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A JOINT MEMORIAL

REQUESTING CERTAIN STATE AGENCIES TO PROVIDE TO THE  
LEGISLATIVE FINANCE COMMITTEE INFORMATION REGARDING  
ELIGIBILITY REQUIREMENTS FOR FAMILY SUPPORT SERVICES.

WHEREAS, one in five New Mexicans lives on an income at  
or below the federal poverty level, thereby making New Mexico  
the second-poorest state in the nation and the state with the  
highest rate of childhood poverty; and

WHEREAS, people living in poverty experience difficulty  
paying for the basic necessities of life: shelter, food,  
transportation to and from work, health care and child care;  
and

WHEREAS, people living in poverty rely on family support  
services, including temporary assistance for needy families,  
the supplemental nutrition assistance program, the child care  
assistance program and medicaid, to support their families;  
and

WHEREAS, the child care assistance program currently  
serves seventeen thousand five hundred New Mexico children;  
and

WHEREAS, family support services are intended to provide  
support on a temporary basis, helping to lift individuals and  
families out of poverty and transitioning families from  
reliance on public benefits to self-sufficiency; and

1           WHEREAS, the structure of family support services many  
2 times inadvertently creates a "cliff effect", "churning" or  
3 "churn effect", thereby preventing this transition; and

4           WHEREAS, the term "cliff effect" refers to the sharp  
5 drop in family support services that may occur when the  
6 earnings of an individual or family receiving family support  
7 services increases, placing that individual or family just  
8 over the required income thresholds for family support  
9 services; and

10          WHEREAS, "churning" or "churn effect" refers to families  
11 who receive subsidies sporadically over time and frequently  
12 return to subsidy programs after they exit; and

13          WHEREAS, with the cliff effect, the individual or family  
14 often loses more family support service benefits than the pay  
15 increase can cover; and

16          WHEREAS, the administration for children and families of  
17 the federal health and human services department has  
18 identified churning as being detrimental for the family and  
19 the child and as being inefficient for the agency  
20 administering the child care program; and

21          WHEREAS, for working families with young children,  
22 especially single-parent families, the cliff effect is more  
23 pronounced as they are more likely to live in poverty and  
24 receive more than one family support service; and

25          WHEREAS, minimizing or eliminating cliff effects has

1 statewide support, and more than two hundred participants at  
2 a 2016 New Mexico First statewide economy town hall  
3 recommended that steps be taken to minimize or eliminate  
4 cliff effects; and

5 WHEREAS, a 2014 New Mexico child care and early  
6 education task force recommended that the state review and  
7 adjust eligibility criteria for the state child care  
8 assistance program so that more low-income families can  
9 qualify for and retain stable quality care; and

10 WHEREAS, New Mexico employers consistently identify the  
11 impact of cliff effects on their employees as a barrier to  
12 business growth and their ability to retain, train and  
13 promote hard-working employees; and

14 WHEREAS, employee access to consistently provided,  
15 quality child care can affect employees' ability to work and  
16 employers' ability to have a reliable workforce; and

17 WHEREAS, implementing solutions to smooth the impact of  
18 cliff effects on family support services would improve the  
19 economic future and opportunity of families and their  
20 children, and ultimately, New Mexico's economic future; and

21 WHEREAS, when two or three family support services phase  
22 out at similar earning levels, cliff effects are intensified,  
23 causing employees to choose between continuing to work,  
24 receiving promotions and increased earnings and losing  
25 necessary support benefits; and

1           WHEREAS, solutions to the cliff effect for family  
2 support services have the potential to positively affect many  
3 of the thousands of New Mexico children and their families  
4 who are served through family support services; and

5           WHEREAS, information regarding eligibility, eligibility  
6 thresholds and other requirements for participating in or  
7 receiving benefits through family support services could be  
8 used by public and private entities to research and recommend  
9 how New Mexico can smooth out the cliff effects for child  
10 care safety net programs in such a way that honors hard work,  
11 advances economic progress for families and businesses and  
12 transitions people off public benefits in a fair way;

13           NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
14 STATE OF NEW MEXICO that the secretary of children, youth and  
15 families, the secretary of health and the secretary of human  
16 services be requested to provide to the legislative finance  
17 committee the eligibility, eligibility thresholds and other  
18 requirements for participating in or receiving benefits  
19 through family support services; and

20           BE IT FURTHER RESOLVED that the requested information be  
21 provided to the legislative finance committee no later than  
22 July 1, 2017 for use by a New Mexico First task force  
23 considering ways in which cliff effects may be reduced; and

24           BE IT FURTHER RESOLVED that the New Mexico First task  
25 force be requested to report its recommendations to the

1 legislative finance committee and the interim legislative  
2 health and human services committee no later than  
3 July 1, 2018; and

4 BE IT FURTHER RESOLVED that copies of this memorial be  
5 transmitted to the secretary of children, youth and families,  
6 the secretary of health, the secretary of human services, the  
7 chair of the legislative finance committee, the director of  
8 the legislative finance committee and the president and  
9 executive director of New Mexico First. \_\_\_\_\_

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