Stacking of Income Supports

Summary

Nearly one in two New Mexicans is on public assistance provided by the Human Services Department, but even more qualify than enroll. Stacked, the federal and state healthcare, food, cash, tax credits, and other benefits available to low-income New Mexicans can allow most families to meet their needs, but New Mexicans face barriers to access. While some cities and states explore and experiment with universal basic income and other guaranteed income programs to help meet people's needs, New Mexico has existing programs that, if implemented properly to all those eligible, could help accomplish the same goals.

Supported with a large amount of federal funding for public assistance and recently expanded state low-income tax credits, expected to provide an additional \$170 million by FY25, New Mexico offers a relatively generous benefit package compared with other states. This package can help families meet their needs and, in turn, may ameliorate many of the social costs of the state's persistently high poverty rate—low literacy and high rates of child abuse, crime, and substance abuse. LFC analysis shows families with children and elderly households likely could receive enough benefits to meet their needs if enrolled in all available benefit programs, but adults without kids do not. Additionally, not all who are eligible enroll in these programs. For instance, more than a quarter of uninsured New Mexicans were eligible but not enrolled in Medicaid as of early 2020, and less than half of the state's residents eligible for Temporary Assistance for Needy Families receive benefits. Most families participating in programs are likely not enrolled in every program they're eligible for in part due to barriers, including federally mandated complex or lengthy application processes. Furthermore, some New Mexicans may face eligibility cliffs, where individuals become ineligible for a benefit program after a slight rise in wages, leading to less overall resources.

Most Family Types Can Meet Basic Needs Using Current Income Supports

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			
Ė	*	\$12,880	\$31,202			
ŤŤ	*	\$17,420	\$47,158			
S	✓	\$12,880	\$37,262			
*	✓	\$21,960	\$89,238			
† †† †	✓	\$26,500	\$104,392			
\$ †*	✓	\$21,960	\$95,167			

Note: Includes federal stimulus and income supports.

Source: LFC analysis

Even though the concept of a guaranteed income has recently gained attention, research on effectiveness is limited and more is needed, especially around the effects of a guaranteed income on employment

and earnings. The state does not generally measure the impact of income supports but national research shows many of the federally funded income support programs, especially those targeting children and families, positively impact their recipients.

To increase the impact of income support programs, the state should examine poverty rates before and after receipt of benefits, ensure adequate access and receipt of programs through adjusting program application and eligibility, continue to synthesize pilot data to determine what population would benefit the most from a guaranteed income and increase performance monitoring.

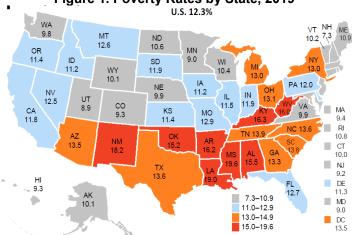




Background

Driven by high unemployment and low wages, New Mexico has one of the highest poverty rates nationally.

Figure 1. Poverty Rates by State, 2019

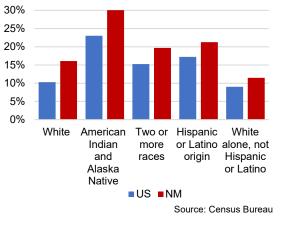


Note: first number is the county poverty rate; second number is the county child poverty rate.

Source: US Census Bureau, adapted by WSD

Chart 1. Disparities in Poverty Rates by Race or Ethnicity, 2019

35%

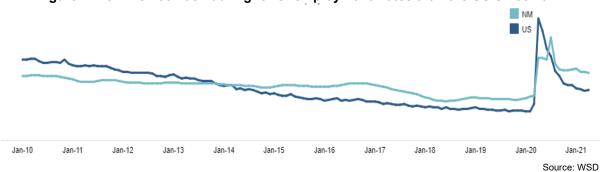


According to the U.S. Census Bureau, New Mexico's poverty rate of 18.2 percent in 2019 is 50 percent above the national average of 12.3 percent. Only two states—Mississippi and Louisiana—had a higher rate of poverty in 2019. When compared with its neighbors, New Mexico has double the poverty rate of Colorado and Utah and 33 percent higher rates than Arizona and Texas (see Appendix A for poverty rate by county). The state also has high poverty for particularly vulnerable groups. Roughly one in four children under 18 live in poverty (24.9 percent) and 13.5 percent of those over age 65 are also below the poverty line, the highest rate nationally (see Appendix B). Poverty rates are also higher for all ethnicities in New Mexico than for those ethnicities nationally, with Native Americans and Hispanics having the highest rates of poverty in the state, as well as

lower median household incomes (see Appendix C).

Since 2014, New Mexico has had a higher unemployment rate than the national average. According to the Pew Research Center, as of 2019, New Mexico was one of only nine states that collected less tax than prior to the Great Recession. In addition to a higher unemployment rate, which only counts those not working who are actively seeking a job, New Mexico also has had a lower employment rate than the nation for at least the last 10 years (see Appendix D). Long-term unemployment has negative effects on social determinants of health and individual spending power. These unemployment insurance programs are partly federally funded and have contributed to the state's increased reliance on federal funds.

Figure 2. New Mexico has had Higher Unemployment Rates than the US Since 2014



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A wide range of negative social, physical, and educational impacts of poverty can last for generations.

Poverty can impact long-term physical health, education, and psychological well-being. Nationally, individuals who experience poverty are more likely to have poor physical health, less likely to have high levels of educational achievement, and more likely to have poorer psychological well-being. About a third of individuals earning less than the federal poverty level (FPL) report their children have poorer than excellent or very good health, while only about 7 percent of those earning more than 400 percent of the FPL report children with poor health. iv Additionally, almost 9 percent of those living below the poverty line have acute psychological distress, while only 1 percent of individuals earning more than 400 percent of the federal poverty level have these same symptoms. LFC reports that examine public education outcomes, as well as academic research, find low-income students are less likely to be proficient on achievement tests or graduate from high school.vi According to the World Health Organization, those living in poverty tend to have higher maternal and child mortality rates, higher levels of disease, and limited access to healthcare.vii

Income and Health Supports can Help Meet Basic Needs

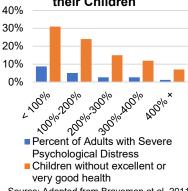
According to Abraham Maslow, a psychologist, whose theory regarding prioritization of human needs is widely used, people must have specific needs met to be fulfilled. These include physiological (such as food and a place to sleep), and safety (such as secure housing) needs. According to the theory, if people do not meet these basic needs, their well-being will suffer. To both meet this hierarchy of needs and avoid negative outcomes from poverty, governments work to implement policies that can decrease poverty and improve citizen wellbeing (see Appendix E).

State and federal programs contribute to the income of New Mexicans more than ever.

In New Mexico, the state has increased tax expenditures and increased state and federal spending on programs to help low-income families. General fund spending on select programs in the last five years (including income support, Medicaid, childcare assistance, and low-income and family tax credits) increased by \$512 million from FY18 to FY22. Nationally, increased federal spending on income support and social service programs has corresponded with a decrease in poverty since the 1970s. However, it is unknown if this relationship is causal. The federal government offers a number of different programs to help low-income individuals and families. These programs range from health insurance (Medicaid) to food (Supplemental Nutrition Assistance Program, or SNAP) and energy assistance (Low-Income Home Energy Assistance program, or LIHEAP). Each program has its own unique eligibility criteria and goals.

Since FY18, New Mexico increased general fund spending on tax credits and deductions as well as Medicaid and Childcare Assistance. Over the last five years the state has increased its general fund spending on a number of programs that target low-income families. These programs include Medicaid,

Chart 2. People With Lower Incomes as a Percent of the Federal Poverty Level Report Worse Mental Health and Worse Health for their Children



Source: Adapted from Braveman et al. 2011 and Simon et al. 2018

Table 1. Income at Different
Percentages of the Federal Poverty
Level by Household Size

	Number of People Per Household						
%							
FPL	1	2	3	4			
85%	\$10,955	\$14,810	\$18,666	\$22,532			
100%	\$12,888	\$17,424	\$21,960	\$26,508			
150%	\$19,320	\$26,136	\$32,940	\$39,756			
200%	\$25,764	\$34,848	\$43,920	\$53,004			
250%	\$32,208	\$43,560	\$54,900	\$66,252			
300%	\$38,640	\$52,260	\$65,880	\$79,500			
350%	\$45,108	\$60,984	\$76,860	\$92,778			

Source: ACF

State tax expenditures increased almost \$150 million from FY18-FY22 due to changes in the tax code for low-income individuals and families.

and Childcare Assistance as well as tax credits. Specifically, general fund spending has increased \$512 million or 54 percent. Tax expenditures alone made up \$150 million of this increase with a 223 percent increase from FY18. Medicaid had the largest monetary increase of \$340 million.

Table 2. Tax and General Fund Expenditures on Income Support and Health Programs Increased, **FY18 to FY22**

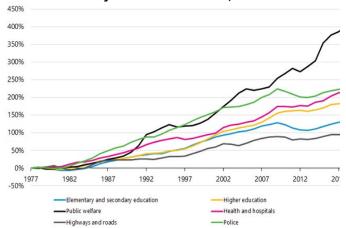
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	FY18	FY19	FY20	FY21*	FY22*	Change from FY18	Percent Change FY18-FY22
Tax Expenditures	\$67,382	\$100,054	\$139,372	\$142,372	\$217,372	\$149,990	223%
Income Support	\$11,613	\$12,585	\$13,732	\$17,237	\$19,938	\$8,324	72%
Medicaid	\$817,974	\$933,625	\$985,697	\$952,168	\$1,158,152	\$340,178	42%
Childcare Assistance	\$44,747	\$57,342	\$57,623	\$59,885	\$58,595	\$13,848	31%
Total	\$941,716	\$1,103,606	\$1,196,424	\$1,171,661	\$1,454,057	\$512,340	54%

Note: FY21 and FY22 data are opbuds or budgeted. Tax expenditures are only from LICTR, WFTC and Childcare to prevent indigence. Tax expenditures for FY21 and FY22 are projections based using the projected increase from HB6 (2019) and HB291(2021) plus the previous 5-year average tax expenditures for WFTC, LICTR, and childcare credit to prevent indigence.

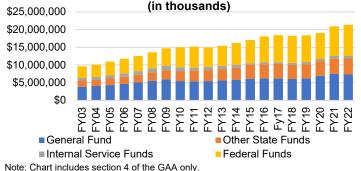
Source: LFC Files, HB2

Figure 3. State and Local Expenditures Increased Particularly for Public Welfare, FY77-FY18



Source: Urban Institute analysis of Census data

Chart 3. Federal Fund Appropriations Have Become a Larger Portion of the New Mexico State Budget, FY03-FY22



Source: GAA

Nationwide, spending on public welfare programs increased over 400 percent from FY77 to FY18, a likely contributing factor to the decline in poverty.

Both the poverty rate prior to consideration of benefits received and the supplemental poverty measure, which adjusts the poverty rate based on benefits received, have declined since the late 1960s. Poverty rates, when including the impact of federal programs, decreased 45 percent from 1967 to 2017. viii (see Appendix F). However, in the United States, economic inequality increased about 20 percent from 1980 to 2016 and is the highest among G-7 countries. ix Economic inequality can provide incentives to study and work hard but can also restrict economic opportunities of the less well-off, which may result in a more conflict-ridden society, impairing economic performance.x

As benefits have increased for children and low-income families, state and local spending on these programs has also increased, a trend mirrored in New Mexico. According to data compiled by the Urban Institute, public welfare spending increased 400 percent from FY77 to FY18, more than spending for education, health, or police.xi The benefits from these programs seem to have lowered poverty for most racial and ethnic groups. However, as the country has shifted more income support programs to those near poverty, the declines in poverty for the very poor (with incomes less than 50 percent of the federal poverty level) were not as substantial.

Since FY03, New Mexico's federal fund appropriations have grown by 169 percent, or \$5.5 billion. In the last 20 years, the proportion of federal spending as part of the total state budget has increased, largely due to federal expansion of programs. In FY03, the state's total budget was \$9.6 billion, with 34 percent, or \$3.3 billion, from federal funds. For FY22, the state's total budget was \$21.4 billion, with 41 percent, or \$8.8 billion, from federal funds. From FY13-FY22, federal funds made up roughly 40 percent of the average annual total state budget; whereas, from FY03-FY12, federal funds only made up roughly 35 percent of the total budget. New Mexico's spending of state general fund revenue on some income support programs, such as Medicaid, has also significantly increased (see Appendix G).

Pandemic relief funds have further increased federal dollars. Since the onset of the pandemic, New Mexico has received an additional \$22.4 billion in federal funds, including \$10.6 billion allocated to income support programs or direct stimulus payments. These payments were provided to individuals making less than \$75 thousand a year, and married couples filing together making up to \$150 thousand a year. The federal economic stimulus payments totaled approximately \$5.6 billion, the largest proportion of federal funds directed to families in New Mexico. Beyond these payments, the next largest proportion of funding was directed to unemployment insurance, at roughly \$3.5 billion. Other programs received substantially less but still large amounts of funding, including \$437 million for Medicaid, \$245 million for food assistance, including SNAP, and \$546 million for pandemic-related housing and rental assistance (see Appendix H for a more comprehensive table).

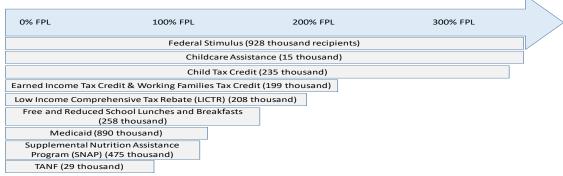
The federal and state government also provides a number of programs and tax incentives to help ameliorate the effects of poverty and pull families out of poverty. New Mexico currently has at least 24 federal and state programs and tax incentives to help low income families (see Appendix I for a list of the programs along with eligibility, maximum benefit amount, and enrollment data). These programs cover housing, food, health insurance, utilities, and other necessities. Both the state and federal governments also provide tax credits to reduce the tax burden and incentivize low-income families to work. Income eligibility for these programs ranges from a low of 85 percent of the FPL (set at \$12.8 thousand in 2021 for one person) to 350 percent of the FPL.

Table 3. Federal Corona-Virus Relief Funds Allocated to Income Support Programs and Direct Payments to Individuals (in thousands)

Funding Type	Amount
Direct payments	
to individuals	\$5,589,571
Additional UI	
Benefits and	
Administration	\$3,530,079
Medicaid FMAP	\$653,702
Housing and	
Rental	
Assistance	\$545,954
Food Assistance	\$249,695
Income Support	
for TANF	
recipients	\$6,385
Total	\$10,575,385

Note: Updated with October 20, 2021 data. For the full table see appendix H). Source: FFIS

Figure 4. Program Income Eligibility Limits for Highest Enrollment Programs in New Mexico



Note: Approximate number receiving the benefit in 2020 included in parentheses. Medicaid income eligibility ranges from 138 FPL to 300 FPL. Earned income tax credits and LICTR are based on income rather than FPL. Enrollment numbers for HSD programs as of Oct. 2020.

Source: LFC summary of Federal and State data

The top five federal income support programs and tax credits include food and health programs, as well as the pandemic stimulus payments. Approximately 928 thousand New Mexican families received federal stimulus payments because these payments covered households that made up to \$150 thousand for joint earners and \$75 thousand for single filers. Medicaid provides free healthcare to low-income individuals (income limits range from 138 to 400 percent of the federal poverty level depending on the age of the participant)

Table 4. Top Five Federal Income Support Programs
by Enrollment
(counts duplicated)

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Name	Income Requirements	Benefit Amount Range (household size of 3)	Estimated 2020 enrollment
Federal Stimulus	<75K for full amount	\$1,700-\$4,200	928,010
Medicaid	Varies from 138 FPL -300 FPL	\$14,857-\$16,503	889,973
SNAP	Up to 130 FPL gross income	\$616 with a 15 percent increase	474,797
School Lunches	Up to 185 FPL	Up to \$1000 a year when combine free and reduced lunch and P-EBT	257,945
Child Tax Credit	Income <\$75K for full amount	\$3000 or \$3600, with half up paid monthly for last 6 months of 2021	235,256

Note: HSD Program enrollment report using October 2020 data.

Source: LFC analysis of various agency data

Table 5. State Income Support Programs (counts duplicated)

Name	Income Requirements	Benefit Amount Range	Estimated 2020 Enrollment
Low-Income Comprehensive Tax	Up to \$36K a	Lin to \$720/year	200 006
Rebate (LICTR) Working Families Tax Credit (WFTC)	year Up to \$41,756 with 1 child and \$47,440 with 2	Up to \$730/year Up to 10% EITC \$358 for 1 child and \$592 for 2	208,086
State stimulus for Unemployment Insurance Recipients	On UI in Dec 2020	\$1,200	119,634
Child care to prevent indigency credit against PIT	Up to \$31.2K, or up to twice the federal minimum wage	Up to \$480/child or \$1,200 for all qualifying dependents in any taxable year	1,065
General Assistance Program (for those ineligible for TANF)	Up to 85% FPL	Up to \$245/person	1,986

Note: number of UI stimulus payments determined by dividing total spent by \$1,200. Source: LFC analysis of various agency data and covers almost 50 percent of state residents (890 thousand enrollees as of October 2020). New Mexico also has a large number of individuals (475 thousand) receiving food assistance (SNAP), which has an income eligibility limit of 130 percent of the FPL. Most public school students (at least 258 thousand) are provided free and reduced-price school meals. Beyond these programs, the most common tax credit for low-income households is the child tax credit (because it covers households that may be considered middle to high income), with 235 thousand households benefitting in Furthermore, according to the Congressional Research Service, the child tax credit, changes to the earned income tax credit, and the expanded dependent care tax credit should cost the federal government about \$921 million to cover those living in New Mexico.

2020. state income support programs predominantly took the form of tax credits and payments for unemployed or low-income individuals. The most commonly used tax credit for the state is its low-income comprehensive tax rebate (LICTR) that provides low-income households a rebate for sales tax paid during the year. In 2020, over 200 thousand households claimed this credit. The other common tax credit is the working families' tax credit, claimed by 199.6 thousand households. Furthermore, New Mexico also provides other programs, such as the general assistance program for individuals who do not qualify for Temporary Assistance for Needed Families (TANF) and earn below 85 percent of the federal poverty level and the 2020 income tax rebate of \$600 for families who were recipients of the working families' tax credit.

The most frequently used low-income state tax credits were expanded steeply in recent years. In both 2019 and 2021, the state legislature expanded its working families tax credit (increasing eligibility for younger and

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¹ For applicants under broad based categorical eligibility, SNAP income eligibility limit can be up to 165 percent of the FPL.

undocumented residents and increasing the rebate from 10 percent to 25 percent of the federal earned income tax credit) and in 2021 the legislature expanded LICTR (increasing eligibility to families making under \$36 thousand and increasing the maximum to \$730/year), in addition to adding a dependent deduction. These expansions are projected to cost the state \$170 million in tax expenditures by FY25.

New Mexico has the ninth lowest average wage nationally, and the wage is below the cost of living for single parents. Using 2019 census data, New Mexico has the ninth lowest average wage in the country, below all neighboring states, at \$22.63/hour. Low wages likely make it more difficult for low-income working families to earn enough to support themselves and their children. New Mexico's average wage is also below the cost of living for most single parent households. A living wage, according to the Massachusetts Institute of Technology, is the salary needed to provide for all needed expenses without using income support programs (although families may be able to qualify for childcare assistance). The living wage for a family is dependent on how many adults are in the household (one or two), whether one or both are working, and the number of children in the household (MIT only looked at living wages for households with up to three children). The calculation for a living wage is highest for a single parent with three children due to the need for childcare and being unable to rely on another income for additional supports. If a single parent with two kids earned the average wage in New Mexico, they would be below the living wage by \$15.3 thousand a year, absent income supports. New Mexico may need to focus on creating and retaining higher wage jobs to increase its average wage.

Federal Poverty Level Calculation Inaccurate Reflection of Cost of Living

The federal poverty level used to determine program eligibility, created in the 1960s, does not necessarily correlate with costs of living. The measure is based on the cost of a minimum food diet multiplied by three to account for other household expenses (food equated to roughly one third of all expenses at that time) and varies based on the number of people in the household. It has only been adjusted for inflation but not for changes to costs of living. Revising the measure could provide a more accurate picture of poverty among different groups and geographies. The U.S. Census Bureau recommends basing the federal poverty threshold on actual family expenditure data, accounting for expenses on food, clothing, shelter, and a small amount for other needs, like personal care or transportation. Measuring these expenses would more closely align the federal poverty threshold with cost of living estimates.

Table 6. Rankings for Average Wages (low to high)

State	Ranking
New Mexico	9 th /52
Arizona	31 st /52
Colorado	45 th /52
Texas	42 nd /52

Notes: Ranking is low to high. 2019 average wage data was used to avoid pandemic-related wage distortions.

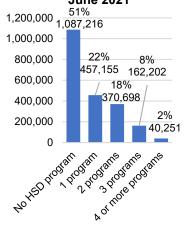
Source: DOL

Table 7. Living Wage in New Mexico by Family Type

Number of children	1 adult	2 adults (1 working)	2 adults (both working)
0	\$13.97	\$23.31	\$11.66
1	\$28.65	\$27.81	\$15.82
2	\$35.31	\$31.58	\$19.62
3	\$45.43	\$34.37	\$22.93

Note: See appendix J for MIT's definition and methodology Source: MIT, https://livingwage.mit.edu/states/35

Chart 4. Almost Half of New Mexico Residents Were Enrolled in an HSD Program, June 2021



Source: LFC analysis of HSD data

Figure 5. Most Family Types 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		
İ	*	\$12,880	\$31,202		
ŤŤ	*	\$17,420	\$47,158		
ß	✓	\$12,880	\$37,262		
İ	✓	\$21,960	\$89,238		
† ††*	✓	\$26,500	\$104,392		
^	✓	\$21,960	\$95,167		

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; programs include federal stimulus payments; SNAP and TANF limits based on net rather than gross income; Childcare Assistance amounts based off no copay (as was the case through September 2021) and Childcare Assistance was not included for the family at 0% of the FPL. For more detail see Appendix K.

Source: LFC analysis

All Benefits Available During the Past Year Roughly Equate to a Living Wage

New Mexico has a large number of residents who use income support programs, including tax credits, health insurance, and food security programs among others. When examining only the programs operated by the Human Services Department (HSD), roughly half of New Mexicans were enrolled in at least one program. Beyond a large number of people enrolling in at least one income support program, New Mexico has relatively generous benefits from both federal programs and state tax credits for families and individuals compared with other states, as shown by larger than average reductions in poverty due to income support programs. While benefits do not equate to cash for families, they allow families to reduce spending on housing, health insurance, food, and other needs. These relatively generous benefits allow for many low-income families, particularly families with children, to receive enough to meet the definition of a living wage.

As of June 2021, 49 percent of New Mexicans are enrolled in at least one income support or health program from HSD.

The high rate of enrollment in HSD programs underscores the need for income supports statewide. Beyond HSD, there are additional programs families can use to help ensure needs are met, meaning the majority of individuals in the state likely use some type of income support. Low-income families and individuals can use services targeted to specific populations, such as the Women, Infants and Children supplemental nutrition assistance program (WIC), senior food programs, and housing and rental assistance, as well as tax credits. These services allow families to meet their needs with lower wages, effectively increasing their total income. Census numbers show that New Mexico has at least 4 percent more individuals enrolled in multiple income support programs in 2019 than the national average, with the New Mexico number not including all the programs the national number does.

New Mexico has relatively high income support assistance levels, potentially reducing the number of poor families.

The high benefit amount New Mexico allows for families that earn less than a sustainable wage to meet their needs, potentially keeping families from dealing with some of the negative impacts of poverty if enrolled in all available programs. Families with children and elderly families receive larger total benefit packages than working age adults with no children.

LFC analysis shows if low-income families with children or older New Mexicans received all benefits available during the past year, the total roughly equates to a living wage. New Mexicans can use many incomesupport and tax-credit programs to effectively increase disposable income. Benefits are not wages, but they allow for families to spend less on essentials, like housing, food, and healthcare. For instance, a single mom with two children (ages 3 and 7) may be eligible for at least 16 different programs, such as housing assistance and free and reduced-price school lunches. The maximum benefit

amount for a household at 50 percent of the FPL is estimated at \$57 thousand over the last year, including pandemic-related federal stimulus payments. This total amount, when parent salary is included, is equivalent to earning 310 percent of the FPL, or \$68 thousand.

Table 8. Families Generally Have Enough to Reach Cost of Living Requirements With Receipt of Benefits to Which They Are Eligible (case study of single parent with two children 2020/2021)

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		Percent of the Federal Poverty Level					
	0	50	100	150	200	250	
Wages	\$0	\$10,980	\$21,960	\$32,940	\$43,920	\$54,900	
Summary of Benefits and wages Received							
Estimated Total							
Benefits	\$52,437	\$72,021	\$67,278	\$50,638	\$44,223	\$39,201	
Total Wages + Benefits	\$52,437	\$83,001	\$89,238	\$83,578	\$88,143	\$94,101	
% of the FPL of total							
wages and benefits	239	378	406	381	401	429	

Note: In this scenario, children are 3 and 7, ages chosen to represent programs for both early childhood and school-age children; programs include federal stimulus payments; SNAP and TANF limits based on net rather than gross income; Childcare Assistance amounts based off no copay (as was the case through September 2021); Childcare Assistance was not included for the family at 0% of the FPL.

Source: LFC analysis of various state and federal agency data or reports

For elderly heads of households, benefits can be even greater. For instance, for a single adult over 65 taking care of two children under 18, all incomes between 50 percent and 250 percent of the FPL had a financial total over \$88 thousand (or greater than 400 percent of the FPL). However, low-income households without children and households with no wages while still well above the federal poverty level when program benefits are considered, may not be able to fully meet their basic needs (see Appendix K for all household scenarios examined). Therefore, this population shows the greatest gap between cost of living and income levels, even when benefits are considered.

Financial gains plateau for households with incomes from 50 percent of the FPL to 200 percent of the FPL where increasing wages correspond with decreasing benefits. For example, a single parent with two children whose wages increase by \$33 thousand (from 50 percent to 250 percent of the FPL), moving the family above the federal poverty line, loses \$22 thousand in benefits and the household is left with only \$11 thousand in financial gains. This occurs to different degrees for all household scenarios examined.

In New Mexico, income-supports lower poverty by 4 percentage points or 24 percent, more so than for other states. New Mexico has higher benefit levels than the national average, which lowers the effective poverty rate when these benefits are considered. According to Census data, New Mexico's unadjusted average three-year poverty rate was 16.1 percent in 2020, the second highest in the country. xii However, when adjusted for benefits provided by federal programs over the last year, the state had a poverty rate of 12.2 percent, tied for the eighth highest in the country. These rates are determined by the supplemental poverty measure (SPM), created in 2011 to account for the impacts of various federal income support programs, including Social

Chart 5. Total Wages Plus Benefits Stagnate between 50 Percent and 200 Percent of the FPL

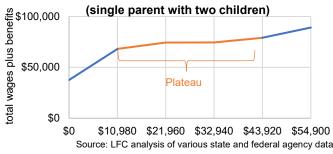
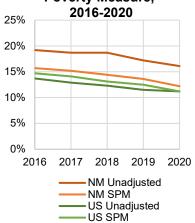


Chart 6. Three-Year
Average Poverty Rates
Unadjusted and Using
the Supplemental
Poverty Measure,



Source: Census Bureau

Security, tax credits, SNAP, and TANF, among others, on poverty and wealth distribution. The measure also considers cost of living variations. In 2020, New Mexico, like 30 states, had a SPM that was lower than the unadjusted three-year average poverty rate (see Appendix L). The SPM moves New Mexico closer to the poverty rates of its neighbors, with a lower rate than Texas

Winding down benefit expansions from the Covid-19 pandemic may be a bigger administrative challenge than the pandemic itself.

The federal government expanded services for programs to help families meet their needs during the pandemic. Some programs, such as extended unemployment insurance, will or have disappeared, while others may last for years. Others will reduce benefit amounts to prepandemic levels, which may create challenges for some families who were receiving extra benefits. HSD summarized the programmatic changes it had made to income supports as well as its expected timeframe to rewind some of these benefits during a July 2021 Legislative Health and Human Services Committee hearing. It is important to note the timeframes may change based on the course of the pandemic.

2020 2021 <u>Q3</u> Q3 JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC ALL MEDICAID EXPEDITE W/ POSTPONED INTERVIEW ABAWD WAIVER COLLEGE STUDENT EXPANSION GENERAL WORK PROGRAM SUSPENSION PHONE INTERVIEW FOR QC REVIEWS QC REVIEWS DUE DATE EXTENSION OC SAMPLE EXEMPTION WAIVE INITITAL INTERVIEW SNAP EXTEND RECERT REMOVAL OF ASSESTS FOR ELIGIBILITY CASH RCA/RMA ELIGIBILITY EXPANSION WAGE SUBSIDY FLEXIBILITY NMW PROCESS TANF NMW NON-COMPLIANCE MORATORIUM 60-MONTH RECEIPT OF CASH ASSISTANCE

Figure 6. Timeline of Expected Changes to HSD Programs as of July 2021

Source: Adapted from HSD LHHS July 2021 Presentation

Some programs have or will roll back benefits, while others may continue. Childcare assistance, payments to childcare centers for qualifying children that reduce the cost for the qualifying families, resumed collecting copayments from families making over 200 percent of the FPL. Copayments for some families at the high end of eligibility, can be up to \$904/month for a family of four with one child in care. New unemployment insurance programs ended in early September 2021. The termination of these unemployment programs will likely be significant for many families because New Mexico was tied for the fourth highest unemployment rate in August 2021 at 7.2 percent, triggering extended benefits for only about 4,300 of the roughly 75 thousand who may have lost benefits when federal programs ended.

The state also created new housing assistance and rental assistance programs during the pandemic; however, these programs will end by 2024, if not earlier. The largest of these programs, the Emergency Rental Assistance Program administered by the Department of Finance and Administration, had until September 30, 2021 to encumber 65 percent of the initial \$160 million, or \$104 million. According to the Department of Finance and Administration, the state met this obligation using \$55 million on awards and \$16 million on housing stability services.

Medicaid will begin redetermining eligibility when the public health emergency ends; however, new subsidies on the health insurance exchange can help the transition. According to HSD, the department will begin pre-termination activities as soon as they are given notice that the public health emergency declaration will not be renewed. The state is working on the required waiver and emergency state plan terminations.

Beginning in 2022, the state will decrease health insurance costs for most New Mexicans using the health insurance exchange by reducing premiums. In August 2021, the Office of Superintendent of Insurance announced it plans to reduce insurance premiums for any low- and moderate-income individuals who receive insurance through the health insurance exchange. The reduction will be funded through federal American Rescue Plan Act monies; however, it will be funded in the future using the health insurance affordability fund established during the 2021 legislative session. These subsidized premiums will likely lessen the burden for families who no longer qualify for Medicaid but may not be as needed for families at all income levels who decide to use the health insurance exchange.

Table 9. Expected Significant Decreases in Insurance Premiums for Different Family Types and Income Levels

	Salary	2021 Premium	2022 Premium	% Decrease in Premiums
Single 30 year old	\$22,540	\$93	\$0	100%
Family of 3	\$53,000	\$99	\$0	100%
Elderly Couple	\$90,000	\$1,330	\$311	77%

Note: example is for the gold tiers; other tiers have different premiums.

Source: Office of the Superintendent of Insurance

Limited Uptake and Cliff Effects Blunt the Impact of Programs and Could Disincentivize Increased Employment

Both limited uptake of services and fear of a cliff effect can lead to programs not being fully used or to unintended consequences with income support. Program uptake can vary by ethnicity and circumstance. Program structure can disincentivize work through either excessive benefits or reduction of benefits as recipient wages increase.

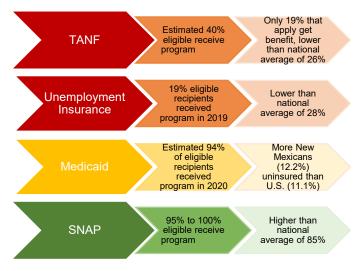
The state generally has a large number of individuals not receiving benefits due to limited uptake and cliff effects. Limited uptake is caused by those with low incomes being unable to enroll in part due to enrollment barriers, while cliff effects are caused by families making more income no longer being eligible for some benefits. Given this, New Mexico may want to prioritize targeting enrollment to those eligible but not currently enrolled.

Limited uptake of income support programs mean some families who need services do not enroll, with disparities by ethnicity in some circumstances.

New Mexicans receive some government benefits at lower rates than the rest of the nation. Differences in uptake across programs and gaps in enrollment for those who are eligible but not receiving services could indicate potential

programmatic barriers to enrollment, although there can also be personal and environmental barriers as well.

Figure 7. New Mexico has Lower Uptake for Some Income Support Programs than the Nation



Note: Uninsured rates are for the non-elderly population. SNAP data from 2017 (NM) and 2016 (US). Some may be ineligible for TANF due to program time limits. TANF application data is from January through September calendar year 2020. Acceptance rate may be low if large number of ineligible people apply for benefits. Source: LFC analysis of TANF, TRD, DOL, HSD, HHS, ASPE, and FNS data

For some programs, a smaller share of New Mexicans receive benefits than nationwide. New Mexico experiences gaps in enrollment for Medicaid, with an estimated 57 thousand individuals without insurance likely eligible for Medicaid services prior to the pandemic (an estimated 27 percent of those uninsured). xiii New Mexico also has a slightly higher uninsured rate than other states, with 12.2 percent of the non-elderly population uninsured, the 15th highest rate in the country. xiv Additionally, in New Mexico, the TANF program only has an estimated 40 percent of those eligible for the service enrolled. New Mexico has a lower-than-average acceptance rate for TANF applications, with only 19 percent of received TANF applications accepted compared with 26 percent nationally.² New Mexico also had a lower share of eligible unemployed who receive benefits (known as the recipiency rate) at an average of 6 percent below the national average since

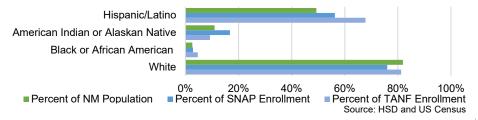
²When examining state versus federal data, state data has NM acceptance rate slightly higher, however federal numbers are used to allow for comparisons with other states.

2014. An exception to low enrollment, however, is seen among SNAP recipients, where New Mexico's SNAP recipiency is higher than the national average, at between 95 and 100 percent of the eligible population compared with 85 percent in the United States.^{xv}

Use of income support programs varies by race and ethnicity, as well as by program. Data from the U.S. Census Bureauxvi and HSDxvii suggests enrollment in income support programs varies by race and ethnicity, to be expected given differences in poverty rates for different populations. Native Americans experience poverty at three times the rate of whites in New Mexico, so over-enrollment based on proportion of the population in income support programs should be expected. However, Native Americans—roughly 11 percent of New Mexico's population— are underrepresented in TANF (9 percent) but overrepresented in SNAP (about 17 percent). Hispanics, on the other hand, experience poverty at almost twice the rate as non-Hispanic whites in New Mexico and are understandably overrepresented in both SNAP (56 percent) and TANF (68 percent) programs. Therefore, the underrepresentation of Native Americans in TANF suggests they may not be enrolling in services for which they are eligible, or could be using tribal services. In addition to income support programs, 86 percent of those eligible for Medicaid but not enrolled are non-white. Because the vast majority of eligible individuals not enrolled in Medicaid are Hispanic or Native American, the state may need to examine how to ensure access and outreach to these groups (some Native Americans may use Indian Health Services as their primary coverage source).

Chart 9. Comparison of New Mexico General Population and Income Support Enrollment Demographics,

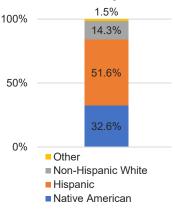
Adults and Children



Enrollment barriers can be largely attributed to misunderstanding of eligibility and being too busy to apply.

A survey commissioned by the Department of Finance and Administration produced by BPS Research shows that misunderstanding program eligibility (such as believing assistance is only for those that cannot work) and being too busy to apply were the main reasons cited for not applying for program benefits. These reasons represent substantial barriers to access for some families. Administrative burdens also present barriers, including learning costs (the time and energy to learn about and seek out programs), compliance costs (filling out paperwork and meeting eligibility requirements), and psychological costs (stress or stigma), which may lead some eligible families to avoid seeking help from government programs.

Chart 8. Percent Eligible for Medicaid but not Enrolled, by Ethnicity



Source: Urban Institute Medicaid

One reason for lower enrollment by Native Americans may be related to a finding that 23 percent of Native American respondents believed they are not eligible for the same assistance as other New Mexicans.

Source: BPS Research

Chart 10. Prevalence of Other Enrollment Barriers in New Mexico

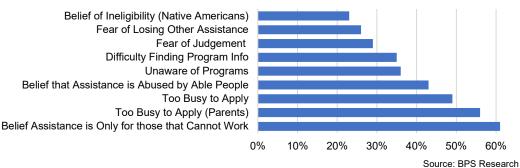
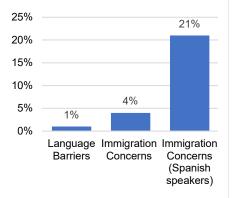


Chart 11. Prevelance of Language and Immigration Related Enrollment Barriers, New Mexico



Source: BPS Research

Potentially burdensome welfare policies in New Mexico under the TANF program may have resulted in 1,974 families receiving a reduction or halt in benefits for failure to comply with complicated child support requirements in August 2021.

Source: ProPublica

Learning costs refer to the time and energy required to learn about and seek out programs, which is evident in New Mexico. For example:

- 36 percent of survey respondents did not know about a certain program until taking the survey.
- 35 percent of survey respondents had difficulty finding a program after hearing about it.
- 23 percent of Native American respondents believed they were not eligible for the same assistance as other New Mexicans.

Compliance costs refer to the efforts required to fill out paperwork and meet eligibility requirements, also prevalent in New Mexico. For example:

- Although 1 percent of respondents explicitly reported language access barriers, roughly 7 percent preferred using Spanish language applications, which more than doubles (15 percent) among Hispanic New Mexicans.
- Twenty percent of non-English speaking immigrants had no experience with computers, compared with 5 percent of English speakers. xix
- Time-related barriers, such as being too busy to apply, are worse for parents, poor individuals, African American families, and those with physical or mental health disabilities. xx
- 1,974 families in New Mexico experienced a reduction or halt in TANF benefits in August 2021 for failure to comply with complicated federally mandated child support requirements^{xxi} that asked for information about their child's father, the date of conception, and other personal information.
- Nationally, programs with work participation requirements (which are typically federal requirements) or complex rules and eligibility requirements can discourage families from applying. xxiii

Psychological costs refer to the stress, stigma, and fear associated with receiving or applying for benefits. New Mexicans experience psychological barriers, such as:

- 26 percent of respondents fear that accepting assistance would jeopardize other benefits they receive, increasing to 34 percent for those over age 60.
- 61 percent of respondents agreed with the statement that government assistance is only for those who cannot work or live on their own.
- 29 percent agreed they would not like it if friends or family knew they were on assistance, and that sentiment is particularly prevalent among the college educated and 30-to-39-year-old population.

• 20 percent of Spanish language respondents indicated a fear of complicating their or their family member's immigration status by applying for assistance, compared with only 4 percent of all surveyed.

Lawsuits and civil rights complaints reflect existing barriers to enrollment. Examples of such complaints are reflected in legal challenges at HSD and the Workforce Solutions Department (WSD). In *Hatten Gonzales*, a class action lawsuit first brought against HSD in 1988, the court found HSD violated a number of federal laws in determining eligibility for both SNAP and Medicaid access including not providing immediate emergency benefits or a timely decision on applications. While HSD has implemented a number of corrective action plans to improve access and remove barriers to program enrollment, it continues to be under a consent decree, which started in 1990. HSD continues to make progress on addressing compliance with the consent decree.³

In addition, as noted in a May 2021 Policy Spotlight, WSD settled a civil rights complaint with the Department of Labor in January 2021 that claimed there were significant barriers for limited English proficient speakers and disabled or elderly individuals applying for unemployment insurance, resulting in discrimination that was exacerbated during the pandemic. The deadline for the department to meet the conditions of the settlement is through April 2022.

Benefit structures and cliff effects may contribute to barriers and disincentivize families from increasing their wages or saving for the future.

Benefit structures refer to how programs are set up, such as who is eligible, the amounts and length of the supports provided, or the processes individuals and families must undergo to receive benefits. Benefit structures can sometimes have unintended consequences, resulting in barriers for some and potentially creating disincentives to work or save money.

Cliff effects occur when a household loses benefits because of increased income. However, the value of the increased income may not outweigh the loss in benefits, which can create work disincentives. Similar eligibility limits among programs create a larger cliff effect. For instance, a recent HSD presentation noted the worst cliffs for New Mexicans are felt after losing eligibility for Medicaid and SNAP because these programs have relatively close eligibility limits (SNAP at 130 percent of the FPL and Medicaid at 138 percent of the FPL). Therefore, a person may lose both supports

Since unemployment insurance benefits are an entitlement, states must ensure access regardless of disability, limited English proficiency status, age, race or membership in other protected groups. In September 2020, WSD began updating the unemployment insurance tax & claims system to be fully available in Spanish. The WSD website can now be translated into Spanish and Vietnamese.

Table 10. Income at Cut Off for SNAP and Medicaid

	Number of People Per Household				
% FPL	1	2	3	4	
130%, SNAP					
cut off	\$16,754	\$22,651	\$28,548	\$34,460	
138%, Medicaid cut off	\$17,784	\$24,048	\$30,312	\$36,576	

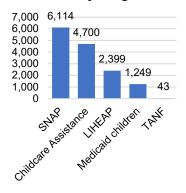
Note: For applicants under broad based categorical eligibility, SNAP income eligibility limit can be up to 165 percent of the FPL. Source: ACF

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³ For more information on the Hatten Gonzales lawsuit see the 2016 LFC brief found here: https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Special%20Review%20of%20the%20Financial%20Impact%20of%20Hatten-Gonzales%20Lawsuit.pdf

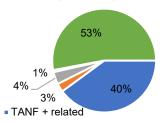
Chart 12. Estimated Number of Individuals on Eligibility Cliffs Differ by Program



Note: For SNAP, TANF, LIHEAP, and Medicaid Children, analysis conducted by HSD examining number of individuals dropping off programs due to increasing minimum wage (from \$9/hour to \$12/hour).: childcare assistance was calculated by LFC as those at or above eligibility in 2019.

Source: HSD, LFC analysis of HSD CMS data and ECECD data

Chart 13. Average **Medicaid Disenrollment** Per Quarter by Population, 2019 (N=12,903)

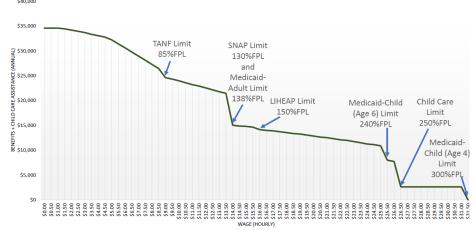


- Disabled
- Disabled Dual
- Home and community based (Medicaid only +Dual)
 Expansion (19-64 yo)

Note: Disenrollment occurs mainly due to income ineligibility, move out of state, or death; Dual are eligible for Medicaid and Medicare. includes children, pregnant and other eligible groups. Data does not include population.

Source: HSD CMS Section 1115 quarterly reports through a relatively small increase in income, which can disincentivize efforts to increase wages.

Figure 8. Income Support Benefits Decrease as Wages Increase (for single parent with children ages 4 and 6)



Note: The income eligibility limit for childcare assistance increased to 350 percent of the FPL in Summer 2021.

Source: HSD

Cliff effects may impact a relatively small proportion of program participants on the cusp of program eligibility. In 2019, HSD simulated how many families would become ineligible for benefit programs after an increase to the minimum wage or their salary; in 2023, when the state minimum wage is set to increase to \$12 per hour, between 1.5 percent and 18.4 percent of program recipients would be over the eligibility limit (between 43 and 6,000 people). Similarly, LFC analysis examining Childcare Assistance and Medicaid found relatively few families on eligibility cliffs. For families exiting Childcare Assistance between FY16-FY19, 10 percent (4,765 families; includes all families receiving childcare assistance with incomes above 150 percent of the FPL) were close to or over the eligibility limit at that time (200 percent of the FPL). For Medicaid, disenrollment generally occurs due to income ineligibility, with an average of 1.8 percent of recipients (or 12,903 thousand) disenrolled per quarter in 2019, likely due to increased income (other reasons for disenrollment include moving to another state or death). Further, because states were required to halt disenrollment during the Covid-19 pandemic, a larger number of recipients are likely to be disenrolled when the practice resumes, which may exacerbate cliff effects for some groups.

Definition of the Cusp of Eligibility

The cusp of eligibility was defined for HSD programs, as those individuals who would no longer be eligible for income support programs from HSD due to the increase in minimum wage to \$12/hour in 2023. For childcare assistance, it was defined as those families exiting the program between FY16-FY19 whose incomes were at or above 150 percent of the FPL.

Benefit structures may disincentivize families from increasing their wages or saving for the future. For example, a Vermont legislative committee report stated increasing the minimum wage without adjusting income eligibility limits results in families either choosing to work fewer hours or losing out on childcare, SNAP, and earned income tax credit benefits. *xxiv* Cliff effects also contribute to high marginal benefit rates — the reduction in benefits for every additional dollar earned in income—which may disincentivize work. Marginal benefit rates are highest (51 percent to 43 percent) for families with children from 100 percent to 200 percent of the FPL. *xxv*

Some income support programs also have asset limits (or a cap on how much savings beneficiaries can have) between \$2,000 and \$3,500, limiting the amount families can save for emergencies or use to purchase new assets. Limited savings can increase financial instability, increasing the likelihood families may quickly re-enroll in programs once they leave. During the pandemic, SNAP recipients have been receiving the maximum reimbursement regardless of income, which can create cliffs, rather than the step-down system normally in place under which benefits decrease as income increases. When the expansion expires, many families will see a significant drop in SNAP benefits. However, in August 2021, the federal government announced benefit increases—more than 25 percent from pre-pandemic levels—due to changes in the federal food cost estimates, likely lessening the overall benefit reduction for many families.

Best practices to address disincentives and benefit cliffs include one-stop shops, increased asset limits, or income disregards.

Different solutions to program uptake barriers have been implemented in other states. New Mexico has not implemented some of these, even though at least one was a recommendation from a previous 2019 LFC report regarding Early Childhood Programs at the Department of Health. In addition, the National Conference of State Legislatures (NCSL) provides best practices to reduce cliff effects, including implementing individual development accounts or lowering or eliminating asset limits to allow families to save, aligning rules across programs to streamline application processes, and creating income disregards for certain populations on the cusp of eligibility (more information about each solution is in Appendix M). Some of these best practice strategies would need to be enacted through changes in state law or federal law or regulation, given that agencies may have limited ability to unilaterally change some of these practices.

To improve access to services, New Mexico can quickly meet the terms of settlements and consent decrees, continue to provide community-based initiatives, and better coordinate where services are provided. Meeting these state obligations will likely increase the uptake rate of these programs by eliminating barriers for some groups. In early September 2021, a new decision in the *Hatten Gonzales* lawsuit found HSD had systemic issues regarding eligibility-related outcomes that impacted the client. There were a number of specific actions HSD is required to take within the next few months, which HSD states they have completed. These included: within 30 days HSD

As noted in a May 2021 LFC Policy Spotlight on Unemployment Insurance, many unemployment insurance recipients received more on unemployment during the pandemic (an extra \$600/week for the first six months) than when working. This led New Mexico to have the third highest replacement rate in the country (162 percent). The National Bureau of Economic Research reported that replacement rates above 100 percent can create work disincentives. Furthermore, during the winding down of benefits, this posed a potentially large cliff for some families.

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In Michigan, an effort to redesign program income support applications (called Project Re:form) successfully decreased the number of words in the application by 80 percent, cutting down the number of pages by half (from 42 to 21 pages). Simplifying the language used and decreasing the length of the application resulted in a decrease in the average length of time needed to fill out the application—from 40 minutes to 16 minutes—and an increase in the percentage of completed applications—from 72 percent to 94 percent.

Source: The Atlantic

should submit a target remediation or refresher training plan to the court's special master and collaborate with the special master to develop opportunities to allow eligibility staff to be more accurate in the data entries with the eligibility system; within 45 days from the order, the parties will file a corrective action plan; and within 60 days HSD should correct errors related to Medicaid Covid-19 recertification extension processing.

New Mexico has community-based initiatives, such as Anna Age Eight, to increase knowledge of and access to programs. Currently, seven counties have completed a needs assessment and are working toward improving service access.

One-stop shops—a practice shown to be effective in other states—provide all or most of the services a low-income family may use in one location, which may ease application burden. They can be virtual or in person. For instance, California, New York, Connecticut, Ohio and Texas established work advancement and support centers using their One-Stop Career Centers to provide both workforce development, training, and access to benefits. XXVI A 2019 LFC evaluation on the Department of Health's early childhood programs highlighted an example in which a local public health office integrated Special Supplemental Nutrition for Women, Infants, and Children service delivery into their Medicaid targeted case management program.

Administrative burden can be reduced by redesigning program applications and income alignments. Simplifying application processes could help reduce barriers to entry and increase program uptake, as was done in Michigan. In addition, barriers related to knowledge of programs and ideological concerns can be mitigated through improved outreach and education for those most in need of assistance.

To reduce cliff effects and saving disincentives, NCSL suggests various **best practices.** The first of these best practices is to help recipients increase savings through individual development accounts (IDAs) and higher asset limits. An IDA is a form of special bank account where money saved by the earner is matched with state TANF funds to help individuals reach their goals sooner. Evaluations of federally funded IDA's xxvii show low-income families with an IDA saw a 25 percent reduction in hardships (29 percent for medical hardships) and were 41 percent less likely to be unable to go to the doctor or afford medication.xxviii Additionally, asset limits can be standardized or increased to prevent savings disincentives and can mitigate recipients leaving and re-enrolling in income supports by preventing cliff effects because families can plan for the eventuality of getting off income supports. Currently, 18 states increased their asset limits and eight states have no asset limit whatsoever. xxix New Mexico has no asset limits for SNAP but a \$3,500 asset limit for TANF, higher than many states but still relatively low, which may make families less likely to enroll and less likely to save while enrolled.

Secondly, income disregards can help move cliff effects by expanding eligibility to those on a cliff, allowing working recipients to continue receiving benefits when their income increases past the FPL by a certain allowable percent. For example, New Mexico's, Medicaid policy offers a 5 percent income disregard, so individuals with incomes within 5 percent of the cutoff remain eligible for Medicaid. SNAP offers a 20 percent, federally required income disregard.

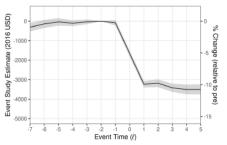
Finally, aligning rules across programs can streamline application processes and eligibility determinations, improving uptake. For instance, if individuals can submit applications for multiple programs at once, the application complexity and burden of time is greatly reduced. If programs also implement broad-based categorical eligibility, as is partially done in New Mexico, then individuals can qualify for several programs through one single form. Aligning program rules and eligibility limits could alleviate the administrative burden and could help uptake of programs among those who are eligible but have not applied, as well as those enrolled in only one program but eligible for several.

Table 11. Key Characteristics of Universal Basic Income Versus a Guaranteed Income

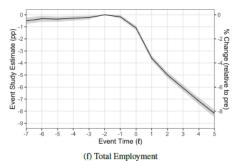
a Guaranteed income				
Universal Basic	Guaranteed			
Income	Income			
Universally provided with no income targeting	Income targeted – provided to those in economic precarity or with higher need			
Frequently envisioned as sufficient to cover basic needs but amount can vary	Pilots have provided insufficient 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	Method should			
may increase or	decrease			
decrease inequality	inequality			

Source: Adapted from the Economic Security
Project

Figure 9. Unearned Income Through Lottery Winnings Decreases Labor Earnings and Employment



(b) Per-Adult Wage Earnings



Source: NBER, 2021

A Guaranteed Income can Improve Some Social and Economic Outcomes but may Have Unintended Negative Consequences

In the last year, the concepts of guaranteed and basic income have become more popular, with a number of cities and states across the United States eager to pilot these initiatives. Guaranteed income provides regular monthly payments to a targeted group of families for a sustained period of time, usually one to two years. Guaranteed income may be preferred to a universal basic income (UBI); under an idealized UBI, benefit levels for low-income families would decrease, with low-income families receiving half as much support because all other forms of income support would be eliminated in lieu of these poverty-level payments. On the other hand, guaranteed income plans, which ensure a family receives at least some specific payment amount, can account for the family's income, reduce poverty, and provide a larger share of benefits to low-income families than a UBI or the current system.

While this type of income support is alluring, because it lessens programmatic burden and allows for families to have increased financial autonomy, research is just beginning to determine the impacts of these programs on the labor market or what population may benefit the most from regular cash payments. Research on other types of cash payments show negative impacts on labor; however, guaranteed income also seems to have a positive impact on health and social factors. In fall 2021, Santa Fe began a pilot examining the impact of guaranteed income on students, and Las Cruces is determining whether they will also pilot a guaranteed income program.

Cash payments and guaranteed income show promising social and educational impacts as well as some potentially concerning labor market and earning impacts.

While research to date on guaranteed income is limited, other types of cash payments may provide information regarding impact. Collectively, while guaranteed and unexpected cash receipt positively impact a number of social and educational factors the impact of guaranteed income cash payments on the labor market and earnings is uncertain.

Both guaranteed income and other unearned income have the potential for decreased labor market participation and earnings but lead to increased consumption. Research shows increased income through lottery winnings or receipt of a guaranteed income generally leads to increased consumption. Research on outcomes for UBI and guaranteed income in the U.S. are somewhat scarce, therefore research institutions such as the National Bureau of Economic Research (NBER) have also examined lottery winnings as a proxy. Specifically, NBER found those who win the lottery increased consumption by an average of 60 cents for every additional dollar of unearned income.xxx Furthermore, a lower income winner is more likely to increase their consumption more than a middle or high income winner, with an increase of 73 percent. Studies looking at guaranteed income find similar results. Similarly, research from a different NBER report point out that

consumption increases in the months around when Alaskans receive an annual permanent fund dividend payment. xxxi

For lottery winners, while consumption increases with receipt of unearned income, labor market participation and earnings can decrease. On average, an extra dollar of unearned income decreases labor earnings by 50 cents and reduces labor taxes by 10 cents. However, for low-income households, every dollar of unearned income reduced earnings by only 30 cents. NBER also showed increased unearned income led to a decrease in employment, particularly for lower income households. Notably, lottery winners may react to the receipt of cash payments differently than those receiving guaranteed income payments due to the mindset that winning the lottery means you do not need to work. The researchers determined a UBI would lead to a decrease in worker earnings and that, to pay for the UBI, taxes would increase. Due to these competing forces, the UBI could crowd out earnings.

When looking at guaranteed income programs rather than lottery winnings, a review found the majority of research highlights slight negative impacts on labor market participation, but some also find an increase in part-time work, potentially due to unconditional cash transfers allowing for more time at home or earlier retirement. Potentially reinforcing this research, the Stockton guaranteed income pilot, which ended in February, found positive impacts on employment; however, this study used survey data to determine employment impact, and the results may reflect participant feelings rather than actual labor market participation. *xxxii*

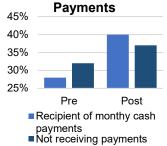
Guaranteed income likely leads to improved social, health, and educational outcomes for recipients and their families. For recipients, research on the negative income tax in the 1970s shows families who received these payments had lower fertility rates and babies with higher birth weights. Beyond health factors, individuals receiving these payments had lower self-reported criminal activity. Children in households that received these payments had improved school attendance, grades, and test scores compared with children whose families did not receive payments. Another guaranteed income study found an extra \$4,000/year for the poorest families led to an additional year of educational attainment for students by age 21. Additionally, in the Stockton pilot, which provided \$500 a month for two years, they found improved emotional health for those who received the cash payments.

Numerous guaranteed income pilots at the city level and the advance child tax credit may provide needed information on the outcomes of a guaranteed income.

Multiple planned and ongoing studies can help inform New Mexico as to whether a guaranteed income would be beneficial and who should be targeted by the program. However, the state will need to be mindful of the cost of these projects.

Federal stimulus payments are correlated with improvements in food security, mental health, savings, and poverty. **xxxiii, xxxxiv** According to the University of Michigan, after the second and third stimulus payments (sent in

Chart 14. Rate of Full-Time Employment Increased More for the Group Receiving Monthly Cash



Source: Stockton SEED report 2021

Currently, most guaranteed income pilots attempt to ensure participants remain eligible for income support services.

Receipt of a guaranteed income pilot can impact whether a household continues to receive federal income support benefits. Pilots have tried to protect participants' benefits:

- Illinois passed legislation to exempt income from a pilot basic income program up to 60 months as long as the program is evaluated and the plan was developed prior to participant enrollment.
- Stockton, California, provided potential participants with a summary of how benefits may be affected. Stockton also worked with administrators to determine how to minimize negative impacts on benefit receipt. For instance, with Medicaid, these payments were classified as a gift that would not be included as income for the program.

Source: Illinois SB1735, Castro Baker et al.

December 2020 and March 2021), food insufficiency fell by over 40 percent nationally. Rates of food insecurity for households with children went from 18.3 percent in December 2020 to 10.7 percent in April 2021 and from 35.3 percent to 21.6 percent in households making less than \$25 thousand. In New Mexico, food insecurity overall fell by 48 percent (see Appendix N). According to this report, the inability to pay household expenses and measures of anxiety and depression also improved in the months after receiving the stimulus checks. Other factors may also play a role in financial hardship and mental health over this period, such as a reduction of restrictions or increased distribution of vaccines.

Starting July 2021, families with children began receiving cash payments from the federal government, essentially creating a guaranteed income projected to lower poverty and help over 95 percent of families nationally and in New Mexico. As part of the American Rescue Plan Act (ARPA), the child tax credit was expanded, and half of the credit is provided in advanced monthly payments to families. These monthly payments are \$300 for children under age 6 and \$250 for children age 6 to 17. Research studies project these changes to the child tax credit alone can reduce poverty, particularly for Hispanic and Black Americans. xxxv, xxxvi The Urban Institute published poverty projections in March 2021 that found the child tax credit alone would reduce overall child poverty by 2.4 percent, reduce the rate of poverty for Hispanics by 2.1 percent, and reduce the poverty rate for African Americans by 1.6 percent. Furthermore, according to the Institute on Tax and Economic Policy, 99 percent of New Mexico families will be helped by the new child tax credit policy, with all adults and children in the bottom 95 percent of income brackets helped by the policy. The longer-term effects of the child tax credit are not known.

The University of Chicago found if the child tax credit remains fully refundable and available to families regardless of income, as proposed by the American Families Plan, it may result in 1.5 million workers (or 2.6 percent of working parents) exiting the labor force. This reduction is likely due to the removal of work incentives present in the previous version of the child tax credit. When the reduction in the labor market is considered, poverty is

Table 12. Expected New Mexico Impact of ARPA Making Child Tax Credit Fully Refundable and Increasing to \$3,000/\$3,600 in 2021

Adults Helped Children Helped Average Share with Income **Income Range** Income Benefit % of Total % of Total Group Poorest 20% Less than \$19,400 \$14,800 100.0% 66,500 100% 89,900 100% 79,200 Second 20% \$19,400 \$36,100 \$28,400 100.0% 100% 88,100 100% to Middle 20% \$36,100 \$55,800 \$45,900 100.0% 106,700 100% 135,300 100% Fourth 20% \$55,800 \$97,200 \$76,300 100.0% 94,900 100% 102,100 100% **Next 15%** \$191,900 \$130,800 100.0% 89,300 100% 89,800 100% \$97,200 Next 4% \$191,900 \$433,000 \$264,900 97.4% 25,600 99% 22,400 97% to Richest 1% \$433,000 or more \$1,080,700 41.0% 3,500 42% 4,200 56% ALL \$76,200 99.1% 486,900 99% 560,700 99%

Source: Institute on Tax and Economic Policy

projected to reduce by 22 percent instead of 34 percent and the poverty rate would not change for the poorest children.

The state uses its tax structure

to provide money to low-income families. In 2019, three of the top

10 tax expenditures went to low-

income families. Totaling \$436.2

million, these included the Food

GRT deduction, the prescription drugs GRT deduction, and the

working families tax credit (the

state's earned income tax credit).

However, none of these are

provided in advance as the federal

government is doing with the 2021 child tax credit and not all are

refundable.

Some states are piloting guaranteed income projects to help residents recover from the pandemic and improve the economic outlook for families.**

Exercise In California, there are multiple basic income proposals: one that would spend \$35 million in funding for local basic income pilots partially funded locally and another from Los Angeles County that would provide \$1,000/month to "alleviate economic instability" due to the pandemic. The county is planning to spend \$36 million. Similarly, Chicago will provide 5,000 low-income residents earning less than 300 percent of the FPL with \$500/month for one year. These individuals will also have to show loss of a job or childcare or other financial hardship caused by the pandemic. This program will cost approximately \$30 million in ARPA funding.

Other states and cities are piloting or continuing guaranteed income programs (see Appendix O). These pilots generally target low-income individuals or low-income households with children; however, some target youth and one targets elderly households, which can inform New Mexico, and the country, on which populations may benefit the most from a guaranteed income. In the United States, at least 31 guaranteed income pilots have occurred, are ongoing, or are forthcoming. xxxix When these pilots are completed, it will be easier to determine what population is best served by a guaranteed income.

In New Mexico, one guaranteed basic income pilot just started and another may be funded. Santa Fe, in partnership with Santa Fe Community College (SFCC), Majors for Guaranteed Income, and researchers at the University of Pennsylvania began providing \$400 a month to 100 low-income students with children for one year. To be eligible for the program, students had to have enrolled in at least one class at SFCC prior to fall 2021. The researchers will use surveys to assess the impact of the pilot on student's educational, health, and social outcomes. However, there will not be a control group against which to assess any changes. Therefore, without a control group, it will be difficult to know whether the guaranteed income directly caused any improvements. In Las Cruces, the city will award \$2.8 million in American Rescue Plan Act funds to economic development and community projects, spending a minimum of \$250 thousand and a maximum of \$2 million per project, with some discussion of potentially funding a guaranteed income pilot.

The state could examine a guaranteed income to meet the gap between benefits and cost of living for childless adults. LFC analysis found single and married childless adults may not receive enough benefits to meet basic costs of living. Those earning less than 250 percent of the FPL were not at a livable wage when considering both benefits and wages. Based on census data, there are at least an estimated 79 thousand New Mexican households that fall into this category (the number includes college students of which in 2020, there were approximately 69 thousand in 4-year colleges in New Mexico). If the state provided \$350/month to these households, it may help close this gap.

Creating a more targeted guaranteed income program for a specific subset most likely to need these funds and most likely to be helped by them would be ideal. If the many pilots planned or underway demonstrate these populations benefit the most from a guaranteed income, New Mexico may want to consider funding a guaranteed income for that population.

Table 13. Guaranteed Income Pilots Target Different At-Risk Groups

Target Population	Number of Studies
Low-income	13
Low-income	
Families with	
Children	10
Specific	
Location	3
Other	5

Note: Other includes studies targeting youth, elderly and homeless populations, see Appendix O for more detail.

Source: Stanford Basic Income Lab

Table 14. Estimated
Childless Adults with Wages
at or Below 200 Percent of
the Federal Poverty Level
and Median Gap

Estimated		
Household		79,248
Monthly	Amount	
Provided		\$350

Note: monthly amount determined through calculating the median gap between a livable wage and estimated total financial receipt including benefits and wages. The number of households may be underestimated because average household size was used in this analysis and childless households likely have a smaller average number of individuals per household.

Source: LFC analysis using Census and other federal and state agency data

New Mexico Often Does not Track Outcomes or set Goals for Income Support Programs

New Mexico collects a number of performance metrics regarding its income support programs; however, these data generally do not provide information on outcomes for families either enrolled in or exiting from different types of income supports. National research has shown income support programs and federal stimulus payments are able to improve health and financial outcomes; however, because each state can implement programs differently, New Mexico should ensure it is getting the expected benefits from its implementation of these programs so it can best prioritize funding and program support.

Improved outcome monitoring of state programs is needed to assess program impact.

Table 15. Key Income Support Programs Generally do not Measure Outcomes in New Mexico

	Included in AGA measures reported to the Legislature	Do AGA measures include outcomes	Does agency include action plan to improve measures
TANF	Yes	Yes	Yes
SNAP	Yes	No	Yes
WIC	No	No	No
Medicaid	Yes	Partially	Yes
Childcare			
Assistance	Yes	No	Yes

Note: See Appendix P for performance measure report cards on key support programs. Medicaid assesses healthcare utilization.
Source: LFC analysis of AGA reports

In the 2021 LFC Policy Spotlight on Unemployment Insurance, LFC staff highlighted the state should measure and report the average duration on unemployment insurance, as well as the rate of recipients exhausting benefits. These metrics would allow the state to better assess whether programs

are leading to expected benefits.

New Mexico collects a number of performance metrics on income support programs, such as TANF, SNAP, WIC, Medicaid, and Childcare Assistance through the Accountability in Government Act. However, the information collected does not often include metrics tied to the goal or impact of these programs. Out of the programs mentioned above, only TANF has a metric tied to outcomes, examining the rate of TANF recipients who obtain a high school equivalency. (Medicaid examines utilization of healthcare but generally not health outcomes of recipients). Medicaid has a lack of quarterly reporting of performance data, and had declining performance in some outputs over the past year, mirroring national trends. Because these programs intend to improve a variety of outcomes, including food security and income, all these outcomes should be measured by the agency administering the program to ensure programs are run as intended and the state is getting the expected benefits.

Across most programs focused on income support, state performance measures only assess inputs and outputs, not outcomes, leading to a lack of knowledge about program impact. TANF is the only income support program that reports on an outcome measure by examining the percent of individuals who complete their high school equivalency (see Appendix P for performance measure report cards of key income support programs). While determining how many individuals on TANF achieve this goal, HSD may also need to examine data related to income, employment, and training to determine if those in the program will be able to succeed in getting a higher paying job soon. HSD could also measure other impediments for participants not being able to find work, such as a lack of training or transportation. Another program needing to increase its assessment of outcomes is Childcare Assistance, originally created to allow low-income parents to work. Currently, the Early Childhood Education and Care Department does not determine measures of income change or health outcomes, although the program has goals to improve these metrics examined in a 2019 LFC evaluation. For SNAP, only one performance measure is included, and it does not examine outcomes. WIC is not included in current DOH performance measures.

Other states measure employment outcomes for some income support programs. According to a 2018 Urban Institute report, eight states were assessing the employment outcomes of their TANF programs, while other states integrated SNAP employment and training programs with another federal training program. Colorado, Washington, and Utah have reporting mechanisms to determine program success. In Colorado and Washington, TANF programs are required to report monthly. Colorado collects information on employment entry, while Washington tracks employment and income after exiting TANF. Utah requires the state's TANF program to report directly to the Legislature regarding the percentage of TANF recipients with increased earnings, job retention, or increased wages and the percentage of TANF cases closed because of increased earnings or income. Because New Mexico currently has quarterly reporting requirements, the state could add outcome measures for TANF and other key income support programs, which would allow both agency staff and legislators to use evidence regarding funding.

Research shows benefits from many federal and state income support programs, but it is unclear if New Mexico is getting these same benefits.

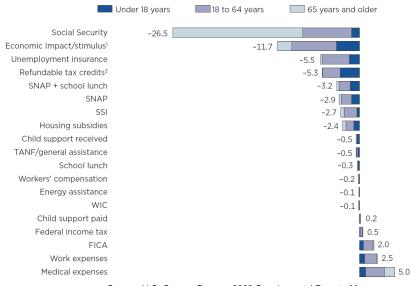
Nationally, in 2020, social security, economic stimulus payments, unemployment insurance had the largest effect on lowering poverty; however, this is through direct receipt of benefits, rather than by individuals receiving the benefits and then increasing their personal or household income through employment. Furthermore, in a typical year, tax credits, SNAP, and social security benefits generally have the largest impacts. In addition, the federal stimulus payments have been shown to positively impact a number of financial, health, and food security outcomes, although these effects may be temporary.

Whether New Mexico is getting all the expected benefits from implementation of federal income support programs is unclear. It would be helpful for the state to track these outcomes to ensure its current program structure is leading to

Many states, similar to New Mexico, collect data regarding employment of TANF recipients but do not use these data to determine program outcomes. A report by Chapin Hall recommends fostering agency data sharing and encouraging opportunities to use TANF wage data for analytical purposes.

Source: Chapin Hall

Figure 10. Nationally, Unemployment Insurance and Economic Stimulus are Among the Top Programs Keeping People out of Poverty, 2020 (in millions)



Source: U.S. Census Bureau, 2020 Supplemental Poverty Measure report

these expected outcomes. While state-specific information regarding what works is not always needed because program implementation varies for some of these programs, New Mexico should verify if its way of implementation leads to positive effects. However, programs such as Medicaid and SNAP that have limited state administration decisions are more likely to lead to positive outcomes.

Nationally, both SNAP and Medicaid positively impact health and financial outcomes. xli In 2019, 40 million Americans used SNAP. During periods of recession, SNAP enrollment rises to help meet hunger needs. According to a review of the program's benefits, SNAP participation reduces food insecurity by at least 30 percent. Beyond food insecurity, SNAP reduces the number of individuals in poverty and in 2016 increased the income of almost 2 million children to above the poverty line, more than any other program. SNAP participation is also correlated with improved health outcomes, including reducing the number of missed days of work due to illness, and children whose mothers were enrolled in SNAP during pregnancy have a lower likelihood of adult obesity, heart disease, and diabetes.

In a comprehensive literature review on the expansion of Medicaid, the Kaiser Family Foundation concluded Medicaid positively impacted a number of outcomes, although the impact was less clear on others. xlii Specifically, Medicaid expansion led to increased access to care, utilization of care, healthcare affordability, financial security, and self-reported health. It was less clear if or how Medicaid impacted the quality of care, positive health outcomes, or provider capacity.

Child-Focused Assistance Provides a Better Return

A 2020 analysis of government welfare policies shows income support and transfer programs focused on children and families have higher returns on investment than programs that only target low-income adults. The analysis examined 133 policies and found policies targeting low-income child health and education have the largest impacts. The current federal benefit structure prioritizes families with children for the most benefits, potentially due to these large impacts. Importantly, these large benefits are present for policies targeting children of all ages and diminishing returns were not found for varying age groups. Therefore, ensuring programs targeting children and families are done well and that all families have access to these programs is particularly important because these have the largest expected impact.

Source: Hendren and Sprung-Keyser, 2020 Quarterly Journal of Economics

New Mexico expanded tax credits in 2019 and 2021, with limited knowledge of the benefits of these changes. The working families tax credit (WFTC), the state's earned income tax credit, and the low-income comprehensive tax rebate (LICTR) were both expanded twice in the last few years along with the creation of a dependent deduction. These tax changes are expected to lead to \$170 million in increased tax expenditures. Nationally,

Table 16. Legislative Changes to Taxes Impacting Low-Income **Families**

(in millions) FY20 FY21 FY22 FY23 FY24 FY25 Increased WFTC from 10% (\$39) (\$41) (\$37) (\$39) (\$41)(\$41) to 17% (HB6, 2019) Increased WFTC to 25% add ITIN and under 25 (HB291, 2021) 0 0 (\$25)(\$23)(\$49)(\$49)Created dependent (\$26) (\$27)(\$28) (\$28)(\$28)deduction (HB6, 2019) (\$28)LICTR expansion 0 0 (\$50)(HB291, 2021) Total

Note: The dependent deduction is not exclusive to low-income families.

Source: LFC files

having a state earned income tax credit above 10 percent has been shown to lead to improved outcomes for families, including reduced low birth rate and increased employment, not just for parents, but also for children in the future. It also leads to higher wages and earnings. xliii, xliv, xlv However, it is unknown if this benefit continues to increase as the credit increases or how it has impacted New Mexicans. In 2019, New Mexico increased the WFTC to 17 percent, and then further expanded it to

25 percent in 2021. New Mexico is spending an expected \$90 million in FY25 on this expanded credit.

Beyond the WFTC, LICTR was also expanded both in who can claim the credit and the maximum rebate available. These changes may lead to a less regressive tax structure; however, it is unknown if families and individuals receive other benefits. As the state is forgoing tax revenue to expand credits and deductions, it is important to monitor the outcomes on families and children from these changes to the tax code.

Childcare assistance has limited impacts on child well-being and only leads to marginal increases in household income. A 2019 LFC report examining the effectiveness of the Childcare Assistance Program found that enrollment in Childcare Assistance, regardless of the quality of the childcare setting, led to some slight positive increases in child dental visits and well-child visits. Furthermore, childcare also led to families earning more; however, this increase in income was smaller than the cost of the program. Continued examination of program implementation and effectiveness is needed, especially as the program expands.

Forty-one states determine self-sufficiency standards and other states calculate state specific poverty rates, but New Mexico does not. Many states determine the sufficient wage for families based on family size and age of family members. This information can then be used by both program staff and families. These metrics vary from being a comprehensive analysis of state specific cost of living to a flat percent of the federal poverty level. New Mexico is one of only nine states nationally without such a metric. According to the National Conference of State Legislatures, a financial self-sufficiency standard is defined as the income necessary for a family to meet its basic needs without public or private assistance. Most states have taken a nuanced approach and factor in the varying costs of living, household size, and age of children (if any are in the home). Beyond simply determining the wage needed for families to not use government benefits, seven states also developed calculators.

Some states, such as Ohio, determine state-specific poverty rates, similar to but more comprehensive than the U.S. Census Bureau's supplemental poverty measure, allowing states to examine whether state and federal benefits are leading to the expected changes, either through ameliorating the effects or lifting families out of poverty.

Assessing whether the state is achieving expected outcomes for programs could better determine how to prioritize funding. The state has yet to leverage the opportunity to examine if New Mexico's implementation is achieving these previously shown positive outcomes for a wide variety of income support programs. If it is, the state should likely expand these programs shown to work, especially in areas of high need. If they are not, the state can look to other states or localities getting these expected benefits and model its program administration after those areas. This is particularly important for programs that have more state flexibility such as unemployment insurance, where New Mexico has high rates of unemployment and a history of worse than average outcomes compared with other states.

Some income support programs focus on helping individuals remove barriers to higher paying jobs employment. For instance, childcare assistance provide free or reduced-price childcare to low-income student parents and unemployment insurance has a case management program to help identify and connect individuals with training or others supports needed to increase chances of employment.

The Workforce Development Council of Seattle-King County uses self-sufficiency information in helping individuals plan for their careers. In the first four years of the program, from 2004-2008, 69 percent of those who entered the program with wages below the standard had wages equal to or greater than what was needed to be financially stable.

Next Steps

This report highlights the strengths and challenges the state faces when thinking about income support programs comprehensively, as well as next steps for guaranteed income in the state.

Through examination of estimated cliff effects and program uptake in New Mexico, the state generally has a number of individuals not receiving benefits. Therefore:

- The state should focus on ways to bring equity into accessing services through ensuring settlement conditions for outstanding and past legal proceedings are quickly reached, continue to facilitate community-based initiatives, establish "one-stop shops" where all services for low-income individuals can be accessed simultaneously, and reduce application burden using best practices.
- The Human Services Department (HSD), and other agencies that provide income support, should ensure uptake of programs is at least at the national average prior to expanding the service to higher income levels.
- HSD and other state agencies should first 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.

To better understand the state's current need for income support services, as well as determine if these services are helping ameliorate the effects of poverty:

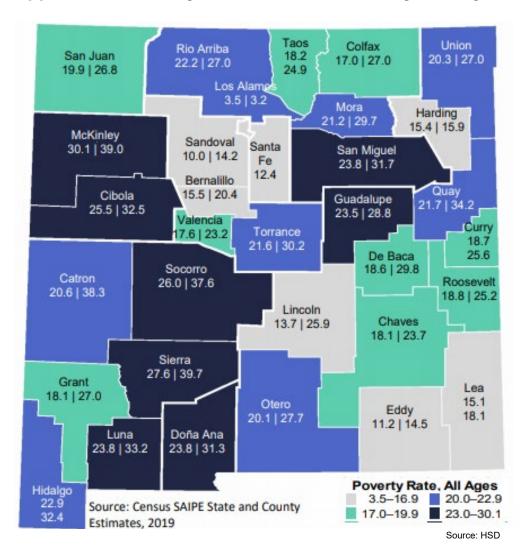
- The state should establish self-sufficiency standards to determine how much income different family types need to meet their cost of living.
- Agencies, including the Workforce Solutions Department, the Human Services Department, and the Early Childhood Education and Care Department, should work with 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. This would allow legislators to use program performance in funding decisions. This could include tracking the average duration and exhaustion rates for unemployment insurance recipients, health outcomes for families enrolled in Medicaid and WIC, and changes in earnings for parents whose children are in childcare assistance.

Lastly, because a number of guaranteed income pilots are underway or planned throughout the United States and it is uncertain which groups can benefit the most from a guaranteed income:

 The Legislative Finance Committee should continue to collect and synthesize the results of the numerous guaranteed income pilots currently being administered to determine which populations benefit the most from a guaranteed income.

APPENDICES

Appendix A: Poverty Rates in New Mexico by County, 2019

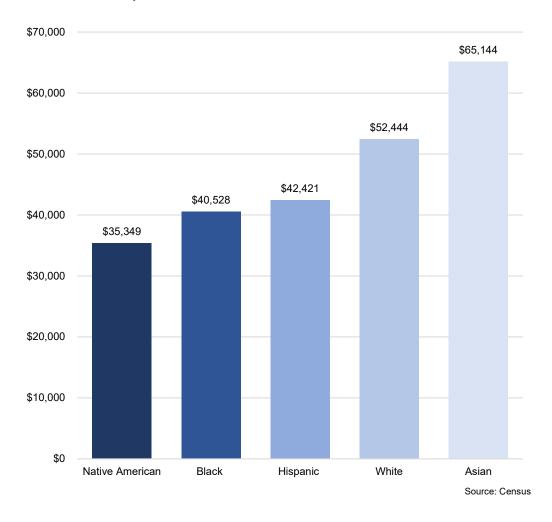


Appendix B. Rate of Poverty for those Under 18 and Over 65 by State, 2019

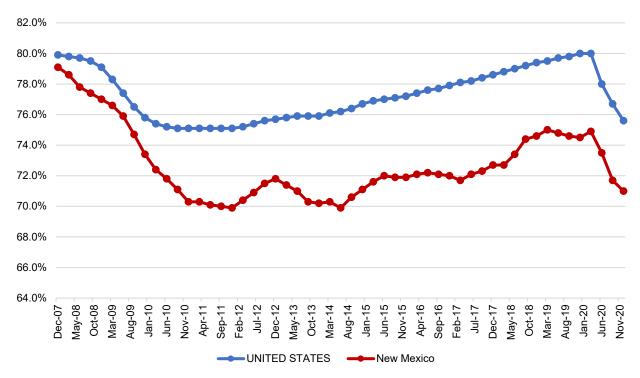
]	Under 18 Years		65 Years +	
MS		28.1		13.2
LA		27.0		13.2
NM		24.9		13.5
AR		22.1		10.5
KY		21.7		11.6
AL		21.4		10.5
WV		20.1		9.3
OK		19.9		9.7
SC		19.7		10.1
TN		19.7		9.7
NC		19.5		9.1
TX		19.2		10.6
1				
AZ		19.1		9.0
DC		18.9		13.3
GA		18.7		10.4
OH		18.4		8.3
NY		18.1		12.0
FL		17.7		10.7
MI		17.6		8.4
MO		17.1		8.9
NV		16.9		9.5
PA		16.9		8.3
US		16.8		9.4
DE		16.4		7.3
IL		15.7		8.6
CA		15.6		10.5
IN		15.2		7.7
SD		15.0		7.7
MT		14.9		8.6
KS		14.7		7.2
CT		14.1		7.3
RI		14.0		8.9
ME		13.8		8.5
WI		13.5		7.4
VA		13.4		7.1
ID		13.2		6.9
OR		13.1		8.1
AK		13.0		6.9
IA		13.0		7.4
HI		12.4		8.7
NJ		12.3		8.8
MD		12.0		7.8
WA				
1		12.0		7.5
MA		11.6		9.1
WY		11.6		7.4
MN		11.2		7.4
NE		11.0		8.1
CO		10.9		7.2
ND		10.2		8.0
VT		10.2		6.1
UT		9.9		6.2
NH		7.1		6.2

Source: WSD

Appendix C. Median New Mexico Household Income by Race of Householder, 2019

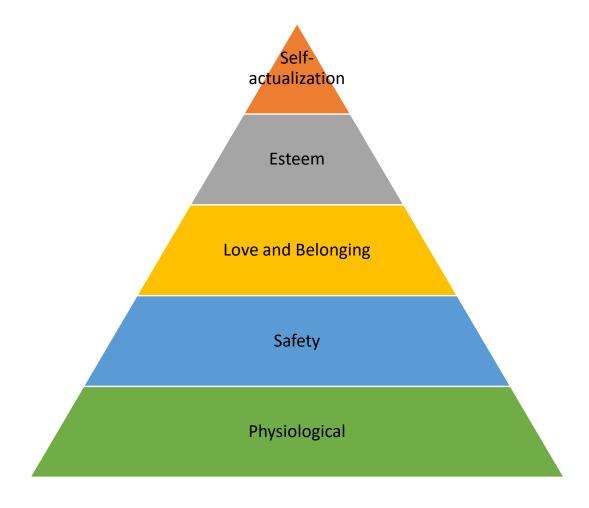






Source: Pew

Appendix E. Maslow's Hierarchy of Needs



Appendix F. Changes to National Poverty Rates both Adjusted and Unadjusted for Receipt of Benefits

National Child Poverty Rates Using Traditional and Supplemental Measurements, 1967-2017

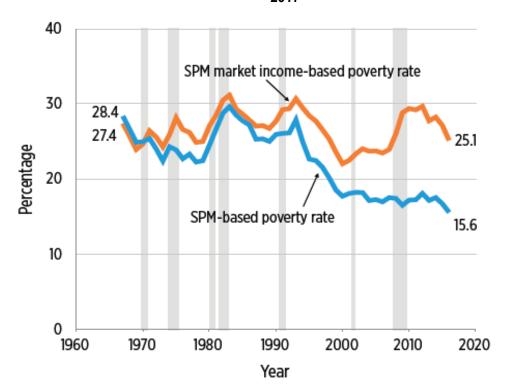
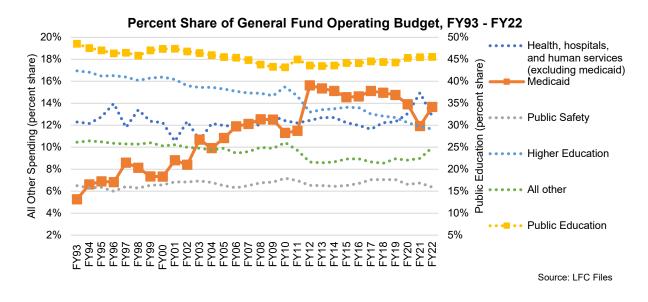


FIGURE 4-1 Child poverty rates, before and after taxes and transfers, 1967–2016. NOTES: The SPM poverty measure is anchored in 2012 living standards, adjusted back to 1967 using the CPI, and does not adjust for underreporting. Shaded areas indicate recession periods as determined by the NBER Business Cycles Dating Committee. SPM market income-based poverty rate includes labor market income but no other sources of income in its measure of family resources. SPM = Supplemental Poverty Measure, CPI = Consumer Price Index, NBER = National Bureau of Economic Research.

Source: National Academy of Sciences

Appendix G. General Fund Spending FY93 to FY22

New Mexico has increased its expenditures on Medicaid, which since FY12 has been the second largest use of general fund. As the state continues to age and births continue to decline, it is expected that healthcare expenses will continue to increase.



Appendix H. Federal Pandemic Funding to New Mexico

Stimulus Funding by Category to All New Mexico Governments, Businesses, Individuals, and Other Entities

(as of October 20, 2021, in thousands)

	ARPA	CRRSA	CARES	Other Acts	Grand Total
Direct Payments to Individuals	\$2,585,638	\$939,252	\$1,787,812	\$276,869	\$5,589,571
Business Support	\$56,234		\$3,681,314		\$3,737,548
Additional Unemployment Benefits	\$275	\$650	\$3,296,154	\$233,000	\$3,530,079
State General	\$1,751,543		\$1,250,000		\$3,001,543
K-12	\$1,018,675	\$463,069	\$130,837		\$1,612,581
Local General	\$704,730				\$704,730
Healthcare Providers	\$10,794	\$984	\$596,387	\$1,176	\$609,340
Housing and Rental Assistance	\$269,237	\$205,061	\$71,656		\$545,954
Higher Education	\$244,927	\$120,661	\$75,316		\$440,904
Childcare and Early Ed	\$323,727	\$82,158	\$29,443		\$435,328
Covid Testing And Vaccination	\$183,365	\$140,299	\$8,632	\$86,071	\$418,368
Airports, Roads and Other Transportation	\$72,951	\$105,036	\$158,846		\$336,832
Medicaid FMAP				\$653,702	\$653,702
Food Assistance	\$18,848	\$9,378	\$31,590	\$189,880	\$249,695
State Capital	\$133,067				\$133,067
DOH: Other	\$30,795	\$47,940	\$6,250	\$10,783	\$95,768
FEMA	\$93,872		\$1,486		\$95,358
Substance Use / Mental Health Grants	\$16,999	\$30,188	\$2,000		\$49,186
Econ. Development	\$2,283		\$20,640		\$22,923
Older Americans Support	\$12,570	\$1,866	\$6,585	\$1,556	\$22,576
Head Start	\$8,306	\$2,064	\$6,192		\$16,562
UI Admin and Reemployment	\$1,228		\$6,645	\$5,263	\$13,136
Justice and Courts		\$117	\$9,451		\$9,568
Income Supports for TANF Recipients.	\$6,385				\$6,385
Broadband	\$6,085				\$6,085
Museum, Arts and Library Supports	\$3,927		\$1,325		\$5,252
Abuse and Violence Prevention	\$3,270	\$798	\$610		\$4,677
Election Support			\$3,890		\$3,890
Foster Care Supports		\$2,147			\$2,147
UNM HSC other			\$191		\$191
Grand Total					\$22,352,950

Note: Staff estimates the increased FMAP at approximately. \$75 million per quarter. FFIS estimates show \$136.8 million in increased FMAP to New Mexico through 6/2020 but stops including the FMAP afterwards. Therefore, the estimate in the table adds an additional \$375 million (or five quarters of \$75 million each). Direct payments include funds for the second stimulus check that were not included in FFIS; grey rows are related to income support programs

Source: FFIS

Appendix I. List of Federal and State Income Support Programs

					Program	2020
Name	Agency	State or Federal	Income Requirements	Benefit Amount Range (household size of 3)	Expansion End Date	enroll- ment
First Federal Stim	NA	Federal	<75K for full amount	\$1,700-\$2,900	NA	928,010
Second Federal Stim	NA	Federal	<75K for full amount	\$1,700-\$2,900	NA NA	928,010
Third Fed Stim 3/21	NA	Federal	<75K for full amount	\$2,800-\$4,200	NA	928,010
Tillia i ea Stilli 3/2 i	INA	i ederai	unemployed w/ good cause &	Ψ2,000-ψ4,200	INA	320,010
			able, available & looking for		September	
UI	WSD	Federal	work	\$115-\$499 (w/ 1 kid)	2021	121,781
	VVOD	i ederai	WOIR	ψ115-ψ499 (W/ 1 kld)	2021	121,70
State \$1,200 stimulus for Ui	WSD	State	an III in Day 2020	¢1 200	NIA	110 624
TANF	HSD	Federal	on UI in Dec 2020 85% FPL	\$1,200 \$447	NA	119,63 ² 33,28 ²
TANE	חפח	rederal	counted income less than	\$44 <i>1</i>		33,202
			\$794 for individuals or \$1191			
SSI	HSD?	Endoral		\$559		62.06
	ואסט!	Federal	for couples	\$559		62,064
Low-Income						
Comprehensive Tax	TRD	State	up to \$36K a year	up to \$730/yr	new for 2021	208,086
Rebate (LICTR)	IND	State			11eW 101 2021	200,000
Earned Income Tax Credit	TDD	Fadanal	up to \$41,756 with 1 child and	1 child= \$3,584	NIA	400.000
Working Families Tax	TRD	Federal	\$47,440 with 2 up to \$41,756 with 1 child and	2 children = \$5,920	NA	199,000
· ·	TDD	C4-4-		up to 10% EITC so \$358 for 1 child	NIA	400.00
Credit	TRD	State	\$47,440 with 2	and \$592 for 2 children	NA	199,624
			receipt of the working families			
			tax credit & income less than			
			\$31,000 if single, or \$39,000 if			
Income Tax Rebate	TRD	State	filing jointly	\$600	2021	
Child Tax Credit	TRD	Federal	<75K for full amount	\$3,000 for kids > 6 or \$3,600,	through 2021	235,256
Omia Tax Oroak	1110	1 Guorai	Torcior ian amount	φο,σσο τοι πασ - σ σι φο,σσο,	September	200,200
Child Care Subsidy	ECECD	Federal	up to 350 percent FPL	\$252 - \$1271 /month/kid	2021	13,790
Child care to prevent	LOLOB	1 Guorai	up to doo percent i i i	Ψ202 Ψ127 17HIOHAI7KIG	2021	10,700
indigency credit against			up to \$31.2K, or up to twice	up to \$480 for each child or \$1,200		
PIT (state)	TRD	State	the federal minimum wage	for all qualifying dependents	none	1,065
TTT (State)	TIND	State	the receial minimum wage	for 2021, can claim up to \$16K for	TIONE	1,000
Dependent Care Tax			This is fully refundable for	2 kids and can receive up to 50%		
Credit	TRD	Federal	families up to \$125K	back.	2021	123,334
Ordan	TIND	1 Cuciui	ιαπιίου αρτο ψτζοιτ	DOOK.	Estimated	120,00
					through	
WIC	DOH	Federal	up to 185% FPL	Estimated \$170/month	September	40,415
			i .	·		·
SNAP	HSD	Federal	up to 135% FPL	Estimated \$616/month	unknown*	474,797
				\$709/ year with avg lunch cost of	expanded in	
Cabaallungh	DED		Lace then 105 EDI.	\$2.5 and breakfast cost of	SY20 &	057.045
School Lunches	PED	Federal	Less than 185 FPL in	\$1.46(with 180 day school year)	SY21.	257,945
Davidania EDT (D	LIOD/			Ranged from \$5.7-%6.86 per meal		
Pandemic EBT (P-	HSD/	Fodoral	Un to 105 CDI	when school was closed due to		
EBT)	PED	Federal	Up to 185 FPL	covid-19	<u> </u>	
			No income limit, priority for	No maximum, avg rental	Ends by	
Emergency Rental		l	those below 30% to 50% of the	assistance award is \$4,277 & avg	2024 at the	
Assistance Program	DFA	Federal	avg county household income.	utility assistance is \$733	latest	10,991
Housing assistance		1	Low and moderate income and	Multiple programs avg award =		
stimulus programs	MFA	Federal	impacted by Covid	\$3.8 thousand/ award	varies	8,145
		 		Multiple programs avg w/o		
Housing assistance		Federal/		mortgage assistance = \$7.5		
non stim programs	MFA	State	 	thousand/award		9,107
			varies by program from a low		Likely	
A.A. 19 . 7.1	LIOD	l ₋	of 133 FPL to a high of 300		through	000 0=-
Medicaid	HSD	Federal	FPL (CHIP)		March 2022	889,973
Pell Grants	HED	Federal	income less than \$50K	average is \$4003.73		44,156
General Assistance	HSD	State	not receiving TANF, 85 FPL	up to \$245/person		1,986
Low-income Home			-			
Energy Assistance				between \$1,810 and \$2715/ year		
Program (LIHEAP)	HSD	Federal	150 FPL	for household of 3.	1	159,674

Note TANF payments for 2 children and 1 parent, SNAP currently provides all clients full maximum benefits plus an additional 15 percent, childcare assistance has no copays through September 2021, non-Covid housing assistance excludes down payment and mortgage assistance; SNAP benefits will increase by 25 percent starting in October although all families will not receive the maximum reimbursement.

Appendix J. Definition of Massachusetts Institute of Technology Living Wage Calculator

INTRODUCTION

Analysts and policy makers often compare income to the federal poverty threshold in order to determine an individual's ability to live within a certain standard of living. However, poverty thresholds do not account for living costs beyond a very basic food budget. The federal poverty measure does not take into consideration costs like childcare and health care that not only draw from one's income, but also are determining factors in one's ability to work and to endure the potential hardships associated with balancing employment and other aspects of everyday life. Further, poverty thresholds do not account for geographic variation in the cost of essential household expenses.

The living wage model is an alternative measure of basic needs. It is a market-based approach that draws upon geographically specific expenditure data related to a family's likely minimum food, childcare, health insurance, housing, transportation, and other basic necessities (e.g. clothing, personal care items, etc.) costs. The living wage draws on these cost elements and the rough effects of income and payroll taxes to determine the minimum employment earnings necessary to meet a family's basic needs while also maintaining self-sufficiency.

The living wage model generates a cost of living estimate that exceeds the federal poverty thresholds. As calculated, the living wage estimate accounts for the basic needs of a family. The living wage model does not include funds that cover what many may consider as necessities enjoyed by many Americans. The tool does not include funds for pre-prepared meals or those eaten in restaurants. We do not add funds for entertainment, nor do we incorporate leisure time for unpaid vacations or holidays. Lastly, the calculated living wage does not provide a financial means to enable savings and investment or for the purchase of capital assets (e.g., provisions for retirement or home purchases). The living wage is the minimum income standard that, if met, draws a very fine line between the financial independence of the working poor and the need to seek out public assistance or suffer consistent and severe housing and food insecurity. In light of this fact, the living wage is perhaps better defined as a minimum subsistence wage for persons living in the United States.

FAMILY COMPOSITIONS

The living wage calculator estimates the living wage needed to support families of twelve different compositions: one adult families with 0, 1, 2, or 3 dependent children, two adult families where both adults are in the work force with 0, 1, 2, or 3 dependent children, and two adult families where one adult is not in the work force with 0, 1, 2, or 3 dependent children.

For single adult families, the adult is assumed to be employed full-time. For two adult families where both adults are in the labor force, both adults are assumed to be employed full-time. For two adult families where one adult is not in the labor force, one of the adults is assumed to be employed full-time while the other non-wage-earning adult provides full-time childcare for the family's children. Full-time work is assumed to be year-round, 40 hours per week for 52 weeks, per adult.

Families with one child are assumed to have a 'young child' (4 years old). Families with two children are assumed to have a 'young child' and a 'child' (9 years old). Families with three children are assumed to have a 'young child', a 'child', and a 'teenager' (15 years old).

For additional technical documentation, see https://livingwage.mit.edu/resources/Living-Wage-Users-Guide-Technical-Documentation-2021-05-21.pdf

Source: MIT Living wage calculator, https://livingwage.mit.edu/pages/about

Appendix K. Total Annual Benefit Amounts to Families Based on Age, Household Size and Federal Poverty Level Over Past Year

List of Income Support and Other Programs Available to A Single Working Adult with No Children, by Federal Poverty Level

		Percent	of the Federa	I Poverty Lev	el	
	0	50	100	150	200	250
Income	\$0	\$6,440	\$12,880	\$19,320	\$25,760	\$32,200
	Estimated Maximi					
Medicaid	\$5,761	\$5,761	\$5,761	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
SNAP	\$2,808	\$2,808	\$2,808	\$0	\$0	\$0
LIHEAP	\$2,880	\$2,400	\$1,920	\$1,920	\$0	\$0
Housing	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277
General Assistance	\$2,940	\$2,940	\$0	\$0	\$0	\$0
First Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Second Stimulus	\$600	\$600	\$600	\$600	\$600	\$600
Third Stimulus	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
EITC	\$0	\$492	\$225	\$0	\$0	\$0
LICTR	\$0	\$220	\$130	\$90	\$65	\$35
WFTC	\$0	\$37	\$22	\$15	\$11	\$6
SSI	\$9,528	\$0	\$0	\$0	\$0	\$0
UI	\$0	\$17,964	\$20,928	\$23,892	\$26,908	\$29,872
UI Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004
Total Benefits	\$21,867	\$22,099	\$18,322	\$9,487	\$7,542	\$7,512
Total Income + Benefits	\$21,867	\$28,539	\$31,202	\$28,807	\$33,302	\$39,712
FPL of total income and benefits	170	222	242	224	259	308
Living wage	\$ 29,057					

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

		Percent o	f the Federal	Poverty Level		
	0	50	100	150	200	250
Income	\$0	\$10,980	\$21,960	\$32,940	\$43,920	\$54,900
	Estimated	d Maximum Program	Benefits			
SNAP	\$7,392	\$7,392	\$7,392	\$0	\$0	\$0
TANF	\$5,364	\$5,364	\$0	\$0	\$0	\$0
LIHEAP	\$3,840	\$3,360	\$2,880	\$2,880	\$0	\$0
Housing Assistance (ERAP)	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277
General Assistance	NA	NA	NA	NA	NA	NA
First Stimulus	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200
Second Stimulus	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Third Stimulus	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
LICTR	\$0	\$445	\$185	\$80	\$0	\$0
EITC	\$0	\$4,390	\$5,363	\$3,057	\$740	\$0
Working Families Tax Credit	0	\$746	\$912	\$520	\$126	\$0
Child Tax Credit	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600
Child Care to Prevent Indigency						
Credit against Pit	\$0	\$960	\$960	\$0	\$0	\$0
Child Care Assistance	\$0	\$13,523	\$13,523	\$13,523	\$13,523	\$13,523
School Lunch	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038
WIC	\$744	\$744	\$744	\$744	\$0	\$0
Dependent Care Tax Credit	\$124	\$124	\$347	\$623	\$623	\$583
SSI	\$9,528	\$0	\$0	\$0	\$0	\$0
UI Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
UI	\$0	\$20,564	\$23,528	\$26,492	\$29,508	\$32,472
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004
Total Benefits	\$37,580	\$57,164	\$52,421	\$41,542	\$35,127	\$34,221
Total Income + Benefits	\$37,580	\$68,144	\$74,381	\$74,482	\$79,047	\$89,121
FPL of total income and benefits	171	310	339	339	360	406
Living wage	\$ 73,445					

Spotlight: The Stacking of Income Supports October 27, 2021

List of Income Support and Other Programs Available to A Married Couple w/o Children, by Federal Poverty Level

		Pei	rcent of the Federal	Poverty Lev	vel	
	0	50	100	150	200	250
Income	\$0	\$8,710	\$17,420	\$26,130	\$34,840	\$43,550
	Estimated Ma	aximum Progr	am Benefits			
Medicaid	\$11,523	\$11,523	\$11,523	\$0	\$0	\$0
SNAP	\$5,160	\$5,160	\$5,160	\$0	\$0	\$0
TANF	NA	NA	NA	NA	NA	NA
LIHEAP	\$2,880	\$2,400	\$1,920	\$1,920	\$0	\$0
Housing	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277
General Assistance	\$3,948	\$3,948	\$0	\$0	\$0	\$0
First Stimulus	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Second Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Third Stimulus	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
EITC	\$0	\$538	\$328	\$0	\$0	\$0
LICTR	\$0	\$285	\$130	\$80	\$35	\$0
WFTC	\$0	\$48	\$22	\$14	\$6	\$0
SSI	\$14,292	\$0	\$0	\$0	\$0	\$0
UI	\$0	\$17,964	\$20,928	\$23,892	\$26,908	\$29,872
UI Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004
Total Benefits	\$34,188	\$34,531	\$29,738	\$12,677	\$10,712	\$10,677
Total Income + Benefits	\$34,188	\$43,241	\$47,158	\$38,807	\$45,552	\$54,227
FPL of total income and benefits	196	248	271	223	261	311
living wage 1 working	\$ 48,484					-
living wage 2 working (1 person's salary)	\$ 24,253					

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

	derail ove		nt of the Fed	eral Poverty	Level	
	0	50	100	150	200	250
Income	\$0	\$13,250	\$26,500	\$39,750	\$53,000	\$66,250
Estimate	d Maximum P	rogram Benefi	its			
Medicaid	\$20,619	\$20,619	\$20,619	\$9,096	\$9,096	\$4,980
SNAP	\$9,384	\$9,384	\$9,384	\$0	\$0	\$0
TANF	\$6,468	\$6,468	\$0	\$0	\$0	\$0
LIHEAP	\$3,840	\$3,360	\$2,880	\$2,880	\$0	\$0
Housing	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277
General Assistance	NA	NA	NA	NA	NA	NA
First Stimulus	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
Second Stimulus	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Third Stimulus	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600
EITC	\$0	\$5,310	\$5,645	\$2,855	\$64	\$0
LICTR	\$0	\$390	\$170	\$0	\$0	\$0
Working Families Tax Credit	\$0	\$66	\$29	\$0	\$0	\$0
Child Tax Credit	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600
Child Care to Prevent Indigency Credit against Pit	\$0	\$960	\$960	\$0	\$0	\$0
Child Care Assistance	\$0	\$13,523	\$13,523	\$13,523	\$13,523	\$13,523
School Lunch/ P-EBT	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038
WIC	\$744	\$744	\$744	\$744	\$0	\$0
Dependent Care Tax Credit	\$124	\$124	\$623	\$623	\$583	\$583
SSI	\$9,528	\$0	\$0	\$0	\$0	\$0
UI stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
UI	\$0	\$20,564	\$23,528	\$26,492	\$29,508	\$32,472
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004
Total Benefits	\$64,495	\$84,264	\$77,892	\$53,036	\$46,581	\$42,401
Total Income + Benefits	\$64,495	\$97,514	\$104,392	\$92,786	\$99,581	\$108,651
FPL of total income and benefits	243	368	394	350	376	410
Living wage 1 working	\$65,686					
Living wage 2 working (1 person's salary)	\$40,810					

List of Income Support & Other Programs Available to Elderly Adult w/o Children Under 18, by FPL

	Percent of the Federal Poverty Level						
	0	50	100	150	200	250	
	Estimated Maxi	mum Program	Benefits				
Income	\$0	\$6,440	\$12,880	\$19,320	\$25,760	\$32,200	
Medicare	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	
SNAP	\$2,808	\$2,808	\$2,808	\$0	\$0	\$0	
TANF	\$0	\$0	\$0	\$0	\$0	\$0	
LIHEAP	\$4,320	\$3,360	\$2,880	\$2,880	\$0	\$0	
Housing	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	
General Assistance	\$2,940	\$2,940	\$0	\$0	\$0	\$0	
First Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
Second Stimulus	\$600	\$600	\$600	\$600	\$600	\$600	
Third Stimulus	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	
EITC	\$0	\$0	\$0	\$0	\$0	\$0	
LICTR	\$0	\$315	\$185	\$115	\$90	\$50	
WFTC	\$0	\$54	\$31	\$20	\$15	\$9	
SSI	\$9,528	\$0	\$0	\$0	\$0	\$0	
UI	\$0	\$17,964	\$20,928	\$23,892	\$26,908	\$29,872	
UI Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	
Elderly Food Programs	\$1,304	\$1,304	\$1,304	\$1,304	\$1,304	\$1,304	
Total Benefits	\$28,545	\$27,954	\$24,382	\$21,492	\$18,583	\$18,536	
Total Income + Benefits	\$28,545	\$34,394	\$37,262	\$40,812	\$44,343	\$50,736	
FPL of total income and benefits	222	267	289	317	344	394	
Living wage	\$29,057						

List of Income Support & Other Programs Available to Elderly Adult with Two Children Under 18, by FPL

	Percent of the Federal Poverty Level							
	0	50	100	150	200	250		
Income	\$0	\$10,980	\$21,960	\$32,940	\$43,920	\$54,900		
	Estimated Ma	ximum Progi	ram Benefits					
Medicaid (for children)	\$9,096	\$9,096	\$9,096	\$9,096	\$9,096	\$4,980		
Medicare (for elderly individual)	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000		
SNAP	\$7,392	\$7,392	\$7,392	\$0	\$0	\$0		
TANF	\$5,364	\$5,364	\$0	\$0	\$0	\$0		
LIHEAP	\$4,800	\$4,320	\$3,840	\$3,840	\$0	\$0		
Housing	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277		
General Assistance	NA	NA	NA	NA	NA	NA		
First Stimulus	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200		
Second Stimulus	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800		
Third Stimulus	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200		
EITC	\$0	\$4,390	\$5,920	\$4,297	\$1,981	\$0		
LICTR	\$0	\$600	\$230	\$90	\$0	\$0		
Working Families Tax Credit	\$0	\$102	\$39	\$15	\$0	\$0		
Child Tax Credit	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600		
Child Care to Prevent Indigency Credit against Pit	\$0	\$960	\$960	\$0	\$0	\$0		
Child Care Assistance	\$0	\$13,523	\$13,523	\$13,523	\$13,523	\$13,523		
School Lunch	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038		
WIC	\$744	\$744	\$744	\$744	\$0	\$0		
Dependent Care Tax Credit	\$124	\$124	\$347	\$623	\$623	\$583		
Elderly Food Programs	\$1,304	\$1,304	\$1,304	\$1,304	\$1,304	\$1,304		
SSI	\$9,528	\$0	\$0	\$0	\$0	\$0		
UI Stimulus	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200		
UI	\$0	\$20,564	\$23,528	\$26,492	\$29,508	\$32,472		
Pell	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004	\$4,004		
Total Benefits	\$58,636	\$77,370	\$73,207	\$63,344	\$56,338	\$50,201		
Total Income + Benefits	\$58,636	\$88,710	\$95,167	\$96,284	\$100,258	\$105,101		
FPL of total income and benefits	267	380	433	438	457	479		
Living wage Note: In these scenarios, children are 3 and 7: SNAP and 1	\$73,445							

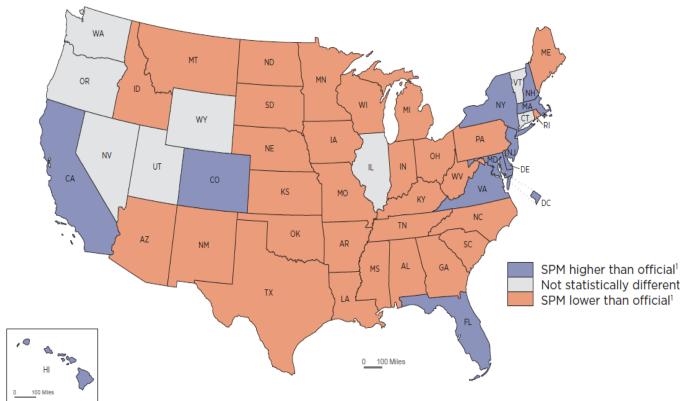
Note: In these scenarios, children are 3 and 7; SNAP and TANF limits based on net rather than gross income; Childcare Assistance amounts are based off no copay and no child care assistance was included for the family at 0% FPL, although if the parent was a student, they may be eligible; grey cells are programs only available to a subset of the population, and are not included in the totals. Pell award amounts are averages. Source: LFC analysis of various state and federal data or reports

Appendix L. Difference in Poverty Rates by State Using the Official and Supplemental Poverty Measures: 3 Year Average, 2018 to 2020



Figure 7.

Difference in Poverty Rates by State Using the Official and Supplemental Poverty Measures: 3-Year Average 2018 to 2020



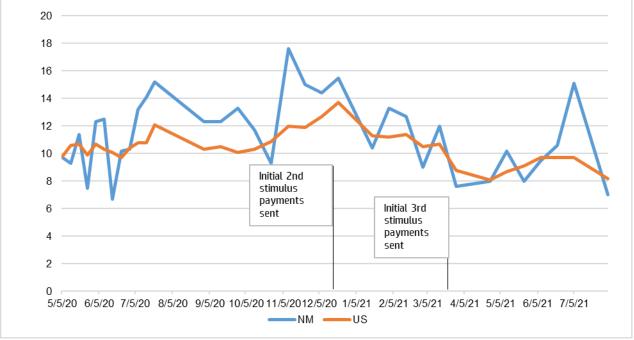
Source: Census Bureau

Appendix M. Selected Best Practices to Address Cliff Effects

Policies	Brief Description	New Mexico Implementation	How NM can Improve
Asset Limits	Asset limits cap the total value of assets a family may hold to remain eligible for programs. Some states opt to either increase this limit or eliminate the limit.	Asset limits range from \$2,000-\$3,500 depending on program. New Mexico is one of 10 states that exempt vehicles in the calculation of assets.	Increase our asset limit to encourage saving for a car, house, business or emergency. This would help prevent churning in and out of programs and mitigate the cliff effect.
Individual Development Accounts (IDAs)	Community based organizations or federal/ state money is given to low-income families using a match system for personal investments to help save for education, business start-ups, or buying a home. Is not included in asset limit calculation.	Partial implementation. Federal IDAs are coming to an end this year. Community-based and state money is partially still providing IDAs. All IDAs from the state are implemented by outside organizations such as Prosperity Works, WESST, CNM, among others.	Increased usage of IDAs in high risk populations such as single parents or former TANF users. Helps low-income families get banked, create opportunities for economic improvement, and keep families from using predatory loans. This would provide a bridge between programs and self-sufficiency.
Alignment of Rules Across Programs	Align different programs with data sharing, streamlined applications, and eligibility determinations. Additionally, ability to apply to more than one program on one form.	Partially. We have broad based categorical eligibility for automatic qualification of both TANF and SNAP benefits on one form. Ana Age 8 is creating a directory for families on where services are.	Creating a more efficient, less complex system will always need work. Creating a one stop shop and table for all programs' eligibility rules, applications, and directory would be a first step. This would help families know where their eligibility lies so they may make informed decisions.
Income Disregards	Enables workers to continue to receive benefits when their income increases past the FPL by a certain percentage.	Depends on program. Medicaid: 5% income disregard SNAP: 20% income disregard TANF- \$225 and 50% of the remainder	Disregard all income once inside TANF for 6 months as long as the beneficiary stays under 200% of FPL. Ability for families to save inside the program. Families in better financial position once they leave. Mitigates both churn and cliff effects.

Source: NCSL

Appendix N. Percent Food Insecure in the U.S. and New Mexico, May 2020 through August 2021



Source: Census Bureau

Appendix O. List of Guaranteed Income Pilots in the United States, Completed, Ongoing, and Forthcoming

Name of		Study	Number of			Payment
Experiment	Location	Dates	Recipients	Target Population	Amount of Transfer	Frequency
Seattle-Denver			•	•		
Income	Seattle,				\$3,800, \$4,800 or	
Maintenance	WA;				\$5,600 (Varied by tax	
Experiment	Denver,	1971-	2042		rate; represents	
(SIME/DIME)	CO	1982	households	Low-income families	yearly total)	Monthly
Growing						
Resilience in	Tacoma,	2021-				
Tacoma (GRIT)	WA	2022	100 families	Low-income	\$500	Monthly
Direct Investment						
Program in			Open if			
Sacramento	Sacrament	2021-	meet		****	
(DIPS)	o, CA	2023	eligibility	Low-income	\$300	Monthly
Stockton						
Economic						
Empowerment	Charleton		125			
Demonstration	Stockton,	2040		I am in a ana	# F00	Manablali
(SEED)	CA	2019-	individuals	Low-income	\$500	Monthly
Basic Income	Not		3000		\$1000 to 1000 individuals and \$50 to	
Project	Disclosed	2019-	individuals	Low-income	2,000 individuals	Monthly
Project	Disclosed	2019-	IIIuiviuuais	Low-income	2,000 individuals	IVIOTILITIY
Oakland Resilient	Oakland,	2021-	600			
Families	CA	2023	households	Low-income	\$500	Monthly
		2021-	125			,
MOMmentum	Marin, CA	2022	individuals	Low-income Families	\$1,000	Monthly
YBCA	San					_
Guaranteed	Francisco,		130			Every two
Income Pilot	CA	2021	individuals	Low-income	\$1,000	months
Transition-Age						
Youth Basic						
Income Pilot	Santa	2020-	72			
Program	Clara, CA	2021	individuals	Foster Care youth	\$1,000	Monthly
					\$747 for a one-person	
	Santa				household or \$1,306	
Preserving Our	Monica,		250		for a two-person	
Diversity	CA	2017-	individuals	Older Adults	household	Monthly
Basic Income						
Guaranteed: L.A.	Los					
Economic	Angeles,	2021-	2000			
Assistance Pilot	CA	2022	households	Low-income	\$1,000	Monthly
0 / 51 /	Compton,	2021-	800			
Compton Pledge	CA	2023	Families	Low-income	\$300 and \$600	Monthly
Resilient	Con			Low income in COVID		
Communities for	San	2024 +	150 familias	Low-income in COVID	TOO	Monthly
Every Child	Diego, CA	2021-t	150 families	impacted neighborhood	TBD	Monthly
Denver Basic Income Project	Denver, CO	TBD	TBD	Individuals experiencing homelessness.	\$1,000	Monthly
moonie Project	New York.	עסו	טטו	HUHICICSSHCSS.	φ1,000	William
	NY New					
	Orleans,					
	LA,					
	Omaha,				\$333 for about half of	
	NE, Twin	2017-	1,000		group for 40 months;	
Baby's First Years	Cities, MN	2022	individuals	Low-income families	\$20 for the other half	Monthly
,	Duplin			2		,
	County,					
Rural Income	North					
Maintenance	Carolina &	1970-	810			
Experiment	Iowa	1972	Households	Low-income families	Varied (NIT)	Monthly
Magnolia Mother's	Jackson,		80			
Trust	MS	2019-	individuals	Low-income families	\$1,000	Monthly

	New			Youth, aged 16-24 who are		
	Orleans,	2021-		neither in school nor		
Opportunity Youth	LA	2023	N.D.	working.	\$500	Monthly
трринину ниш	New			g.	+	
	Orleans,		10			
4.0 School Pilot	LA	2020-	individuals	Youth	\$50	Weekly
4.0 3010011 1101		2020-	iliuividuais	Touti	ψ30	VVECKIY
	Jackson,					
	Swain and					
Eastern Band of	Hayward			l <u>-</u> .		
Cherokee Indians	Counties,			All members of the Eastern		
Casino Revenue	North		15,414	Band of Cherokee Indians		Twice a
Fund	Carolina	1996- t	individuals	who apply.	\$3,500-\$6,000	year
Columbia Life						
Improvement	Columbia,					
Monetary Boost	South	2021-	100	Geography and program		
(CLIMB)	Carolina	2023	individuals	enorllment	\$500	Monthly
Richmond	-				•	
Resilience	Richmond,	2021-	55			
Initiative	VA VA	2023	households	Low-income families	\$500	Monthly
	٧A	2023	Houseriolds	LOW-MICOINE MINIMES	\$500	IVIOLITIII
Guaranteed	Cont	2024	105			
Income Validation	Gary,	2021-	125	1	\$ 500	NA Al- l
Effort	Indiana	2022	individuals	Low-income.	\$500	Monthly
Assured Cash	Pittsburgh,	2021-	200			
Experiment	PA	2023	households	Low-income families	\$500	Monthly
Family Health		2021-	15			
Project	Lynn, MA	2024	individuals	Low-income families	\$400	Monthly
	Hudson,	2021-	25			
Hudson UP	NY	2026	individuals	Low-income	\$500	Monthly
New Jersey Income Maintenance Experiment	Five cities in New Jersey and Pennsylva nia	1968- 1972	1357 households	Low-income families	Varied	Every two weeks
The Bridge	New York,	2021-	TDD	Low-income families of	¢500 \$1 000	Divisaldi
Project	NY	2024	TBD	color	\$500 or \$1,000	Bi-weekly
TBD	Newark, New Jersey	TBD	30 individuals, scaling up to 400 individuals	Low-income	\$6000/Year	One group of recipients will be paid bi-weekly or monthly; and the other will receive 2-lump sum transfers.
Family Health		2021-	15			
Project	Lynn, MA	2024	individuals	Low-income families	\$400	Monthly
Alaska Permanent			667,047	All Alaskans except those who are felons in the year prior, have a felony conviction, have been incarcerated in the last year, or have been convicted of two or more		
Fund Dividend	Alaska	1982-	individuals	misdemeanors since 1997.	Varied. \$1,000-\$2,000	Yearly
						

Note: Selected information provided in the above table, for more information regarding each basic income or guaranteed income pilots visit the below website.

Source: Stanford Basic Income Lab. (2020). Global Map of Basic Income Experiments. Retrieved from https://basicincome.stanford.edu/research/basicincome-experiments/

Appendix P. Report Cards with Performance Measures for Selected State Income Support Programs

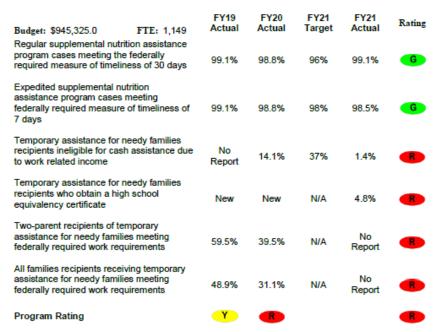
Income Support Division

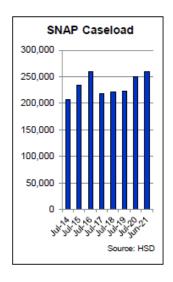
The Income Support Division (ISD) declined to report quarterly on two standard performance measures – "Temporary Assistance for Needy Families federal two-parent recipients" and "families meeting federally required work requirements." These measures are required in FY21, and will be reported on in FY22, but only annually, instead of the previously required quarterly reporting.

The new performance measure, "TANF recipient's ineligible for cash assistance due to work related income," reflects adults whose new employment income exceeded TANF guidelines. However, during the first quarter the average unemployment rate in New Mexico was 10.8 percent and is currently near 7 percent, which negatively impacts employment opportunities for TANF recipients.

ISD added a performance measure for TANF recipients who graduated and obtained their certificate of completion under the University of New Mexico's (UNM) Accelerated College and Career Education (ACCE) Program. During FY21, an average of 502 TANF recipients were active in ACCE, and 24 people successfully obtained their high school equivalency. This represents a success rate of less than 5 percent. ISD contractor, Creative Work Solutions (CWS), continued to assist participants with job readiness activities including placement in ACCE.

The Department of Workforce Solutions (DWS) collaborated with ISD to establish new employment opportunities to help place TANF Career Link Program and Wage Subsidy Program participants in jobs. However, there are challenges to re-engage TANF participants while pandemic-related non-participation sanctions remain suspended.





Due to the declaration of the Covid-19 public health emergency, ISD lifted all New Mexico Works (NMW) requirements related to work participation and restored participants' benefits to their full benefit levels.

In addition to ensuring all newly approved TANF recipients received the proper orientation and assessments identify and locate additional resources support vulnerable families during the pandemic the service provider, Creative Work Solutions, is actively re-engaging sanctioned participants through phone calls, texts, and emails.

This re-engagement effort ensures participants have access to the supports they need in their communities and remain engaged with NMW to avoid sanctions in the future.



PERFORMANCE REPORT CARD: Fourth Quarter, FY21 Human Services Department

The Human Services Department (HSD) endeavored to maintain and improve healthcare access during the Covid-19 pandemic despite multiple challenges including facility closures due to public health orders. Nonetheless, HSD underperformed in the Medicaid and Income Support programs. New Mexico has the largest Medicaid program in the country, but throughout FY21, Medicaid reported quarterly performance data on three performance measures despite collaborating in FY20 to report on substantially more performance measures.

HSD Scorecard

In October 2020, the Human Services Department's (HSD's) website added a performance "scorecard." The scorecard provides comparative annual data on a few contract management performance measures for the three managed care organizations (MCOs), and provides some high level data on the performance of other HSD programs and services. Examples include how MCOs compare with ensuring follow-up appointments, child support payments collected, and percent of follow-up appointments with mental health practitioners. Some of the dashboard's performance measures are included in the LFC quarterly performance report cards; however, HSD's 2021 fourth quarter performance report did not include new quarterly data for annual measures due to the lag in data reporting.

Medical Assistance Division

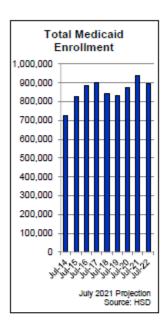
The Medicaid program has a red rating because of declining performance as well as a lack of quarterly reporting of performance data. The Medical Assistance Division reported on three performance measures on health outcomes in the third quarter of FY21 including: (1) children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year, (2) children ages two to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year, and (3) hospital readmissions for adults 18 and over within 30 days of discharge. In FY20, HSD elected to continue reporting on the full list of Medicaid performance measures reported on in previous fiscal years. In FY22, HSD again collaborated to report quarterly data on several performance measures for Medicaid. However, there was a gap of performance reporting in FY21 and the Medicaid program is too important to proceed with quarterly performance reporting on just a handful of measures.

Two of the three Medicaid performance measures reported on by HSD attributed their declining performance to members' hesitancy to seek services during the pandemic, as well as limits on service availability due to the pandemic public health orders. Covid-19 significantly impacted the utilization of services due to closures of healthcare and dental offices and implementation of office safety protocols limiting the number of scheduled appointments. Medicaid MCOs were directed to extend all existing prior authorizations and maintain 24-hour/7-day per week nurse advice lines for the duration of the emergency declaration. Additionally, Medicaid MCOs were directed to offer access to out-of-network services for Medicaid members where appropriate and required.

HSD did not report on two performance measures identified in the General Appropriation Act of 2020: (1) "percent of infants in Medicaid managed care who

ACTION PLAN

Submitted by agency? Yes
Timeline assigned? Yes
Responsibility assigned? Yes

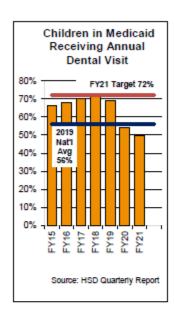


The Medicaid caseload in June 2021 was 929,805 individuals, an 8 percent increase over a year ago. The count of Medicaid recipients increased by 3,463, or 0.4 percent, over May.

In June 2021, 380,687 children were on Medicaid, an increase of 14,855, or 4 percent, over June 2020. The number of children on Medicaid increased by 635 members, or 0.2 percent, from May to June.

Performance Report Card | Human Services Department | Fourth Quarter, FY21

Human Services Department



The Supplemental Nutrition Assistance Program (SNAP) caseload in June 2021 was 259,456, a 4 percent increase over a year ago, and a decrease of 10,024 cases, or 3.7 percent, below May. The federal government has authorized maximum SNAP benefits through at least December 2021.

The Temporary Assistance for Needy Families (TANF) caseload was 11,402 in June 2021, a decrease of 5.3 percent from a year ago, and a decrease of 641 cases, or 5.3 percent, below May.

had six or more well child visits with a primary care physician before the age of 15 months" and (2) "rate per one thousand members of emergency room use categorized as nonemergent care." However, HSD notes these measures were excluded from the FY21 approved list of measures, but will report on them in FY22.

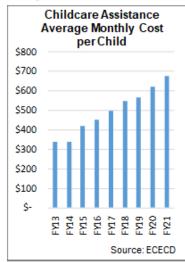
Pandemic-Related Enrollment and Funds. The pandemic, unemployment, and federal policy greatly impacted the Medicaid program's enrollment, utilization, costs, and health outcomes. In March 2020, the Families First Coronavirus Response Act (FFCRA) was enacted and included a 6.2 percent increase in the regular Medicaid matching rate. States receiving the 6.2 percentage point increase are required to continue Medicaid eligibility for any individuals enrolled as of March 18, 2020, or enrolled during the public health emergency, unless the individual voluntarily terminates eligibility or is no longer a resident of the state. Between March 2020 and March 2021, Medicaid enrolled over 90,000 new members. A total of 929,805 New Mexicans were enrolled in Medicaid as of June 2021.

Budget: \$5,919,667.4 FTE: 220.5	FY19 Actual	FY20 Actual	FY21 Target	FY21 Actual	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	66%	52%	N/A	No Report	•
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	85%	67%	88%	67.2%	R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	69%	54%	72%	49.5%	•
Individuals in managed care with persistent asthma appropriately prescribed medication	66%	84%	55%	No Report	•
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	4.7%	4.9%	<5%	6.7%	R
Hospital readmissions for adults 18 and over within 30 days of discharge	9.9%	9.3%	<8%	No Report	•
Emergency room use categorized as non- emergent per one thousand Medicaid member months ²	60%	59%	45%	50%	G
Individuals with diabetes in Medicaid managed care ages 18 through 75 whose hospital admissions had short-term complications	24.6	16.7	16.4	15	G
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization*	82%	72%	83%	No Report	•
Medicaid managed care members with a nursing facility level of care being served in the community	86%	86%	80%	88%	G
Program Rating	Y	Y			R

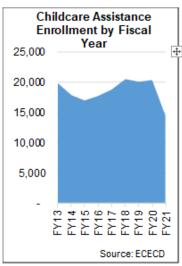
*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. HSD uses a rolling average; the most recent unaudited data available includes the last quarters of FY20 and the first quarters of FY21. The data for HEDIS measures is preliminary and will be finalized in June 2022.

Performance Report Card | Human Services Department | Fourth Quarter. FY21

Early Education, Care and Nutrition

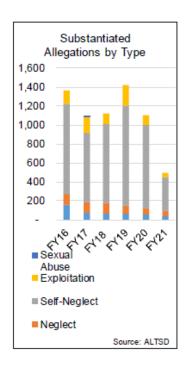


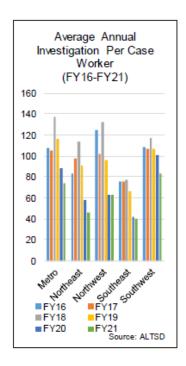
The Early Education, Care and Nutrition Program is primarily comprised of private provider prekindergarten, childcare assistance, and the family nutrition bureau. The program met a majority of targeted performance measures. Again, given significant state investments in these early care and education programs additional performance measures are needed for policy makers to monitor performance. Prior to the pandemic, childcare assistance average monthly enrollment had been relatively flat ranging between 18 thousand and 20 thousand children a month. However, in the fall of 2020, enrollment began to decline significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to \$676, or \$8,117 annually. The average annual cost per child rose 9 percent in FY21 above the previous fiscal year despite the significant decline in enrollment. The increased cost has been primarily driven by the department covering parent co-payments and a \$200 per child payment to providers. Despite the increased cost per child, low enrollment will result in general fund reversions or significant federal revenue carry-forward. The department spent \$141.9 million of the \$158 million annual child care assistance budget in FY21.



Budget: \$329,628.9 FTE: 156

ı	Duagoti 4020,020.0					
ı		FY19	FY20	FY21	FY21	
ı		Actual	Actual	Target	Actual	Rating
	Percent of children in community-based pre-kindergarten funded by the Early Childhood and Education Department showing measurable progress	95%	93%	95%	95%	G
ı	Percent of licensed childcare providers participating in high-quality programs	43%	47%	43%	52%	G
	Percent of children receiving subsidy in high quality programs	73%	71%	60%	74%	G
	Percent of children receiving childcare assistance with substantiated abuse or neglect referrals during the childcare assistance participating period	1.3%	1.5%	1.3%	1.5%	Y
	Percent of children in New Mexico childcare assistance who have attended four- or five- star programs for eight months or longer showing measurable progress on the school readiness fall preschool assessment	New	Not Reported	85%	Not Reported	R
	Program Rating					G





	FY19 Actual	FY20 Actual	FY21 Target	FY21 Actual	Rating
Adult Protective Services investigations of abuse, neglect, or exploitation	6,671	5,494	6,150	4,355	R
Emergency or priority one investigations a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	99%	99%	G
Repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	New	New	5%	3.7%	Y
Outreach Presentations conducted in the community within Adult Protective Services' jurisdiction	New	205	141	132	Y
Referrals made to and enrollments in home care and adult day care services as a result of an investigation of abuse, neglect, or exploitation	New	New	600	89	R
Priority two investigations in which a case worker makes initial face to face contact with the alleged victim within prescribed time frame	New	95%	95%	99%	G
Program Rating	Y	R			Y

Aging Network

The Aging Network did not meet targeted performance for the hours of caregiver support for FY21 and continues to fall below previous fiscal years. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging (AAA), contract providers and the New Mexico chapter of the Alzheimer's Association. The agency reported the Covid-19 pandemic and executive emergency declarations closed adult daycare centers, and the remaining services were affected by the stay-at-home and social-distancing orders. The department reported the number of hours of caregiver support were 9,478 hours of respite care, 770 of adult day care, 7,554 hours of homemakers, and 3,786 hours of other support services.

Budget: \$42,264.2 FTE: 14

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Actual	Rating
Older New Mexicans receiving congregate and home delivered meals through aging network programs that are assessed with "high" nutritional risk	New	New	15%	16%	G
Outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	New	New	50	1,135	G
Meals served in congregate and home delivered meal settings	New	New	4,410,000	5,141,387	G
Transportation Units Provided	New	New	637,000	68,180	R
Hours of caregiver support	370,538	278,513	444,000	104,730	R
Program Rating	Y	R			Y
"Measure is classified as explanatory and does not have a target.					

Public Health Program

The Public Health Program continues to be a cornerstone of the state's response to Covid-19. Given the significant size of the program's response to the pandemic and statewide closures, the program has reported declining performance on tobacco cessation services and behavioral health in school-based health centers. For FY21, the program reported meeting performance targets for females receiving the most or

Performance Report Card | Department of Health | Fourth Quarter. FY21

Department of Health

The most recent (2019)
New Mexico youth cigarette
smoking prevalence of 8.9
percent represents a
historic low, but it is slightly
higher than the national
prevalence of 6 percent.
Use of another tobacco
product, e-cigarettes,
however, increased from 24
percent (2017) to 34.7
percent (2019) and
accounts for most of the
tobacco use among youth.

Fentanyl and methamphetamine have surpassed heroin and prescription opioids as the leading causes of overdose deaths, contributing to 78 percent of those deaths in New Mexico in 2020.

moderately effective contraception, immunization of preschoolers, and participation in diabetes prevention programming. During the first quarter, DOH was unable to refer participants to diabetes prevention services but increased performance during the rest of the fiscal year. In 2018, an estimated 567 thousand New Mexican adults had prediabetes and only three out of 10 were aware of their condition, indicating they may not be receiving sufficient preventive care. The CDC states without weight loss and physical activity, 15 to 30 percent of pre-diabetics will develop diabetes within five years, but with access to a services change program, the risk can be reduced by nearly half.

Budget: \$170,302.6 FTE: 775	FY19 Actual	FY20 Actual	FY21 Target	FY21 Actual	Rating
Adult cigarette smokers who access cessation services	2.7%	2.6%	2.9%	1.9%	R
Successful overdose reversals per client enrolled in the NMDOH Harm Reduction Program	3,446	3,444	3,000	2,572	R
Births to teens per 1,000 females aged 15-19	24,4	Not Reported	N/A	Not Reported*	R
Female clients ages 15-19 seen in NMDOH public health offices who are provided most or moderately effective contraceptives	68.5%	85.8%	62.5%	88%	G
Teens that successfully complete teen pregnancy prevention programming	512	502	232	385	G
School-based health centers that demonstrate improvement in their primary care or behavioral health care focus area	86%	50%	95%	73%	•
Third-grade children who are considered obese	20.8%	22.9%	N/A	Not Reported*	R
Children in Healthy Kids, Healthy Communities with increased opportunities for healthy eating in public elementary schools	99%	97%	89%	Not Reported*	B
Participants in the National Diabetes Prevention Program that were referred by a health care provider through the agency-sponsored referral system	29%	27%	25%	63%	G
Preschoolers (19-35 months) who are indicated as being fully immunized	69.9%	62.9%	65%	65%	G
Older adults who have ever been vaccinated against pneumococcal disease	71.6%	Not Reported	75%	Not Reported*	R
Program Rating	Y	Y			R
* Program did not report data					

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