

New Mexico's Infant and Toddler Action Agenda



New Mexico is home to nearly 70,000 infants and toddlers. New Mexico families are the state's strongest asset, yet current policies aren't meeting their needs. Children's growth and development are shaped by early life experiences. Good health, secure and stable families, and positive early learning environments foster children's physical, intellectual, and social-emotional development. Culturally and linguistically appropriate programs and policies that are developed in collaboration with local communities are also essential to their success.

This profile provides an overview of several key policy areas—including **home visiting, child care assistance, minimum wage, and cash assistance**—that would be particularly impactful for families with infants and toddlers in New Mexico. These policy areas are also ripe for increased investment and improvement at the state level.



strong parents. Infants and toddlers need strong parents who are adequately supported and have effective parenting skills.

high-quality child care and early education. Families with infants and toddlers need high-quality, affordable early care and education programs that support child development and allow parents to work or attend school.

economically stable families. Infants' and toddlers' parents need good jobs in responsive workplaces and access to assistance when they're unable to make ends meet.

healthy bodies, healthy minds, healthy parents. Infants and toddlers and their parents need affordable public health insurance, quality health care services that meet their physical and mental health needs, and nutritious foods.

The Building Strong Foundations Project promotes federal and state policies that address the wellbeing of infants, toddlers, and families. It's guided by a policy framework that outlines infants' and toddlers' needs, recognizing all children benefit from healthy bodies, healthy minds, and healthy parents; economically stable families; strong parents; and high-quality child care and early education opportunities.

The authors would like to extend our gratitude to our colleagues at New Mexico Voices for Children and OLÉ for their helpful review. We also thank W.K. Kellogg Foundation for their generous support.

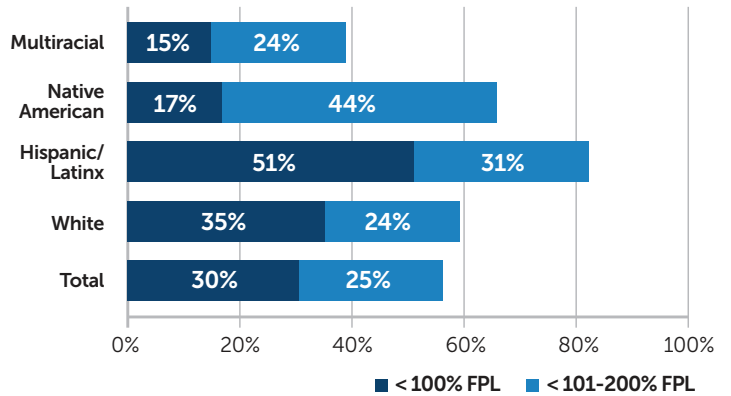
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Infants and Toddlers and their Families in New Mexico

New Mexico is home to **69,742** infants and toddlers (children under the age of 3).



Infants and toddlers of color are more likely to experience economic hardship than their white peers
 Children under age 3 in poor and low-income households by race and ethnicity, 2018



Source: CLASP analysis of 2018 American Community Survey data.

New Mexico has high rates of:

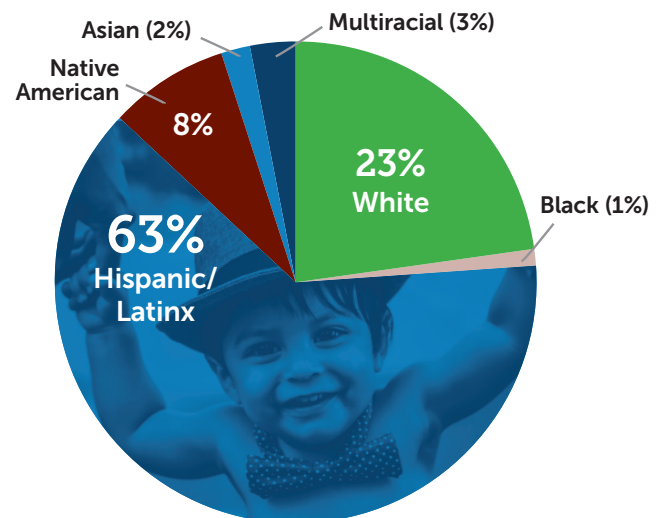
Infants and toddlers with low or very low food security (37%)

Women receiving late or no prenatal care (11%)

New mothers reporting postpartum depression (13%)

Source: Annie E. Casey KidsCount, "Births to women receiving late or no prenatal care in the United States," updated June 2019; New Mexico's Indicator-Based Information System (NM-IBIS), "Query Results for New Mexico PRAMS Survey Data Query - Postpartum Depression (2012-forward)," last accessed December 2019.

More than half of all infants and toddlers in New Mexico are Hispanic/Latinx
 Children under age 3 by race and ethnicity, 2018



16% of infants and toddlers have an immigrant parent

Source: CLASP analysis of 2018 American Community Survey data.

Cross-cutting policy priorities for families with infants and toddlers in New Mexico

#1 Increase public investments

Across the board, federal and state investments are incredibly low in programs that support the unique needs of families with infants and toddlers. Prioritizing public resources for such programs and services is especially vital in New Mexico where nearly one-third of infants and toddlers live in poverty.^a New Mexico needs public investments in...



...state health care systems and local service providers to help ensure that infants, toddlers, parents, and expecting parents have access to services that promote their mental and physical wellbeing.



...early care and education systems to ensure these services are available to those who face the biggest barriers to access, including families in poverty, low-income working parents, and children with disabilities, developmental delays, or special care needs.



...coordinated systems that promote access to a continuum of high-quality parenting and child development services.



...programs and policies that help parents make ends meet and provide opportunities for education, training, and career advancement.

Creating opportunity for children and families is multifaceted, often cutting across multiple policy and program areas. Comprehensive policies and investments that address the economic barriers that young children and their families face will lead to the greatest outcomes.

^a CLASP analysis of 2018 American Community Survey data.

#2 Streamline eligibility and enrollment processes within and across programs

Too many barriers prevent eligible families from accessing public supports and services. The processes to apply for, enroll in, and maintain services are often complex, burdensome, and time consuming for both applicants and administrative staff. When families are eligible for multiple programs—and most are—they often have to deal with these challenges in multiple agencies.

It shouldn't be hard to obtain and maintain services. New Mexico should determine where application and renewal processes are creating barriers or challenges for potentially eligible families and program staff. The state can then work across agencies and programs to streamline and integrate eligibility, enrollment, and redetermination processes by:



providing clear, concise, and consistent explanations about eligibility rules to families;



eliminating unnecessary application and reporting requirements;



leveraging existing application and enrollment data to determine families' eligibility for other programs;



aligning eligibility, enrollment, and redetermination processes and requirements across programs and maximizing the ability of systems to speak to one another electronically; and,



creating a common application across programs.

By aligning programs and making processes less burdensome, New Mexico can help families access vital programs more easily, reach more eligible children, and ultimately promote the wellbeing of infants and toddlers and their families.

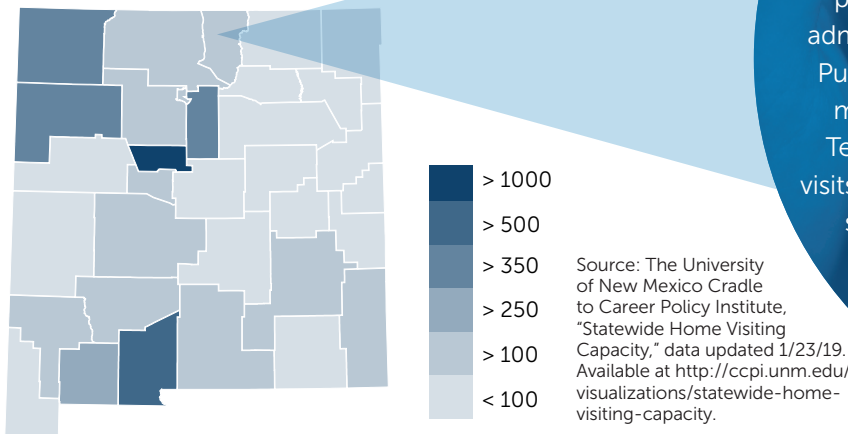
Home Visiting Supports Strong Parents in New Mexico

Home visiting programs provide support, coaching, and resources for parents from a trained professional—often nurses, social workers, or parent educators—during pregnancy and in children's first year or beyond. Home visiting programs help to ensure that babies are born healthy, parents and caregivers have the tools to nurture their children's development, and families are connected to resources in their communities. In New Mexico, home visiting services also seek to improve children's mental and physical health, support school readiness, and keep children and families safe. Voluntary home visiting programs are administered through the state's Children, Youth, and Families Department (CYFD).¹

Home visiting programs in New Mexico in fiscal year 2018

New Mexico offers 33 home visiting programs in 32 counties. These programs use a number of different models to meet families' specific needs. For example, some models target particular ethnic communities or cultures, while others are geared toward first-time parents or families with very low incomes.

FIGURE 1:
Capacity to serve children through home visiting
 Number of slots available for children, by county



Spotlight on Tiwa Babies

Providing culturally and linguistically relevant home visiting services in Taos Pueblo

Tiwa Babies is a home visiting program serving predominantly Native American families. Program administrators collaborated with members of the Taos Pueblo community to incorporate culturally relevant materials, events, and activities into the Parents as Teachers (PAT) model. In addition to offering home visits, Tiwa Babies provides families with developmental screenings, career and financial planning, digital storytelling, playgroups, and other services to support the health and wellbeing of families with young children.

Participants served by home visiting programs
 In Fiscal Year (FY) 2018, CYFD funded 3,092 home visiting openings. More than 2,000 additional slots are available through home visiting programs that are supported through private funding, tribal funding, or direct federal funding.

Participants in CYFD-funded programs were overwhelmingly families with infants and toddlers.

1,366 participants were pregnant

65% of children were birth through age 3

35% of caregivers were between the ages of 13 and 25

51% of participants were Hispanic

Source: CYFD, *New Mexico Home Visiting Annual Outcomes Report, Fiscal Year 2018, 2019.*

Many children who could benefit from home visiting services cannot access the program

While home visiting as a parenting support has existed for some time, only recently have policymakers invested meaningful public dollars in home visiting programs. In 2010, Congress enacted the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program, providing \$1.5 billion over 5 years in federal funding to states. Since then, the program has been extended several times—most recently in 2018 when Congress funded the program into 2022. State funding for home visiting has also increased exponentially over time. In FY 2018, total state and federal funding for home visiting in New Mexico was \$18.7 million. Funding increased to \$20.2 million in FY 2019, with roughly half coming from state general funds.²



Photo courtesy of Tiwa Babies.

While investment in home visiting programs is growing at the national and state levels, current funding levels extend services to a very small percentage of potentially eligible children. In New Mexico, an estimated 157,600 children—half of whom are infants and toddlers—were eligible in 2017,³ compared to just over 5,000 slots in 2018.⁴

New Mexico should fully leverage Medicaid dollars for home visiting

New Mexico established a pilot Medicaid-funded home visiting program in 2018. Beginning in January 2019, the state has piloted home visiting services to Medicaid-eligible pregnant people and parents through Centennial Care managed care organizations in Bernalillo, Curry, and Roosevelt counties. In 2019, the New Mexico Human Services Department announced that the program would be expanded to Taos County. Using the Nurse-Family Partnership (NFP) or Parents as Teachers (PAT) models, home visits will focus on prenatal care, postpartum care, and early childhood development.

With more than 80 percent of births in New Mexico funded by Medicaid,⁵ expanding this pilot statewide would be a smart investment. Research confirms that home visiting programs support parents' and their babies' health. For example, an evaluation of participants in CYFD-administered home visiting programs in 2018 found that 88 percent of participating mothers received prenatal care in the first trimester,⁶ compared to 64 percent of all women who gave birth in New Mexico in 2017.⁷ Recognizing the connection between home visiting and health outcomes, the two federal agencies responsible for Medicaid and home visiting issued joint guidance in 2016 to help states understand how to draw on Medicaid funding to support home visiting.⁸



New Mexico should ensure that more families have access to home visiting programs

Home visiting programs are vital supports to parents and children, promoting healthy development and connections to community resources. But too many families who could benefit from home visiting are unable to access services. New Mexico should expand the availability of home visiting services by:

- passing legislation that allows for use of more Medicaid funding for home visiting;
- increasing investment of state dollars in home visiting for families with low incomes; and
- supporting culturally and linguistically appropriate programs that are rooted in the communities they serve.



Child Care Assistance Provides High-Quality Child Care and Early Education Opportunities in New Mexico

Child care assistance provides subsidies to families with low incomes to offset the cost of child care, allowing parents to work or go to school while providing young children with a safe place to learn and grow. Helping families with the cost of child care—particularly for infants and toddlers—is a smart investment for New Mexico. Child care assistance helps increase parental employment and earnings and reduces the likelihood that parents will experience child care-related disruptions in employment.⁹ Research also demonstrates that parents who receive child care subsidies are able to enroll their children in higher-quality programs than similar parents without subsidies.¹⁰ When families pay less for child care, they have more left in their budgets to pay for other necessities like groceries, clothing, and diapers.¹¹

New Mexico offers child care subsidies to families with low incomes through the Children, Youth, and Families Department (CYFD) Child Care Assistance program, funded primarily by the federal Child Care and Development Block Grant (CCDBG).¹² Under CCDBG, states have broad discretion to set child care policies under federal parameters. Children are generally eligible for assistance if they are under the age of 13, have low household incomes, and have parents who are working or participating in education or training.¹³

Newly finalized state regulations outline that families earning up to 200 percent of the federal poverty guidelines (FPG) are eligible for child care assistance.¹⁴ Historically, the New Mexico legislature consistently underfunded the program, and typically set eligibility levels much lower. For the past 8 years, income eligibility was limited to 150 percent of the FPG and was capped as low as 100 percent of the FPG at different time periods. In 2019, CYFD announced that it would allow families to continue receiving assistance with incomes up to 250 percent of the FPG.¹⁵

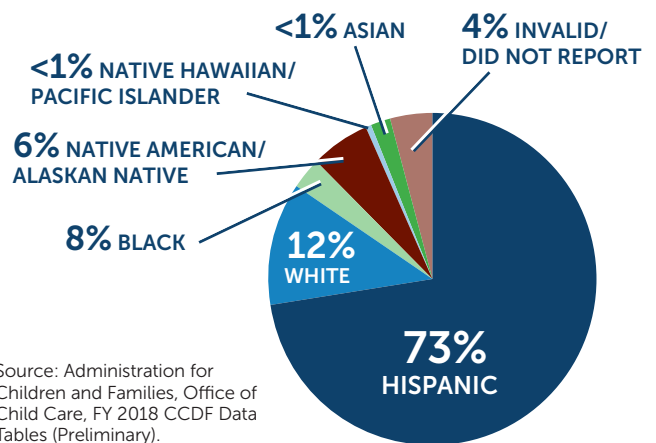
Characteristics of children in CCDBG-funded child care

In FY 2018, **5,490** (28 percent) of all children served through CCDBG-funded child care were infants and toddlers.



Children receiving CCDBG-funded child care in 2018, by race and ethnicity

Children ages 0-13



Source: Administration for Children and Families, Office of Child Care, FY 2018 CCDF Data Tables (Preliminary).

Where does New Mexico fall on key policy areas impacting access to CCDBG?

- **Payment rate for infant center-based care:** 27% lower than the federally recommended level*
- **Copayments waived for:** children in protective services**
- **Populations receiving priority for enrollment and higher payment rates for higher-quality care:** families at or below 100% FPG, children with special needs, families experiencing homelessness, TANF families**
 - Children with special needs are also exempt from being placed on a waiting list under any circumstance

*Karen Schulman, *Overdue for Investment: State Child Care Assistance Policies 2018*, NWLC, 2018, available at <https://www.nwlc.org>. The federally recommended payment rate is the 75th percentile of the current market rate.

**Child Care and Development Fund (CCDF) Plan for New Mexico, FFY 2019-2021, available at <http://www.newmexicokids.org/>.

Families face too many barriers to receiving and maintaining child care assistance

One-quarter of potentially eligible infants and toddlers receive CCDBG-funded subsidies in New Mexico.¹⁶ Despite great need for child care assistance, families face a number of barriers to accessing subsidies.

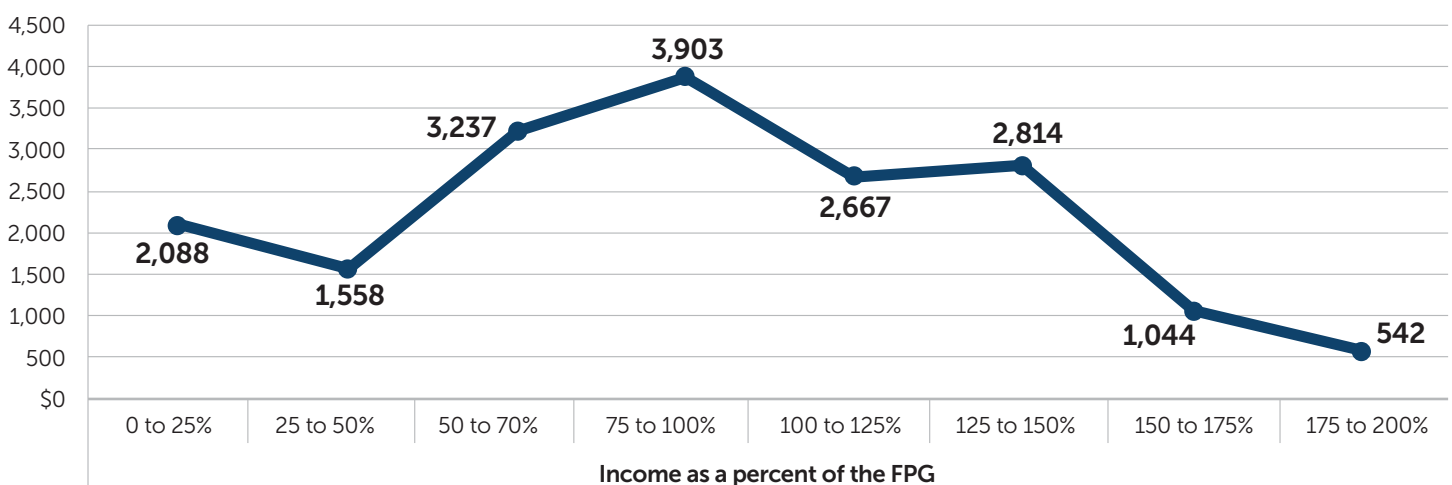
Families start paying copayments at roughly one-third of the federal poverty guidelines

Many states require that families pay a share of their child care costs, commonly referred to as “copayments.” States determine which families are responsible for copayments and how much they are expected to pay. Federal regulations set a benchmark for affordable parent fees at 7 percent of income. While states are not required to set their copayments at this threshold, federal guidance is clear that copayments should not create barriers to assistance for families.¹⁷ States can also waive copayments for families with incomes below the poverty level or based on other characteristics. New Mexico only does so for children in protective services.

As a result, the vast majority of families in New Mexico’s subsidy system must make copayments—81 percent in 2017 compared to the national rate of 62 percent.¹⁸ The state begins charging copayments when parents’ earnings equal roughly one-third of the FPG (~\$7,000 annually for a family of 3 in 2019).¹⁹ Participation data show a clear drop-off in enrollment for families earning between 25 and 50 percent of the FPG (see Figure 2).²⁰

When families can’t afford to pay copayments, they can’t benefit from child care assistance even if they are eligible. For families with infants and toddlers and very low incomes, every dollar they pay toward copayments means one less dollar to spend on basic necessities like rent, groceries, and diapers.

FIGURE 2: Children receiving child care assistance, FY 2017



CYFD participation data for FY 2017 on file with New Mexico Voices for Children.

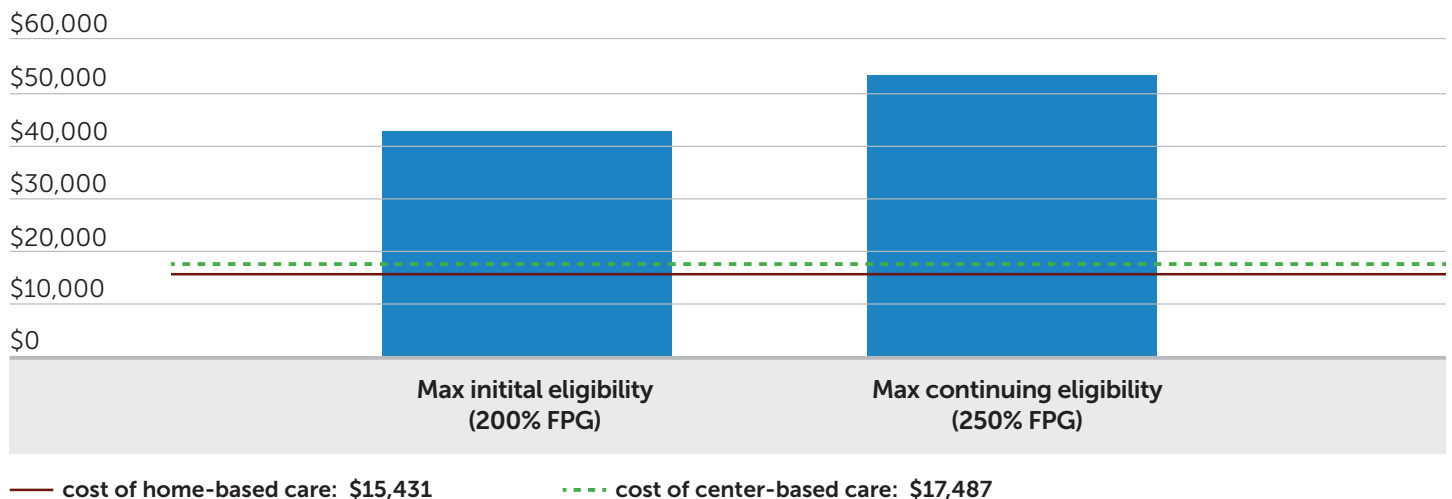
Families face a steep “cliff effect” once their income exceeds 200 percent of the FPG

States are required to implement “tiered eligibility” policies that allow families to continue receiving services once their income exceeds the initial eligibility threshold.²¹ In New Mexico, families can earn a maximum of 250 percent of the FPG (equivalent to \$53,325 for a family of 3 in FY 2019) before becoming ineligible for assistance. At that point, they face a steep child care “cliff effect,” which is a phenomenon that occurs when families earn too much to maintain eligibility for child care assistance and are abruptly cut off from subsidies but earn too little to afford the full cost of care. The cliff effect leaves families no better—and in some cases much worse—than they were before an increase in wages or work hours. Tiered eligibility policies can smooth the cliff effect by gradually reducing assistance as income rises, but states must be sure that exit eligibility limits are high enough to allow for sufficient wage growth over time.

Consider a hypothetical family—a single mom with an infant and a four-year-old—earning the maximum income allowed under subsidy rules. When her earnings exceed the exit eligibility threshold—making her ineligible for a subsidy—her out-of-pocket child care expenses could double.²²

FIGURE 3: Average annual cost of care relative to income eligibility thresholds

For a single mother with an infant and a four year old



New Mexico CYFD, “Regulation Changes to 8.15.2 NMAC—Requirements for Child Care Assistance Programs for Clients and Child Care Providers and Notice of Rulemaking and Public Rule Hearing,” 2019, <http://www.newmexicokids.org/proposed-regulation-changes-to-8-15-2-nmac/>; Child Care Aware of America, *The US and the High Price of Child Care: An Examination of a Broken System*, 2019, <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>.

New Mexico must take steps to make affordable child care more accessible to families



Child care subsidies help offset the high cost of child care and can enable families to get higher quality care than is otherwise available. But working families with low incomes can’t benefit from child care subsidies if copayments are unaffordable. New Mexico should revise its policies and make subsidies more meaningful for families by:

- eliminating copays for families at or below 100 percent of the FPG;
- reducing copays for families above 100 percent of the FPG and capping copays for all families at an affordable rate of no more than 7 percent of income; and
- leveraging state dollars to extend the exit eligibility threshold to 300 percent of the FPG once it has eliminated copays for families below the poverty level and capped copays at an affordable rate for all other families.



Increasing and Enforcing the Minimum Wage Supports Economically Stable Families in New Mexico

Across the country, there is growing recognition that raising the minimum wage is essential to reducing income inequality. Children—particularly very young children—rely on their parents to meet their basic needs and provide them with food and shelter. These necessities cost money, and parents need good-paying jobs that allow them to meet their families' needs. Because parents with young children are overrepresented in low-paying industries such as food service and hospitality, minimum wage increases are particularly important for supporting infants and toddlers. One-quarter of all working mothers with infants and toddlers in New Mexico work in low-paying jobs.²³

In April 2019, the state adopted the first increase in the state minimum wage since 2009. New Mexico's *Minimum Wage Act* progressively increases the minimum wage from \$7.50 to \$12.00 per hour by January 1, 2023 (see Figure 4).²⁴

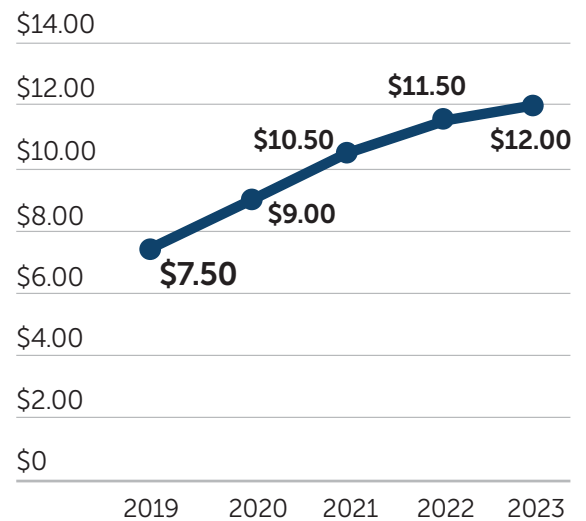
An important increase, but the state has further to go

The recent minimum wage increase represents an important step toward reducing economic inequality. Research suggests that nearly 250,000 workers will directly or indirectly benefit—with wages for an individual worker increasing by an average of \$833 annually.²⁵ Many of the workers who will benefit are people of color or single parents. An estimated 100,600 children will be helped by their parents' increased wages.²⁶

While there is much to celebrate, the *Minimum Wage Act* falls short of fully supporting workers and their families. The law does not index the ultimate \$12.00 hourly wage to inflation, meaning its value will start declining immediately and continue declining over time with rising prices. As a result, New Mexico families will enjoy the increase in their wages for only a few short years before their purchasing power will diminish as inflation rises.

Additionally, the *Minimum Wage Act* excludes many categories of New Mexican workers. Such exclusions perpetuate racial and gender inequities in earnings and undermine families' progress toward economic security. These exclusions also create a confusing patchwork of wage protections that can hinder workers' abilities to know and assert their rights and can embolden abusive employers.²⁷

FIGURE 4:
The *Minimum Wage Act* progressively increases wages in New Mexico
Annual wage increases, FY 2019–2023



Department of Workforce Solutions, "Minimum Wage Information," <https://www.dws.state.nm.us/Minimum-Wage-Information>. Last accessed December 2019.



Workers excluded from New Mexico's Minimum Wage Act



This is not an exhaustive list of workers that are excluded from recent minimum wage increases. Domestic workers and certain workers with disabilities are also excluded, among others.

Tipped workers who will continue to earn a sub-minimum wage. New Mexican workers who earn more than \$30 in tips per month will see their wages increase from \$2.13 per hour²⁸ to \$3.00 per hour by January 2023. The employer is responsible for ensuring that employees earn at least the state-established minimum wage when their tips and wages are combined.



Workers under age 19 who are subject to different minimum wage standards. Almost all workers under 19 are excluded from the current state minimum wage. Starting January 1, 2020, youth not enrolled in school are still excluded, but those enrolled in school are entitled to a new subminimum wage of \$8.50.²⁹ This has implications for more than 2,000 young mothers in New Mexico.³⁰



Many agricultural workers who will not benefit from minimum wage increases. Food is at the heart of New Mexico identity, but a large share of agricultural workers—including dairy workers, people working for small employers, seasonal hand-harvest workers, children harvesting with their parents, and packers of agricultural products—remain excluded from minimum wage laws.³¹



Workers can't benefit from a minimum wage increase if the law isn't enforced

Currently, too many New Mexico workers are paid less than the minimum wage because employers violate the law. Workplace violations are particularly widespread in sectors with low-wage workers.³² The New Mexico Department of Workforce Solutions (DWS) has a statutory obligation to enforce the law, but DWS is underfunded and overwhelmed by the resulting backlog of 1,800 wage complaints at the end of 2019. One in five workers has been waiting for their case to be investigated or to be paid wages owed for over a year and a half. Some have been waiting as long as eight years.³³ The state must properly implement and robustly enforce the law to provide its anticipated benefits to workers and their families.

! New Mexico should continue to improve minimum wage policies in the state and fully fund enforcement

New Mexico's workers deserve stable jobs with living wages. Increasing the minimum wage is an important first step, but policymakers and administrators have more to do. New Mexico should pass legislation to:

- index the 2023 minimum wage of \$12 per hour to inflation;
- eliminate subminimum and tipped wages and extend the raised minimum wage to tipped workers, youth, and other workers;
- extend minimum wage protections to agricultural workers and other excluded workers;
- continue raising the minimum wage until it reaches at least \$15 per hour;
- increase and maintain funding for DWS to hire more investigators with the budget to travel and conduct outreach in rural communities; and
- prioritize and direct the efforts of DWS to conduct enforcement in sectors where the problems are largest and where workers are least likely to exercise their rights provided by the law.³⁴

Improving Cash Assistance (NMWorks) to Support Economically Stable Families in New Mexico

Cash assistance programs provide families in poverty with work supports and a temporary monthly income supplement to help them meet their basic needs. Even a small amount of additional income can be a stabilizing force, allowing parents to purchase diapers, groceries, or other household necessities. Increased income during early childhood is associated with improved health, better school performance, and even increased earnings later in a child's life.³⁵

The federal Temporary Assistance for Needy Families (TANF) block grant program is intended to provide assistance to eligible families and help families transition to sustainable employment.³⁶ TANF gives states a pool of funding to provide eligible families with a range of services, including cash assistance, employment services, and child care subsidies. In New Mexico, the TANF program is known as NMWorks and is administered by the New Mexico Human Services Department (HSD). While the state administers several different cash assistance programs, NMWorks is the only cash assistance program for families in poverty.³⁷

TANF in New Mexico

New Mexico spent roughly **\$33 million** in state dollars on TANF in FY 2019.³⁸



Source: Office of Family Assistance, "Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2018," 2019.

As a result of low income eligibility levels and other barriers, just...



...21 out of every 100 families with children and incomes below the poverty level received TANF cash assistance in 2016-2017.

Source: Center on Budget and Policy Priorities, "TANF Financial Assistance to Poor Families Is Disappearing in New Mexico," https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_nm.pdf.

To be eligible for NMWorks a family must:

- live in New Mexico;
- be below the set income and resource limits;
- have dependent children age 18 or younger who are citizens or have a qualifying immigration status; and,
- provide information on monthly income.

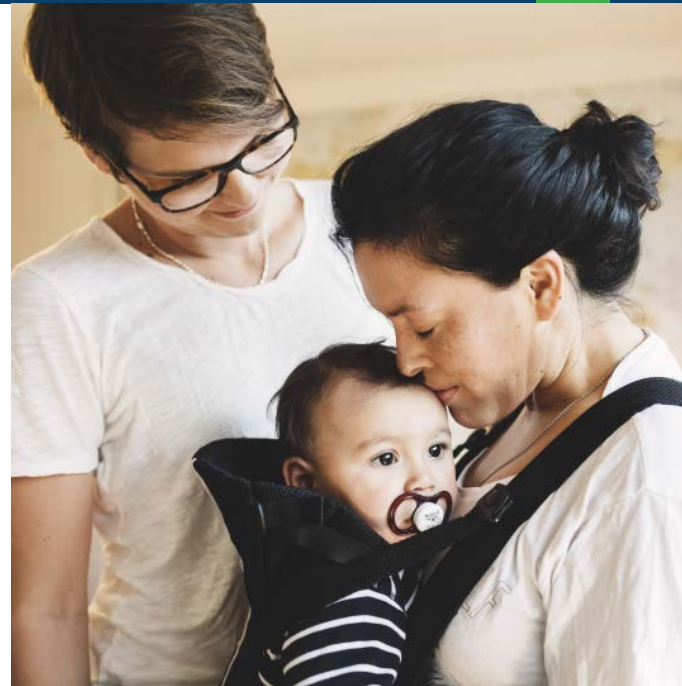
Source: Human Services Department, "Temporary Assistance for Needy Families," https://www.hsd.state.nm.us/LookingForAssistance/Temporary_Assistance_for_Needy_Families.aspx.

NMWorks doesn't work for families

Many families who would benefit from TANF cannot access it

Although many families with low incomes could benefit from cash assistance, only a small percent of such families qualify for help. States decide the financial eligibility criteria to determine families' ability to participate in the program.

In New Mexico, families have to pass two income tests to determine their eligibility: one that assesses the amount of income and assets they have in total ("gross income"), and the other that assesses income after certain deductions ("net income"). A family's gross income cannot exceed 85 percent of the FPG. The net income test is a much lower threshold, amounting to about 25 percent of the FPG in FY 2018.³⁹ As a result, many families who could benefit from the TANF program are not eligible under New Mexico's strict eligibility rules.



Work requirements are overly restrictive—particularly for families with infants and toddlers—and often result in children losing benefits

Parents of infants may experience greater strain in attempting to balance the intensive nature of caregiving for their babies with the TANF work requirements. However, an early study of TANF and families with infants found that state policy and practice did not treat them as a group with unique needs.⁴⁰ All too often, state TANF policies create additional barriers for families with infants, making it harder for both parents and children to thrive. For example, pregnant people in New Mexico are ineligible for TANF until they reach the seventh month of pregnancy. The state also eliminated all exemptions for work requirements in 2011, meaning that pregnant people are required to work throughout the duration of their pregnancy and immediately postpartum.⁴¹ When parents are unable to meet work requirements, the state reduces the entire family's benefits or eliminates the benefits altogether, jeopardizing the health and wellbeing of young children in the household.

Limits on assistance and minimal supports inhibit the program's effectiveness for families in need

Families clearly benefit from cash assistance and other support services that help them achieve stable employment. However, even when families receive cash assistance, TANF eligibility in New Mexico is time limited to 60 months over a lifetime and provides too little for a family to live on while parents look for work or attend school. The maximum amount a family of 3 can receive is just \$447 per month, a 30 percent reduction in benefits from more than 20 years ago when adjusted for inflation.⁴²

Even families who receive both Supplemental Nutrition Assistance Program (SNAP) and TANF benefits are living well below the federal poverty level. In addition, New Mexico spends little resources on services that would help parents access better quality jobs. Just 7 percent of the state's total federal TANF and state maintenance of effort (MOE)⁴³ funds in FY 2018 went toward subsidized employment, work activities, and other work-related supports. Less than 1 percent went toward education and training.⁴⁴

Few families receiving TANF get additional supportive services, despite being eligible

Because families enrolled in TANF have very low incomes, they are generally eligible for programs and services. States can connect families receiving TANF to other programs in multiple ways. One strategy is to fund services like home visiting or job training directly through federal TANF dollars.⁴⁵ Another is to prioritize their enrollment in services like housing, nutrition, or child care assistance and/or jointly enroll families in these services when they apply for TANF.

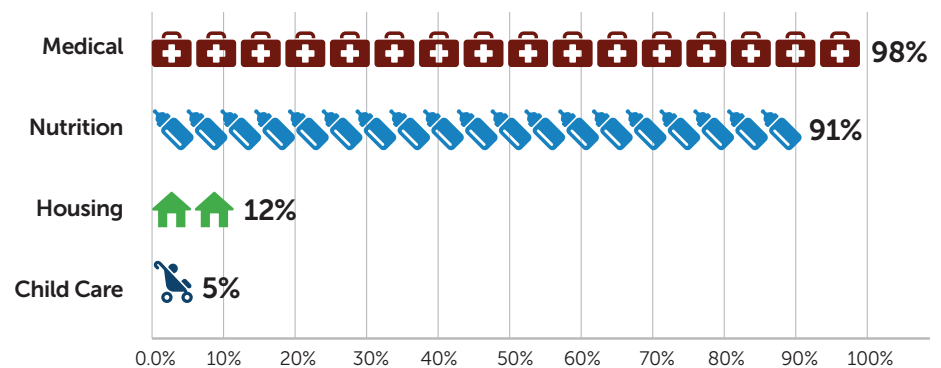
However, New Mexico spends very little of its TANF resources directly on services that benefit parents of infants and toddlers. In FY 2018, New Mexico did not spend any TANF dollars directly on child care and just 2 percent on home visiting services. The state is also inconsistent in the extent to which TANF families are connected to programs and services through other funding streams.⁴⁶

The small share of families receiving TANF who are enrolled in child care assistance is particularly concerning given that New Mexico transferred one-quarter of its TANF funds to CCDBG in FY 2018 and families enrolled in TANF are a priority for child care assistance in the state.⁴⁷ Child care subsidies are an enormous benefit for families with infants, often more valuable than TANF cash assistance itself. New Mexico is doing a major disservice to families by not having better referral pathways between TANF and child care assistance.



FIGURE 5:
TANF families aren't getting connected to child care or housing assistance

Percent of TANF families receiving other forms of assistance in FY 18



Source: Office of Family Assistance, *Characteristics and Financial Circumstances of TANF Recipients Fiscal Year (FY) 2018, 2019*.



New Mexico must improve its TANF policies to meet the needs of infants and toddlers

New Mexico's restrictive and regressive TANF policies prevent families in poverty from benefitting from cash assistance and other supportive services. New Mexico should improve its TANF policies by:

- maintaining children's benefits when a parent does not comply with work requirements;
- eliminating full-family time limits, allowing children to continue receiving cash assistance after parents have reached their 60-month lifetime limits;
- offering flexibility in work activities and exemptions for families with infants and toddlers. For example, New Mexico should count enrollment in home visiting as a qualifying work activity, and parents with an infant should be exempt from work requirements for a year following the birth of a child; and
- automatically enrolling parents participating in the TANF program in child care assistance.

Endnotes

- ¹ The administration of home visiting programs will transition to the state's newly established Early Childhood Education and Care Department, which will fully go into effect in July 2020.
- ² New Mexico Children, Youth, and Families Department (CYFD), *New Mexico Home Visiting Annual Outcomes Report, Fiscal Year 2018, 2019*, https://cyfd.org/docs/FY18_Home_Visiting_Annual_Outcomes_Report_Final_12_18_%281%29.pdf.
- ³ National Home Visiting Resource Center, *2018 Home Visiting Yearbook*, 2018, <https://www.jbassoc.com/wp-content/uploads/2018/11/2018-Home-Visiting-Yearbook.pdf>.
- ⁴ CYFD, *New Mexico Home Visiting Annual Outcomes Report*.
- ⁵ New Mexico Legislative Finance Committee, *Special Review: Early Childhood Services Accountability Report Card, Gap Analysis and Spending Plan* (Report #15-01), 2015, https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Early%20Childhood%20Services%20Accountability%20Report%20Card%20-%20Gap%20Analysis%20and%20Spending%20Plan.pdf.
- ⁶ CYFD, *New Mexico Home Visiting Annual Outcomes Report*.
- ⁷ New Mexico Department of Health, New Mexico Indicator-Based Information System, "Complete Health Indicator Report of Prenatal Care in the First Trimester," last updated 2018, https://ibis.health.state.nm.us/indicator/complete_profile/PrenCare.html.
- ⁸ Vikki Wachino, Center for Medicare and Medicaid Services and James Macrae, Health Resources and Services Administration, memorandum, March 2, 2016, "Coverage of Maternal, Infant, and Early Childhood Home Visiting Services," <https://www.medicare.gov/federal-policy-guidance/downloads/CIB-03-02-16.pdf>. Note that Medicaid may cover some components of a home visit and not others, depending on the model.
- ⁹ Yoonsook Ha and Daniel P. Miller, "Child care subsidies and employment outcomes of low-income families," *Children and Youth Services Review* 59, 2015; Nicole D. Forry and Sandra L. Hofferth, "Maintaining work: The influence of child care subsidies on child care-related work disruptions," *Journal of Family Issues* 32(3), 2011; Magaly Queralt, Ann Dryden Witte, and Harriet Greisinger, "Changing policies, changing impacts: Employment and earnings of child-care subsidy recipients in the era of welfare reform," *Social Service Review* 74(4), 2000.
- ¹⁰ Rebecca Ryan, Anna Johnson, Elizabeth Rigby, et al., "The impact of child care subsidy use on child care quality," *Early Childhood Research Quarterly* 26(3), 2011. Anna D. Johnson, Rebecca M. Ryan, and Jeanne Brooks-Gunn, "Child-care subsidies: Do they impact the quality of care children experience?" *Child Development* 83(4), 2012; Caroline Krafft, Elizabeth E. Davis, and Kathryn Trout, "Child care subsidies and the stability and quality of child care arrangements," *Early Childhood Research Quarterly* 39, 2017; Allison De Marco, Lynne Vernon-Feagans, et al., "Child care subsidy use and child care quality in low-wealth, rural communities," *Journal of Family and Economic Issues* 36, 2015.
- ¹¹ Lisa A. Gennetian, Danielle A. Crosby, Aletha C. Huston, and Edward D. Lowe, "How child care assistance in welfare and employment programs can support the employment of low-income families," *The Next Generation Working Paper Series No. 11*, 2002; Nicole D. Forry, "The impact of child care subsidies on low-income single parents: An examination of child care expenditures and family finances," *Journal of Family and Economic Issues* 30(1), 2009.
- ¹² The administration of the child care subsidy program will transition to the state's newly established Early Childhood Education and Care Department, which will fully go into effect in July 2020.
- ¹³ CYFD, "Child Care and Development Fund (CCDF) Plan for New Mexico, 2019-2021," 2019, http://www.newmexicokids.org/wp-content/uploads/Child_Care_Development_Fund_CCDF_Plan_for_New_Mexico_FY19-FY21.pdf. Note that children over age 13 may be eligible in specific circumstances. Children who are receiving protective services are eligible regardless of income.
- ¹⁴ Note that larger families (~5+ members) with income at 200% FPG exceed the 85% SMI threshold under federal law and must be served by state dollars.
- ¹⁵ CYFD, "Regulation Changes to 8.15.2 NMAC—Requirements for Child Care Assistance Programs for Clients and Child Care Providers and Notice of Rulemaking and Public Rule Hearing," 2019, <http://www.newmexicokids.org/proposed-regulation-changes-to-8-15-2-nmac/>.
- ¹⁶ CLASP analysis of 2013-2017 data from the Office of Child Care and American Community Survey five-year estimates. For the purposes of this analysis, potentially eligible infants and toddlers were under the age of 3, had all available parents in the household working, and had a household income of less than 150 percent FPG.
- ¹⁷ The affordability benchmark is federally recommended but not required.
- ¹⁸ Office of Child Care, "FY 2017 Preliminary Data Table 17 - Average Monthly Mean Family Co-payment as a Percent of Family Income," 2019, <https://www.acf.hhs.gov/occ/resource/fy-2017-preliminary-data-table-17>.
- ¹⁹ Copayments are a set dollar amount determined by the state and increase by a set dollar amount as income increases. Copayments are discounted for any additional children in care beyond the first child. Copayments are also discounted for children in part-time care. For more information, see CYFD, "Child Care Services Bureau Co-Pay Schedule," 2019, https://cyfd.org/docs/Copay_Table_Effective_April_2019_thru_March_2020_CYFD.org_.pdf.

Endnotes (cont'd)

²⁰ CYFD participation data for FY 2017 on file with New Mexico Voices for Children.

²¹ Hannah Matthews, Karen Schulman, Julie Vogtman, et al., *Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States*, CLASP and National Women's Law Center (NWLC), 2017, <https://www.clasp.org/publications/report/brief/implementing-child-care-and-development-block-grant-reauthorization-0>.

²² Assumes both children are in full-time center-based care. For average cost of care in New Mexico, see Child Care Aware of America, *The US and the High Cost of Child Care: An Examination of a Broken System*, 2019, <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>. For copay methodology, see CYFD, "Regulation Changes to 8.15.2 NMAC-Requirements for Child Care Assistance Programs for Clients and Child Care Providers and Notice of Rulemaking and Public Rule Hearing," 2019, <http://www.newmexicokids.org/proposed-regulation-changes-to-8-15-2-nmac/>. For copayment schedule, see CYFD, "Child Care Services Bureau Co-Pay Schedule: April 2019 through March 2020," 2019, https://cyfd.org/docs/Table_Effective_April_2019_thru_March_2020_CYFD_org_09202019xlsx.pdf.

²³ National Women's Law Center, "Mothers of Very Young Children in Low-Wage Occupations," 2017, <https://nwlc.org/resources/interactive-map-mothers-very-young-children-low-wage-occupations/>.

²⁴ Several local governments—including Albuquerque, Bernalillo County, Las Cruces, Santa Fe, and Santa Fe county—already had higher minimum wage rates in effect when the law was passed. The state law provides a floor for wages in New Mexico, but local minimum wages can be higher than state law.

²⁵ Sarah Hyde, *New Mexicans Are Worth More: Raising the State's Minimum Wage*, New Mexico Voices for Children, 2018, <https://www.nmvoices.org/archives/11933>. Note that these data likely overestimate the number of workers who will benefit from a minimum wage increase, as they do not account for the exemptions for tipped workers and youth that were included in the law.

²⁶ Ibid.

²⁷ See for example, David Cooper, "Gradually eliminating the two-tiered wage system for tipped workers in New York will improve working conditions and wages for tipped workers across the state," EPI, 2017, <https://www.epi.org/publication/gradually-eliminating-the-two-tiered-wage-system-for-tipped-workers-in-new-york-will-improve-working-conditions-and-wages-for-tipped-workers-across-the-state/>; National Employment Law Project (NELP) and Restaurant Opportunities Center, *The Case for Eliminating the Tipped Minimum Wage in Washington, DC*, 2016, <https://s27147.pcdn.co/wp-content/uploads/Report-Case-Eliminating-Tipped-Minimum-Wage-Washington-DC.pdf>; Nicole Rodriguez, *Teens, Employment, and the Minimum Wage*, Massachusetts Budget and Policy Center, 2017, http://massbudget.org/report_window.php?loc=Teens,-Employment,-and-the-Minimum-Wage.html; NELP, *Teen Subminimum Wage: Bad Policy that New Jersey Should Reject*, 2016, <https://www.nelp.org/publication/teen-subminimum-wage-bad-policy-that-new-jersey-should-reject/>.

²⁸ \$2.13 hourly is the federal tipped minimum wage.

²⁹ As the minimum wage for most other workers increases annually, reaching \$12.00 per hour on January 1, 2023, this subminimum youth wage will remain at \$8.50. Youth not enrolled in school will only be entitled to the federal minimum wage of \$7.25.

³⁰ U.S. Department of Health and Human Services, "New Mexico Adolescent Reproductive Health Facts," 2019, <https://www.hhs.gov/ash/oah/facts-and-stats/national-and-state-data-sheets/adolescent-reproductive-health/new-mexico/index.html>.

³¹ The most recent estimates of agricultural workers who are excluded from wage protections are from 2012, available at New Mexico Center for Law and Poverty, *Human Rights Alert: New Mexico's Invisible and Downtrodden Workers*, 2012, http://fronterasdesk.org/sites/default/files/field/docs/2013/07/Report-FINAL-PDF-2013-06-28_0.pdf. Note that the New Mexico Supreme Court struck down a similar exclusion of agricultural workers from NM Workers' Compensation benefits as unconstitutional. For additional information, see <http://nmpovertylaw.org/wp-content/uploads/2016/06/Opinion-Supreme-Court-Rodriguez-Aguirre-2016-06-30.pdf>.

³² Annette Bernhardt, Ruth Milkman, Nik Theodore et al., *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities*, National Employment Law Project, 2009, <https://www.nelp.org/wp-content/uploads/2015/03/BrokenLawsReport2009.pdf>.

³³ Data from the New Mexico Department of Workforce Solutions on file with the New Mexico Center on Law and Poverty.

³⁴ Transitioning to strategic enforcement includes increasing the use of proactive investigations; setting enforcement priorities; using all enforcement tools; improving outreach; using strategic communications; resolving investigations with agreements that promote ongoing compliance; and building a culture of planning, evaluation, review, and continuing improvement. For more information, see David Weil, "Creating a strategic enforcement approach to address wage theft: One academic's journey in organizational change," *Journal of Industrial Relations*, 2018, available at http://www.fissuredworkplace.net/assets/D.Weil.Creating_a_Strategic_Enforcement_Approach.JIR_2018.pdf; and Tanya Goldman, "Introduction to Strategic Enforcement," CLASP, 2018, <https://www.clasp.org/publications/report/brief/labor-standards-enforcement-toolbox-introduction-strategic-enforcement>.

³⁵ Elizabeth Lower-Basch and Stephanie Schmit, *TANF and the First Year of Life*, CLASP, 2015, http://www.clasp.org/resources-and-publications/body/TANF-and-the-First-Year-of-Life_Making-a-Difference-at-a-Pivotal-Moment.pdf; Greg Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways*, 2011, https://inequality.stanford.edu/sites/default/files/PathwaysWinter11_Duncan.pdf.

Endnotes (cont'd)

³⁶ TANF is administered at the federal level by the U.S. Department of Health and Human Services (HHS), but leaves most spending and policy decisions to the states. In some cases, counties or tribal nations have the authority to make policy decisions. For more information, see Office of Family Assistance, "About TANF," 2019, <https://www.acf.hhs.gov/ofa/programs/tanf/about> and Elizabeth Lower-Basch, *TANF 101: Block Grant*, CLASP, 2019, <https://www.clasp.org/publications/report/brief/tanf-101-block-grant>.

³⁷ New Mexico also has a general assistance program and refugee cash assistance program that serve individuals and families who meet certain eligibility criteria and aren't eligible for TANF.

³⁸ Human Services Department, "Monthly Statistical Reports, 2019," https://www.hsd.state.nm.us/LookingForAssistance/Temporary_Assistance_for_Needy_Families.aspx.

³⁹ Net income is calculated after certain earned income deductions are applied. For more information, see New Mexico Human Services Department, "TANF State Plan," 2018, https://www.hsd.state.nm.us/uploads/FileLinks/6331671b99b34cafba9bd8cb327bc208/Proposed_TANF_State_Plan_Signed_08_29_2017.pdf.

⁴⁰ Gretchen Kirby, Christine Ross and Loren Puffer, *Welfare-to-Work Transitions for Parents of Infants: In-Depth Study of Eight Communities*, Mathematica Policy Research, July 2001, <https://www.mathematica.org/our-publications-and-findings/publications/welfare-to-work-transitions-for-parents-of-infants-indepth-study-of-eight-communities>.

⁴¹ Lower-Basch and Schmit, *TANF and the First Year of Life*.

⁴² A single-parent family of 3 received an average of \$389 per month in July 1996. See Ashley Burnside and Ife Floyd, *More States Raising TANF Benefits to Boost Families' Economic Security*, Center on Budget and Policy Priorities, 2019, <https://www.cbpp.org/research/family-income-support/more-states-raising-tanf-benefits-to-boost-families-economic-security>.

⁴³ TANF has a "maintenance of effort" (MOE) requirement under which states must continue to spend at least 75 percent of the amount that they did prior to welfare reform on programs serving needy families. The MOE requirement rises to 80 percent for states that fail another requirement called the work participation rate. For more information, see Lower-Basch, *TANF 101: Block Grant*.

⁴⁴ Office of Family Assistance, "TANF and MOE Spending and Transfers, FY 2018," 2019, https://www.acf.hhs.gov/sites/default/files/ofa/fy2018_tanf_moe_state_piechart_newmexico.pdf.

⁴⁵ States may use the federal funds they receive under TANF on any activity aimed at one of the four statutory purposes of TANF, meaning that almost any component of a two-generational strategy for low-income families is an allowable use of funds. A few limits apply to services that are covered by other programs, such as medical care, and those that are considered core responsibilities of state or local government, such as public education. For more information, see Elizabeth Lower-Basch, *TANF 101: Block Grant*, CLASP, 2019, <https://www.clasp.org/publications/report/brief/tanf-101-block-grant>; Elizabeth Lower-Basch, *Guide to Use of TANF and MOE Funds*, CLASP, 2011, <https://www.clasp.org/publications/report/brief/guide-use-tanf-and-moe-funds>.

⁴⁶ Office of Family Assistance, *Characteristics and Financial Circumstances of TANF Recipients Fiscal Year (FY) 2018*, 2019, <https://www.acf.hhs.gov/ofa/resource/characteristics-and-financial-circumstances-of-tanf-recipients-fiscal-year-2018>

⁴⁷ Office of Family Assistance, "TANF and MOE Spending and Transfers, FY 2018;" CYFD, "Child Care and Development Fund (CCDF) Plan for New Mexico, 2019-2021."