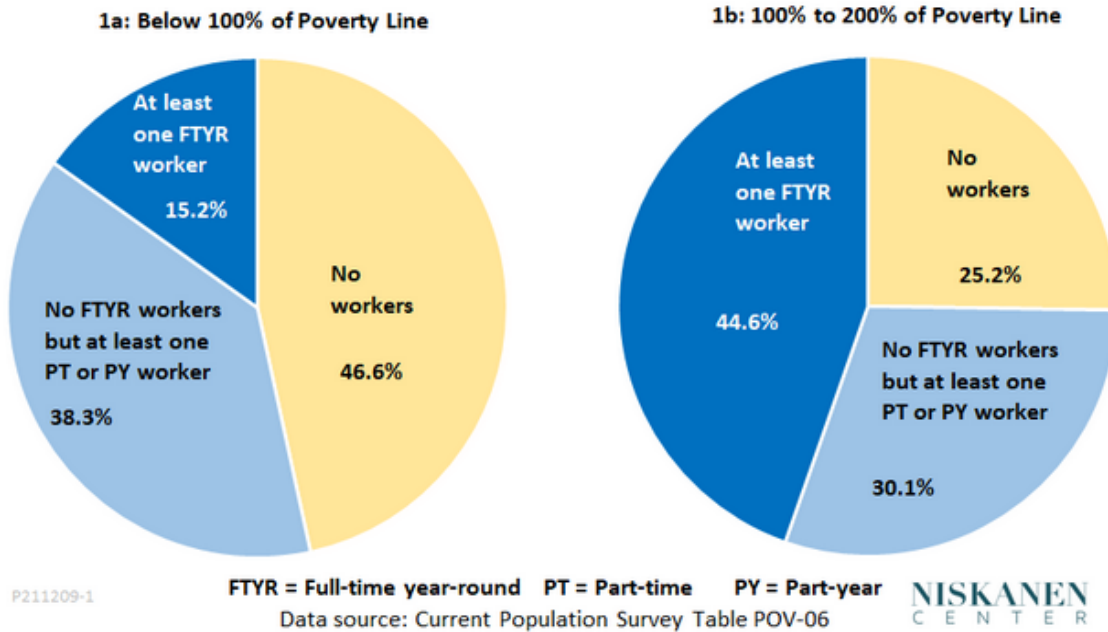
Medicaid, SNAP, and TANF are available to immigrants once they have been in the country legally for five years, however under certain circumstances including if you are a minor or a refugee, you may be able to get some income supports earlier. However, these benefits are provided to immigrants who have legal documentation of their residency in the United States and are generally not provided to individuals who are undocumented. Additionally, research shows that child citizens to immigrant parents are 5.5 percent less likely to receive Medicaid than children in a non-immigrant family.

Starting January 1, 2024, California will allow adults ages 26 to 49 to qualify for Medi-Cal regardless of immigration status. This follows previous expansions for both older and young adults.

SOURCE: USDA, CA Health and Human Services Department, and the National Immigration Law Center

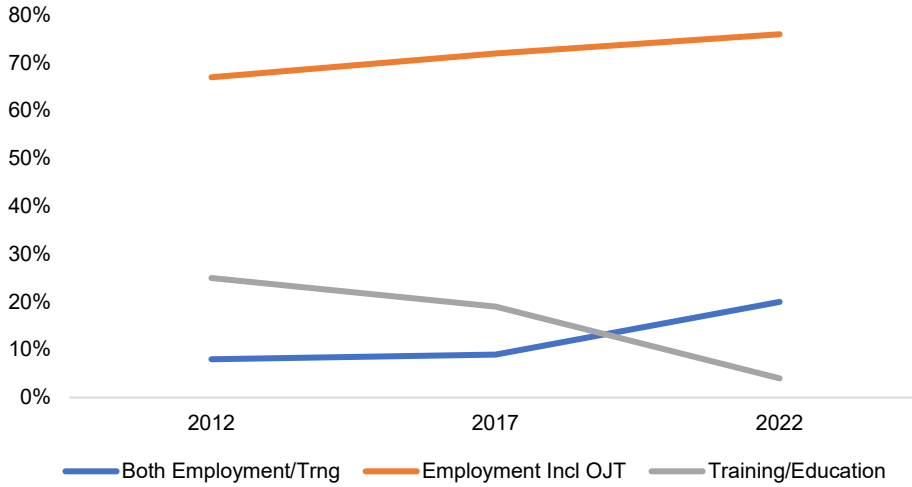
Appendix H. Percent of Individuals Nationally Below 100 Percent FPL and 200 Percent FPL Who Are Working

Figure 1
Workers in Low-Income Families



Appendix I. Additional Information Regarding Those Enrolled in Childcare Assistance or Medicaid

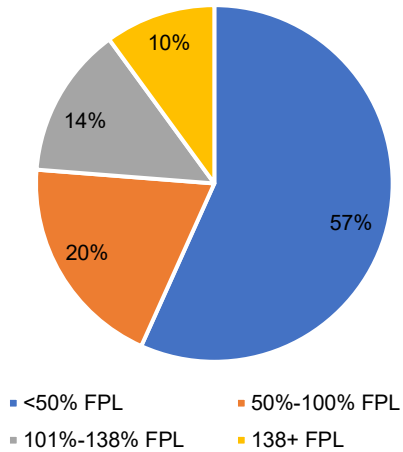
Reasons for Utilizing Childcare Assistance



Average Income for Individual's Receiving Childcare Assistance

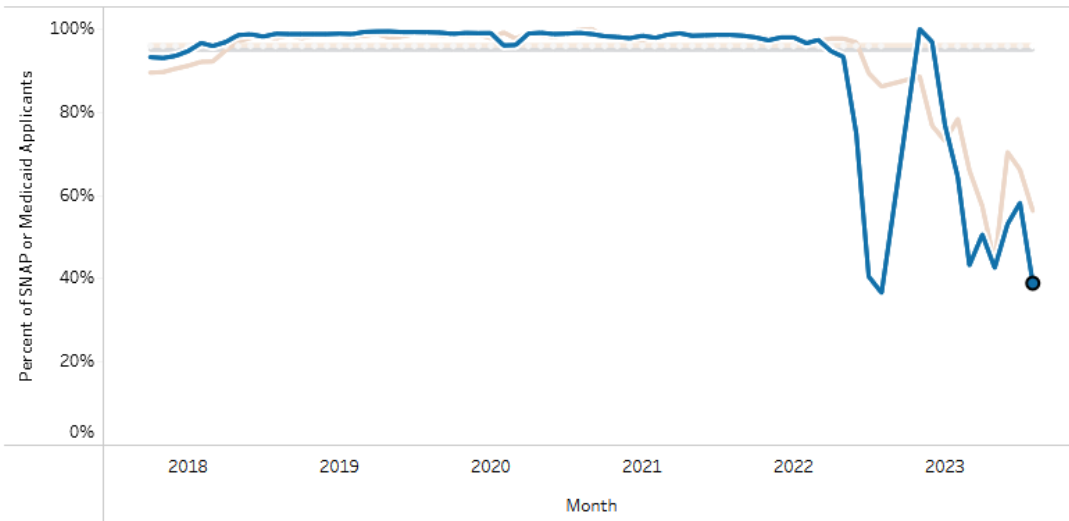
Year	Income in 2022 Dollars
2012	\$1754.13
2017	\$1880.21
2022	\$2235.15

Income Range of Medicaid Enrollees, Fall 2023



Appendix J. SNAP Applications Processed within 45 Days

As a Medicaid or SNAP applicant, what are the chances of having my non-emergency application processed within 45 days for Medicaid and 30 days for SNAP? (↑ good)



Last updated: 10/16/2023 3:26:23 PM

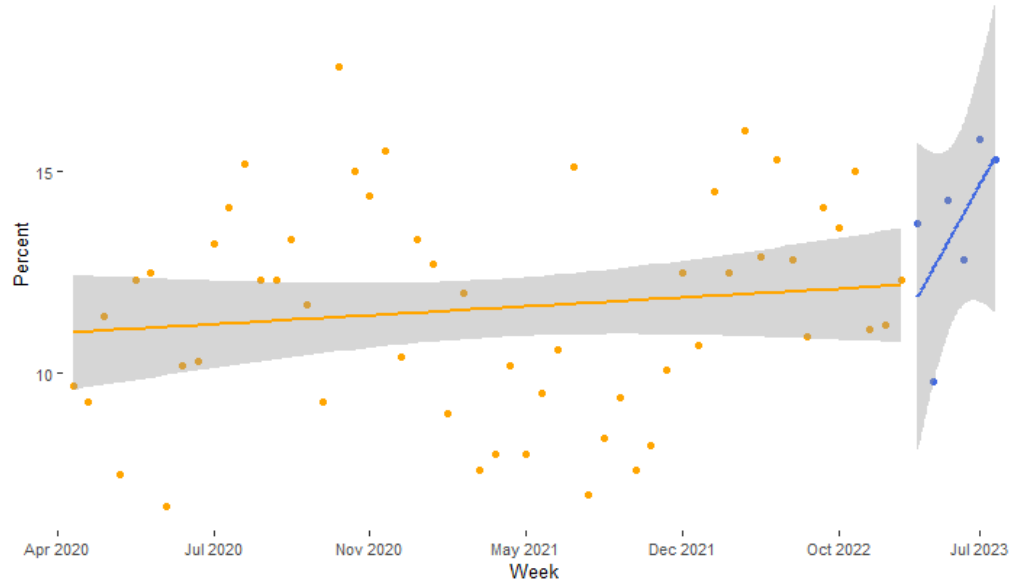
Measure Names

- Medicaid: Percentage of Applications Processed wi...
- SNAP: Percentage of Applications Processed withi...
- Target - Federal Timeliness Measure
- Federal Timeliness Target

Source: HSD

Appendix K. Unwinding of SNAP Benefit Impact on Reported Food Insecurity

Food Insecurity in NM Regression Discontinuity Design



Note: Time periods between surveys vary. Survey began as weekly instrument and now only takes place biweekly to monthly.

Source: Census Bureau

Appendix L. Distinction between Universal and Guaranteed Basic Income.

Key Characteristics of Universal Basic Income Versus a Guaranteed Income

Universal Basic Income	Guaranteed Income
Universally provided with no income targeting	Income targeted – provided to those in economic precarity or with higher need
Frequently envisioned as sufficient to cover basic needs but amount can vary	Pilots have provided insufficient funds to cover all basic needs but amount can vary
Can increase racial income and wealth disparities	Can reduce racial income disparities
May avoid “welfare trap” increasing public support	May be thought of as welfare, decreasing public support
Higher price tag	Lower price tag
Method of funding may increase or decrease inequality	Method should decrease inequality

Source: Adapted from the Economic Security Project

Appendix M. Selected Citations

- ⁱ Joint Legislative Audit and Review Commission (2023). Virginia's Self-Sufficiency Programs and the Availability and Affordability of Childcare. Accessed from: [JLARC | Pandemic Impact on K-12 Public Education \(virginia.gov\)](https://www.jlarc.virginia.gov/Pandemic-Impact-on-K-12-Public-Education)
- ⁱⁱ Bennett, E, Cardon, E, & Toth, C. (2022) Increasing Program Uptake Practical Was that behavioral science can reduce barriers. The Behavioral Insights Team and What Works Cities Accessed from: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjL6oeoz_2BAxVhk2oFHV6mCxQQFnoECBUQAQ&url=https%3A%2F%2Fwww.bi.team%2Fwp-content%2Fuploads%2F2022%2F06%2F220602-EASTforProgramUptake.pdf&usq=AOvVaw14_U64E48BAyK_0EPr1jw&opi=89978449
- ⁱⁱⁱ Burns, K. & Fox, L.E (2022) The Impact of the 2021 Expanded Child Tax Credit on Child Poverty. The Census Bureau. Accessed from: [The Impact of the 2021 Expanded Child Tax Credit on Child Poverty \(census.gov\)](https://www.census.gov/programs-surveys/child-poverty-reduction-efforts/2021-expanded-child-tax-credit-impact)
- ^{iv} Hardy, B.L., Collyer, S.M., Wimer, C.T. (2023). The Antipoverty Effects of the Expanded Child Tax Credit across States: Where Were the Historic Reductions Felt? The Hamilton Project: Brookings. Accessed from: [20230301_ES_THP_CTcbyState.pdf \(brookings.edu\)](https://www.brookings.edu/wp-content/uploads/2023/03/20230301_ES_THP_CTcbyState.pdf)
- ^v Schild, J, Collyer, S.M., Garner, T., Kaushal, N., Lee, J., Waldfogel, J., & Wimer, C.T. (2023). Effects of the Expanded Child Tax Credit on Household Spending: Estimates Based on U.S. Consumer Expenditure Survey Data. National Bureau of Economic Research. Accessed from: [Effects of the Expanded Child Tax Credit on Household Spending: Estimates Based on U.S. Consumer Expenditure Survey Data | NBER](https://www.nber.org/papers/w31746)
- ^{vi} Ananat, E., Glasner, B., Hamilton, C, & Parolin, H. (2022) Effects of the Expanded Child Tax Credit on Employment Outcomes: Evidence from Real-World Data from April to December 2021. National Bureau of Economic Research. Accessed from: [w29823.pdf \(nber.org\)](https://www.nber.org/papers/w29823).
- ^{vii} Han, J., Meyer, B.D., & Sullivan, J. (2022). Real-time Poverty, Material Well-being, and the Child Tax Credit. National Bureau of Economic Research. Accessed from: [Real-Time Poverty, Material Well-Being, and the Child Tax Credit \(nber.org\)](https://www.nber.org/papers/w31746).
- ^{viii} Stacia West & Amy Castro. (2023). *Impact of Guaranteed Income on Health, Finances, and Agency: Findings from the Stockton Randomized Controlled Trial*. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10160253/>
- ^{ix} Amelia A. Hawkins, Christopher A. Hollrah, Sarah Miller, Laura R. Wherry, Gloria Aldana, & Mitchell D. Wong. (2023). The Long-Term Effects of Income for At-Risk Infants: Evidence from Supplemental Security Income. <https://www.nber.org/papers/w31746>
- ^x Diego Daruich & Raquel Fernández. (2020). Universal Basic Income: A Dynamic Assessment. <https://www.nber.org/papers/w27351>