

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

**SPONSOR** Sens. Stefanics, Trujillo, and Hamblen/Rep. Serrato
**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/27/2025  
**SHORT TITLE** Public Assistance Programs Eligibility
**BILL NUMBER** Senate Bill 189  
**ANALYST** Hernandez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>System Enhancements</b>	\$3,645.0			\$3,645.0	Nonrecurring	General Fund
<b>Program Costs</b>	\$9,995.7	\$9,995.7	\$9,995.7	\$29,987.1	Recurring	Federal funds
<b>Staffing FAA</b>	\$107.2	\$212.6	\$212.6	\$532.4	Recurring	General Fund
<b>Staffing FAA</b>	\$202.6	\$401.9	\$401.9	\$1,006.4	Recurring	Federal funds
<b>Career Development Specialist</b>	\$538.3	\$538.3	\$538.3	\$1,614.3	Recurring	Federal funds
<b>Total</b>	<b>\$14,488.8</b>	<b>\$11,148.5</b>	<b>\$11,148.5</b>	<b>\$36,785.8</b>		

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From  
Department of Health (DOH)

## SUMMARY

### Synopsis of Senate Bill 189

Senate Bill 189 (SB189) amends portions of the Public Assistance Code (NMAC 27-2B) in relation to the Temporary Assistance for Needy Families (TANF) program. The first change would allow the Health Care Authority the flexibility to set the federal poverty level (FPL) income limit for TANF, which is currently restricted in state law to 85 percent of the FPL. The second change would allow families to increase their assets from \$2,000 to \$15 thousand in nonliquid resources and from \$1,500 to \$15 thousand in liquid resources. The third change would allow children to retain eligibility even if the parents are found to be noncompliant while the parents work on becoming compliant. The fourth change would expand both the New Mexico Works and Education Works Program for TANF recipients to increase education opportunities. Finally, there is clean up, which replaces the term “food stamps” with “supplemental nutrition assistance program.”

The effective date of SB189 is contingent on the passage of an appropriation for expanding the TANF program in the General Appropriation Act of 2025, the General Appropriation Act of 2026, or the General Appropriation Act of 2027.

## FISCAL IMPLICATIONS

SB189 has no fiscal impact to HCA unless the Legislature appropriates additional funding in the future to the TANF program.

HCA notes four areas would need investment to fully implement SB189. First, HCA would need \$3.6 million to enhance their information technology systems. Second, additional staff would be needed to “handle eligibility determinations and provide ongoing case management for individuals, helping them meet work requirements, and access necessary support services.” As such, HCA would need an additional four family assistance analysts (FAA), which would be funded at 36.4 percent from general fund and 65.4 percent from federal funds. Additionally, the authority states a need for seven career development specialists, which would be fully federally funded. Finally, HCA would draw down an additional \$9.9 million in federal funds for program costs.

## SIGNIFICANT ISSUES

LFC *Stacking of Income Supports Progress Report* recommended that the Legislature increase asset limits for income support programs, including TANF, to mitigate the cliff effect. The progress report found that New Mexico’s current benefit structure likely disincentivizes increasing wages. To decrease the effects of the benefit cliff effect, a report released by Montana, demonstrated that states that have increased asset limits and expanded workforce development programs have seen a decrease in potential cliff effects. Allowing income support recipients to build up assets can help them when they face additional costs due to benefit reductions and can help lower the chance of program churn (when individuals move on and off programs) by improving financial stability. Workforce development programs may help provide training in high-demand occupations.

AEH/rl/hg