

# PUTTING INFANT AND MATERNAL HEALTH FIRST:

# 5

## CRITICAL REFORMS FOR NEW MEXICO'S TANF PROGRAM

*Children are the future of New Mexico, but unnecessary and punitive rules in the Temporary Assistance for Needy Families program are causing irreparable harm by cutting resources for basic needs to young children and their mothers.*

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

49% of children who receive TANF in New Mexico are under the age of 5, and families qualify for assistance during the last trimester of pregnancy.<sup>1</sup> Health and economic disparities unfold early in life, including in utero.<sup>2</sup>

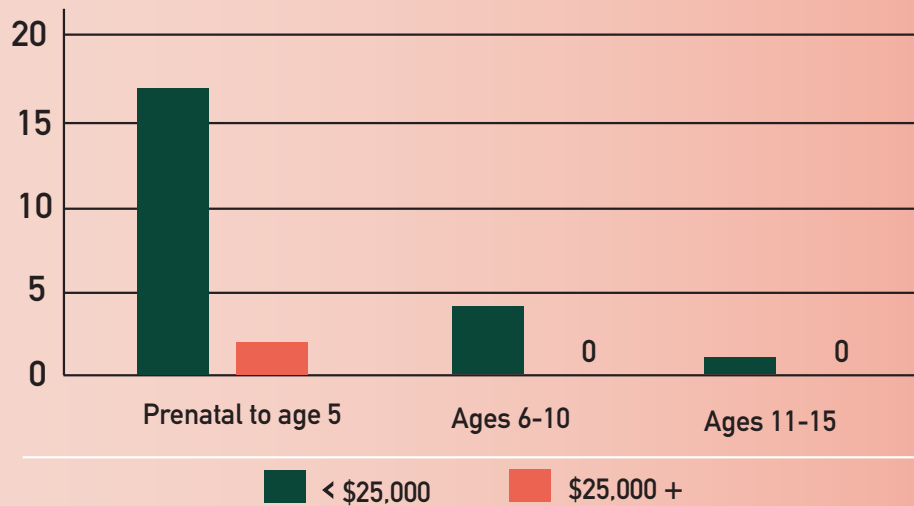
**Transforming the TANF/New Mexico Works into a two-generation model that supports both New Mexico infants and their mothers will result in greater lifetime earnings, higher educational attainment, and greater overall lifetime health.**

Research shows that even a \$3,000 annual boost to family income during the early childhood period (0-5 years old) is associated with a 17% increase in adult earnings when the children grow up, as well as in additional hours of work.<sup>3</sup>

Percentage increase in adult earnings associated with a

**\$3,000**

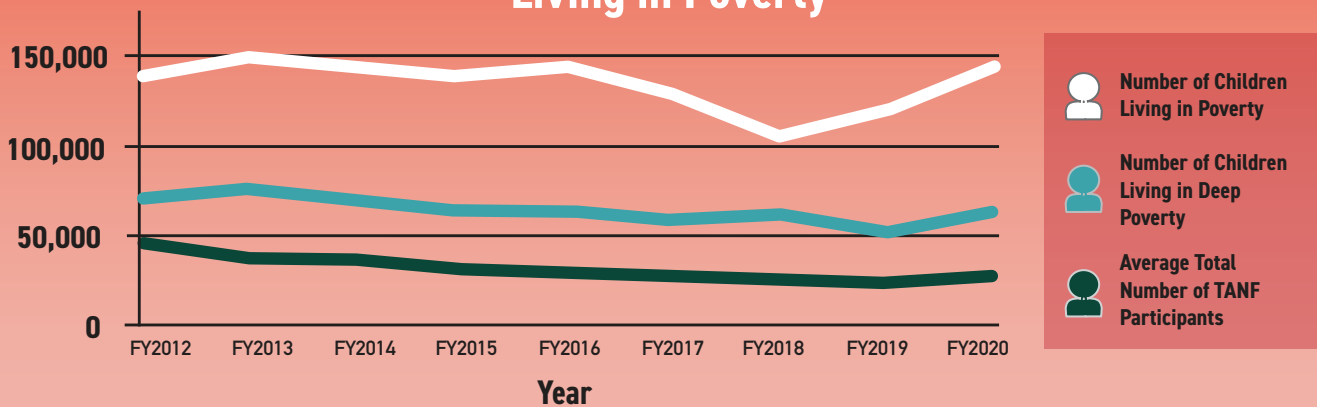
annual increase in childhood income



Source: Duncan, Greg and Magunuson, Katherine. "The Long Reach of Early Childhood Poverty." Pathways, 2011.

Nearly one-third of New Mexico's infants and toddlers live in poverty, but children in TANF households live in extreme poverty.<sup>4</sup> Despite high child poverty rates, punitive TANF program requirements lock families out of benefits. According to the Legislative Finance Committee, only 40% of eligible families are enrolled in TANF/NMW.

## TANF Reaches Very Few New Mexico Children Living in Poverty



Source: NM Human Services Department Monthly Statistical Reports

**New Mexico can follow the lead of at least ten other states who have redesigned their TANF programs to boost infant and maternal health with income support.<sup>5</sup>**

## 1. Stop punishing children and babies for program violations.

New Mexico reduces the cash grant for an entire family each time it believes a parent violates a program rule, like failing to turn in documentation of work hours. The average TANF family participates in TANF for just 33 months out of 60 allowable months, yet an average of 30% of the families on the TANF caseload are sanctioned and the children receive reduced or no cash for months at a time.<sup>6</sup> New Mexico should join 9 other states in ending full family sanctions and protect 75% of the cash grant for the children.<sup>7</sup> This modest retention of resources for children and the large number of babies who receive TANF will have a dramatic impact on their lifelong health.

## 2. Restore exemptions to work requirements required by state law.

State law requires the state to exempt New Mexicans who have barriers to employment and permits the state to only require specific activities, like applying for federal disability benefits. In 2011, under the Martinez administration, HSD stopped exempting New Mexicans with significant barriers to employment from unpaid work hour requirements, even when they are disabled, dealing with domestic violence, or have a newborn. Losing all income at these crisis times, **when families need cash assistance the most**, causes further destabilization and increases the likelihood that families will need to return to TANF sooner and for longer in the future.<sup>8</sup>

These punitive requirements caused a 40% decline in enrollment but no measurable increase in employment or opportunity. Data shows that 30% of families have benefits cut or reduced for failure to meet HSD's punitive work requirements. Research also shows that families leave TANF *due to sanctions* fare less well than families that leave for other reasons.



Mothers that leave TANF due to sanctions are *less likely to become employed, and, if employed, have lower earnings than other families leaving welfare.*<sup>10</sup>



States can make work programs voluntary and not require participation in work activities until families have received stabilizing cash assistance for 24 months.<sup>11</sup>

### 3. Increase the cash grant, so New Mexico's children are not living below deep poverty.

The dollar amount of the cash grant has not changed since 1996 — a 31% decrease in value when adjusted for inflation. The average cash grant for a family who receives TANF is \$338 a month, or 18% of the federal poverty level for a family of 3. Increasing the cash grant to at least 50% of the Federal Poverty Guidelines would ensure very low income families have some ability to meet basic needs for their children. 20 states and the District of Columbia have increased benefits since July 2020 in recognition of the importance of income for children's long-term growth and development — and the inadequacy of their existing TANF benefits.<sup>12</sup>

#### TANF in New Mexico

New Mexico spent roughly **\$33 million** in state dollars on TANF in FY 2019.



Source: <https://www.clasp.org/publications/report/brief/new-mexico-s-infant-and-toddler-action-agenda/>

Families must have incomes below 100% of the Federal Poverty Level to qualify for any cash assistance in New Mexico.



#### 4. Provide flexibility for families to meet program requirements.

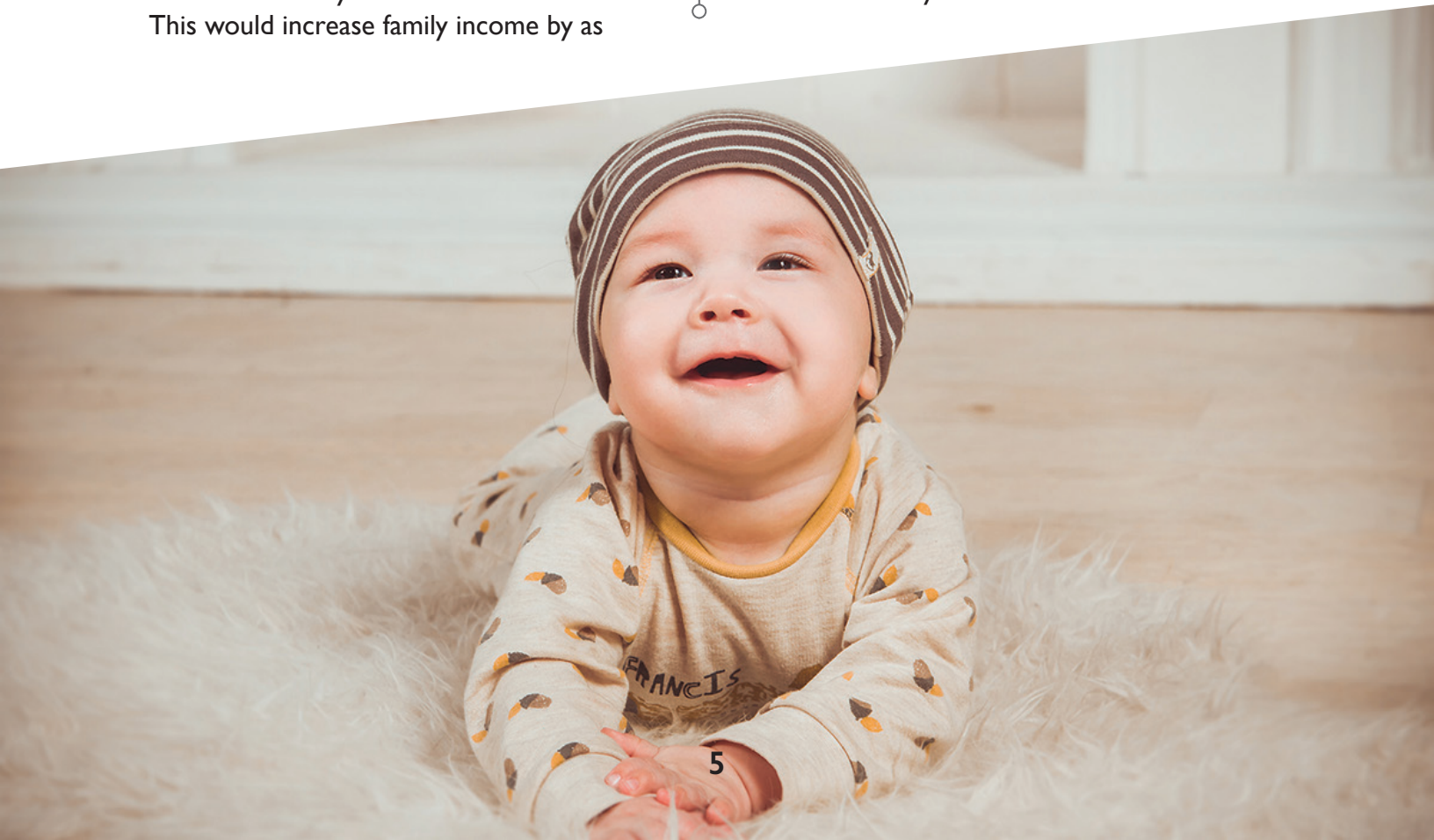
New Mexican parents are allowed *only one* chance a year to avoid a cash benefit reduction for an alleged program violation. Typically, families lose benefits and are locked out of the program for up to six months —

even if they correct the alleged violations. New Mexico should join other states in providing additional and ongoing opportunities for families to demonstrate compliance with program rules and retain benefits.

#### 5. Stop retaining ANY child support for families and exclude child support from the benefit calculation.

New Mexico collects and keeps all but \$100-\$200 (depending on household size) of child support paid to families who currently participate in TANF. New Mexico should follow Colorado's lead and pass through all of the child support funds to these families and exempt child support from the monthly cash benefit calculation. This would increase family income by as

much as 33% for a single mother of two children. Passing through child support to families has been shown to increase compliance with child support payment requirements. Based on the experience of Colorado, eliminating child support retention all together would also reduce administrative and IT costs by 6-8%.



# Endnotes

<sup>1</sup> See, [FY2020 Characteristics and Financial Circumstances of TANF Recipients](#). Office of Family Assistance. Table 9. US Department of Health and Human Services.

<sup>2</sup> See, Case, Anne, Darren Lubotsky, and Christina Paxson. 2002. "Economic Status and Health in Childhood: The Origins of the Gradient ." *American Economic Review*, 92 (5): 1308-1334.

<sup>3</sup> See, Hilary W. Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond. "[Long Run Impacts of Childhood Access to the Safety Net](#)." Working Paper, National Bureau of Economic Research. November 2012.

<sup>4</sup> See, [Analysis performed by the Center on Law and Social Policy using 2018 American Survey Data](#).

<sup>5</sup> Zane, Ali, "[Maine Joins Growing List of States Repealing TANF Full-Family Sanctions](#)." Center on Budget Policy and Priorities. June 17, 2021.

<sup>6</sup> N.B. Sanction data from 2020 through 2022 will not accurately reflect family sanctioning because of the federal waivers in place during the Public Health Emergency, see this [Workforce Innovation and Opportunity Act page](#) explaining that in 2020 the Department, "Suspended all notifications and implementation of noncompliance from the works programs and allowed good cause." **Consequently, public records data shows that family sanctioning was reduced to zero sanctions for the entire caseload.**

<sup>7</sup> Zane, Ali, "[Maine Joins Growing List of States Repealing TANF Full-Family Sanctions](#)." Center on Budget Policy and Priorities. June 17, 2021.

<sup>8</sup> Williamson, Sarah. "[Full Family Sanctions & Economic Recession](#)." Family Welfare Research & Training Group, University of Maryland School of Social Work. January 2011.

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<sup>10</sup> Goldberg, Heidi, Schott, Liz, "[A Compliance-oriented Approach to Sanctions in State and County TANF Programs](#)." Center on Budget and Policy Priorities. October 1, 2000. See also, Duncan, Greg and Magunuson, Katherine. "[The Long Reach of Early Childhood Poverty](#)." *Pathways*, 2011 (describing how even a modest increase in income has lifelong impacts for children's educational attainment and future earnings); See, Lower-Basch, Elizabeth and Schmit, Stephanie. "[TANF and the First Year of Life](#)." CLASP. 2015. (describing a "two-generational" approach, "that addresses the overlapping needs of parents and children at the same time, recognizing that parent and child well-being are inextricably linked."); Floyd, Ife, et al. "[TANF Policies Reflect Racist Legacy of Cash Assistance](#)." Center on Budget Policy and Priorities. August 2021; and The Washington Post, "[Maryland Can Improve Its Cash Assistance For Low-Income Families](#)." August 2021 (describing in laymen's terms the impact ending full family sanctions and cash can have for low-income families); Waxman, Samantha, et. al., "[Income Support Associated with Improved Health Outcomes for Children, Many Studies Show](#)." Center on Budget and Policy Priorities. May 27, 2021.

<sup>11</sup> See, 45 Code of Federal Regulations, §261.10 (a)(1).

<sup>12</sup> See, Safawi, Ali. "[States Must Continue Recent Momentum to Further Improve TANF Benefit Levels: Benefit Increases Can Promote Racial Equity and Child Well-Being](#)." Center on Budget and Policy Priorities. December 2, 2021; See also, "[Chart Book: Temporary Assistance for Needy Families \(TANF\) at 25](#)." Center on Budget and Policy Priorities. August 5, 2021.