

**Overview of TANF Cash Assistance Policy:** In 2020, New Mexico provided TANF cash support to 27% of families with children living below the poverty level, above the national average (21%).<sup>1</sup> The state provides a maximum monthly benefit of \$550 for a family of three (26% of the 2024 Federal Poverty Level, or FPL). According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$0; the state received \$123,014,365 in federal block grants the next year, 2022.**<sup>2</sup>

A family of three must earn a gross income no higher than \$1,761/month (82% FPL) to be eligible for TANF cash assistance in New Mexico. The state **provides transitional assistance** to those parents who earn enough to lose their eligibility, granting as much as \$200/month for up to 18 additional months. In place of cash assistance for families needing only short-term, specific support, New Mexico provides a **one-time diversionary payment as high as \$1,500** for a family of three. The state **maintains the federal 60-month lifetime limit** on receiving assistance.

**Assessment of TANF Cash Assistance Policy:** By **increasing maximum benefits**, New Mexico could greatly benefit parents and children during periods of acute need. To ensure continued supports, **Mandating recurring benefit increases tied to inflation or cost-of-living assessments** would also ensure adequate support for families in the future. Additionally, **removing the asset test for eligibility** would support long-term economic mobility for low-income families.

New Mexico may consider **increasing the earned income disregard (EID) for parents who are already receiving the benefit** once they begin earning more income, which would incentivize workforce participation. The state could also consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefits for parents not fulfilling the program's work requirements, as more states are doing. Further, the state may consider **providing cash assistance for pregnant people without children earlier than the third trimester**, given that sufficient economic support during pregnancy and very early childhood is essential to children's healthy development.<sup>3</sup>

---

<sup>1</sup> For more on TANF-to-poverty ratios, see <https://www.cbpp.org/research/income-security/state-fact-sheets-trends-in-state-tanf-to-poverty-ratios>.

<sup>2</sup> Block grants and spending priorities for 2022 for all states are accessible here: <https://www.acf.hhs.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2022>.

<sup>3</sup> For research detailing effects of some state-level TANF policies and administrative practices on children and families, see <https://www.nccp.org/ec-profiles-pes-policies-related-research-and-resources/#parenting>.

New Mexico’s Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum benefit allowed</b></p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p><b>\$550/month (26% FPL in 2024).</b></p>	<p><b>Increase the maximum benefit level.</b></p> <p><b>Example: California’s maximum payment to a family of three is \$1,171/month (51% FPL).</b></p>
<p><b>Recurring benefit increases</b></p> <p>Has the state mandated increases to these amounts, as the cost of living rises?</p>	<p>No.</p>	<p><b>Make recurring increases to the state’s Standard of Need, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Example: Ohio requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.</b></p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum income</b></p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>New Mexico has a gross income limit of \$1,761 (82% FPL). After deductions for childcare and income disregards, net income must fall below \$550/month for a family to qualify.</p>	<p>N/A</p>
<p><b>A more generous earned income disregard (EID) at reapplication than for initial application</b></p> <p>Can parents qualify for continued cash assistance while keeping more of their income as they</p>	<p>No. EID is consistent, remaining at either \$125 for single-parent families or \$225 for two-parent</p>	<p><b>Consider increasing the amount of income that will be disregarded in determining ongoing eligibility.</b></p>

<p>increase work participation and earnings?</p>	<p>families and 50% of the remainder.</p>	<p><b>Example: New Hampshire disregards 75% of income for cash assistance participants who take on new employment.</b></p>
<p><b>Asset limit</b>  How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>New Mexico allows families to retain \$1,500 in “liquid assets” such as savings accounts and up to \$2,000 in “non-liquid assets” that are not easily converted to cash.</p>	<p><b>Consider removing or raising the asset limit. At least eight states have removed it entirely (e.g., Illinois, Colorado).</b></p>
<p><b>Eligibility during pregnancy for parents without children</b>  Are pregnant people with no children in the household eligible for cash assistance?</p>	<p>Yes, beginning in the third trimester.</p>	<p><b>Consider providing cash assistance earlier in pregnancy.</b>  <b>Example: Colorado provides cash assistance from the first month of pregnancy.</b></p>
<p><b>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</b>  Can parents who hold green cards access cash assistance in New Mexico once they have been in the country for at least five years?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</b>  Can parents who hold green cards access cash assistance in New Mexico before they have been in the country for at least five years?</p>	<p>Yes.</p>	<p>N/A</p>

ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
<p><b>Time limit</b></p> <p>Does New Mexico allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>The lifetime limit is 60 months.</p>	<p>N/A</p>
<p><b>Transitional cash benefits for families when they stop receiving TANF</b></p> <p>Will parents who have just begun to earn enough to be ineligible for TANF cash assistance receive some additional support for a limited period?</p>	<p>Yes. The Cash Assistance Transition Bonus Program (TBP) provides an “incentive bonus” of \$200/month for up to 18 months.</p>	<p>N/A</p>
<p><b>Providing one-time cash payments to families in need</b></p> <p>Does the state provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes. New Mexico may provide a family of three a single payment of up to \$1,500, to be followed by a 12-month “lock-out” from regular TANF cash assistance.</p>	<p>N/A</p>
<p><b>Lifting full-family sanctions</b></p> <p>Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?</p>	<p>Support is reduced at first and second sanction levels. Continuing noncompliance can result in “case closure for a period of not less than six months.”</p>	<p><b>Consider eliminating full-family sanctions to maintain cash assistance for children in the family, as other states have done (e.g., California).</b></p>
<p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>Yes.</p>	<p>N/A</p>

<p><b>Lifting the family cap for a new birth</b></p> <p>Can families receive additional cash assistance if they have another child while receiving assistance?</p>	<p>New Mexico never restricted benefits for children born while families were receiving cash assistance.</p>	<p>N/A</p>
--	--	------------