

1 SENATE JOINT MEMORIAL 18

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Gerald Ortiz y Pino

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10 A JOINT MEMORIAL

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

14
15 WHEREAS, one in five New Mexicans lives on an income at or
16 below the federal poverty level, thereby making New Mexico the
17 second-poorest state in the nation and the state with the
18 highest rate of childhood poverty; and

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

23 WHEREAS, people living in poverty rely on family support
24 services, including temporary assistance for needy families,
25 the supplemental nutrition assistance program, the child care

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1 assistance program and medicaid, to support their families; and

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

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

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

11 WHEREAS, the term "cliff effect" refers to the sharp drop
12 in family support services that may occur when the earnings of
13 an individual or family receiving family support services
14 increases, placing that individual or family just over the
15 required income thresholds for family support services; and

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

19 WHEREAS, with the cliff effect, the individual or family
20 often loses more family support service benefits than the pay
21 increase can cover; and

22 WHEREAS, the administration for children and families of
23 the federal health and human services department has identified
24 churning as being detrimental for the family and the child and
25 as being inefficient for the agency administering the child

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1 care program; and

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

6 WHEREAS, minimizing or eliminating cliff effects has
7 statewide support, and more than two hundred participants at a
8 2016 New Mexico First statewide economy town hall recommended
9 that steps be taken to minimize or eliminate cliff effects; and

10 WHEREAS, a 2014 New Mexico child care and early education
11 task force recommended that the state review and adjust
12 eligibility criteria for the state child care assistance
13 program so that more low-income families can qualify for and
14 retain stable quality care; and

15 WHEREAS, New Mexico employers consistently identify the
16 impact of cliff effects on their employees as a barrier to
17 business growth and their ability to retain, train and promote
18 hard-working employees; and

19 WHEREAS, employee access to consistently provided, quality
20 child care can affect employees' ability to work and employers'
21 ability to have a reliable workforce; and

22 WHEREAS, implementing solutions to smooth the impact of
23 cliff effects on family support services would improve the
24 economic future and opportunity of families and their children,
25 and ultimately, New Mexico's economic future; and

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1 WHEREAS, when two or three family support services phase
2 out at similar earning levels, cliff effects are intensified,
3 causing employees to choose between continuing to work,
4 receiving promotions and increased earnings and losing
5 necessary support benefits; and

6 WHEREAS, solutions to the cliff effect for family support
7 services have the potential to positively affect many of the
8 thousands of New Mexico children and their families who are
9 served through family support services; and

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

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

25 BE IT FURTHER RESOLVED that the requested information be

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1 provided to the legislative finance committee no later than
2 July 1, 2017 for use by a New Mexico First task force
3 considering ways in which cliff effects may be reduced; and

4 BE IT FURTHER RESOLVED that the New Mexico First task
5 force be requested to report its recommendations to the
6 legislative finance committee and the interim legislative
7 health and human services committee no later than July 1, 2018;
8 and

9 BE IT FURTHER RESOLVED that copies of this memorial be
10 transmitted to the secretary of children, youth and families,
11 the secretary of health, the secretary of human services, the
12 chair of the legislative finance committee, the director of the
13 legislative finance committee and the president and executive
14 director of New Mexico First.

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