NEW MEXICO STATE LEGISLATURE

WELFARE REFORM OVERSIGHT COMMITTEE
2005
INTERIM REPORT

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New Mexico Legislative Council Service
Santa Fe, New Mexico

ANNUAL SUMMARY, LEGISLATIVE ENDORSEMENTS

WELFARE REFORM OVERSIGHT COMMITTEE
2005 ANNUAL SUMMARY

Senator Linda M. Lopez, Chair
Representative Luciano "Lucky" Varela, Vice Chair

The Welfare Reform Oversight Committee, aware that its statutory duty to oversee the state's system of providing assistance to needy families has spanned almost a decade, focused on finding and measuring results of the past decade of reform attempts.

By focusing on results, the committee evaluated its priorities and goals and recognized that it currently lacks meaningful measures for tracking success or failure. Specifically, the committee recognized that performance measures indicating the numbers of job placements and starting salaries give an incomplete picture of the success of reform measures; instead, the committee can better evaluate success in reform by measuring whether people are earning a wage that supports a family and are able to stay in a work activity for a period of months. The committee formally requested the Human Services Department (HSD) to institute performance measures indicating the annual earnings rather than merely the hourly wage of job placements and to track work activities for a period of 18 months after initial placement.

In addition, the committee spent a good deal of time reviewing the major change of delivery structure created through the Office of Workforce Training and Development (OWTD). That office was given administrative responsibility for delivery of services in the eastern and central regions of the state, while administration in other areas was taken back under the HSD in preparation for transition next year. OWTD was asked to report on developments, accomplishments and concerns throughout the interim, and it reported with HSD during the final meeting on its established performance measures and its actual performance.

The committee met six times in the six-month interim. In July, it traveled to Ruidoso for a retreat-type meeting, hearing from advocates who provide direct services to the state's poorest people; touring a "one-stop shop" in which a combination of services, tracking and eligibility decisions can be made; and hearing statistics on New Mexico's poverty compared with national figures and with its own previous year performances. The committee heard presentations on the pragmatic meaning of using "federal poverty guidelines" developed decades ago; heard more meaningful data on the costs of food, transportation and child care; and considered viewpoints offered by advocates for homeless clients, who are too poor to afford civil legal services even when faced with unjust termination or eviction. Staff from the National Conference of State Legislatures (NCSL) was available. Jack Tweedie of NCSL suggested that the committee require agencies to provide data that could more meaningfully help in evaluating the success of welfare reform measures, and he provided models for comparison from other states whose legislatures oversee the implementation of programs to address welfare reform.

During its August meeting, the committee set the following goals:

(1) establish more "one-stop" facilities in which eligibility determinations are streamlined and coordination between departments is standardized, where complete referral to

support services is available and where there is flexibility in funding to assist in coordination;

(2) measure the success of clients going through the system, outcomes and expectations and performance measures; track case management; evaluate Education Works; and gather demographics that reveal who needs help most;

(3) expand funds for youth "at risk" programs, including funds for health clinics at schools;

(4) ensure adequate funding for HSD, especially its Income Support Division, for case management workers and those who work with computers to check eligibility determinations and, in addition, recommend a return to annual Medicaid eligibility determinations as opposed to the current program of six-month evaluations; and

(5) increase knowledge of program decisions, including funding cuts; create a directory for legislators and lay persons regarding available services; and consider raising the minimum wage.

The committee also addressed barriers to success for Temporary Assistance for Needy Families (TANF) and other clients, recognizing that a shift in thinking is required to resolve problems arising from being low in legislative and budget priorities; to conquer agency turf and other rivalry issues; to increase agency accountability; to improve interagency communications; to make welfare reform an executive priority; to solidify positive political will in the legislative and executive branches; to receive up-to-date information on federal changes and regulations; and to address the lack of a "can-do" attitude between the executive and the federal government.

The committee, after hearing representatives from the national "Ready at 21" initiatives, made funding youth "at risk" programs a priority, realizing that making such programs a budget priority, changing public attitudes, identifying participants for programs, respecting the autonomy of local public school providers and coordinating among departments could overcome significant barriers to success.

In September, the committee focused largely on education and other services, hearing from providers of child care about problems with the new Pre-K initiatives and from advocates for children transitioning out of foster care, and again meeting with NCSL staff on setting meaningful performance measures.

Staff from the National Congress of American Indians (NCAI) addressed the committee at its October meeting. Sarah Hicks of NCAI stressed the importance of funding tribal TANF programs. The need for state funds for tribal programs is recognized as especially important, ever since the ill-fated legislative appropriation some three years back, in which tribal TANF programs were funded from federal dollars — a measure that could not be carried out, since federal funds are not controlled by the state. The committee heard and raised questions on denying funding for state residents living on tribal lands.

The committee endorsed legislation at its December meeting. A total of 47 measures were considered in the areas of education, workforce development, health, housing and access to services. All of the measures were considered eligible for committee endorsement; however, only 28 garnered sponsors who were willing to press for their passage.

Welfare Reform Oversight Committee
2005 Bill Endorsements

Appropriations:

$250,000 for Education Works;
$350,000 to establish a mentorship program for foster care children aging out the system;
$500,000 for full funding of adult basic education programs;
$750,000 for tracking homeless clients through their addresses at shelters;
$750,000 for increasing stipends paid to foster families;
$1 million for the TEACH program;
$1 million for the WAGES program
$1 million for the Aim High program;
$1 million for the GRADS program;
$1 million supplemental appropriation for English as a second language programs;
$1.5 million for tribal programs for temporary assistance to needy families (TANF);
$1.6 million for community action program funding;
$2 million for before and after school programs;
$2 million for housing support for foster children aged 18 to 21;
$3 million for emergency assistance to keep low income people from losing their homes;
$4 million to increase rates paid to providers of child care;
$10 million for increasing eligibility for childcare subsidies to families who make up to 200% of the federal poverty level (FPL);

Other bills and memorials:

Increasing the minimum wage to $7.50 per hour;
Increasing Medicaid eligibility for foster children aged 18 to 21 years old;
Creating a data tracking system for clients on temporary assistance to needy families for 18 months after exiting the program;
Require CYFD to send staff to meetings six months ahead of the 18th birthday of foster children for planning transition and to meet educational goals;
Study ways to use public schools more broadly for education, day care and other uses that foster community;
Study ways to require providers of workplace education to focus on work-related goals.

WORK PLAN, MEETING SCHEDULE

2005 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
WELFARE REFORM OVERSIGHT COMMITTEE

MEMBERS

Voting

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Rep. Kandy Cordova
Sen. Clinton D. Harden, Jr.
Rep. Irvin Harrison
Sen. Steven P. Neville
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep Nick L. Salazar
Rep. Gloria C. Vaughn
Rep. Avon W. Wilson

Advisory

Sen. Ben D. Altamirano
Rep. Ernest H. Chavez
Rep. Richard P. Cheney
Sen. Dianna J. Duran
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Rep. Larry A. Larranaga
Sen. John C. Ryan
Rep. Edward C. Sandoval
Sen. James G. Taylor
Rep. Jim R. Trujillo

WORK PLAN

A. The Welfare Reform Oversight Committee was created by Laws 1998, Chapter 8, Section 22 and Laws 1998, Chapter 9, Section 22. Section 2-17-3 NMSA 1978 sets forth the statutory duties of the Welfare Reform Oversight Committee:

"2-17-3. Duties.

A. ...Upon approval of the work plan and budget by the legislative council, the committee shall:

(1) examine the statutes, constitutional provisions and rules governing welfare reform in New Mexico;
(2) monitor and oversee the implementation of the New Mexico Works Act;
(3) review issues related to welfare reform, including job training programs and related contracts; cash assistance; child care, transportation and other job-related services; and other issues that arise because of the devolution of the federal welfare programs to the states; and
(4) make recommendations relating to the adoption of rules and legislation, if any are found to be necessary.

B. The committee shall regularly receive testimony from the secretaries

of human services; labor; children, youth and families; and health and the superintendent of public instruction on issues arising from the implementation of the New Mexico Works Act and shall review proposed rules, schedules and formulae before adoption.".

B. The committee during the 2005 interim will:

EXAMINE:

1) the effectiveness of TANF in reducing the New Mexico poverty rate;

2) barriers to successful work placement for TANF participants;

3) the joint powers agreeement (JPA) between the Human Services Department (HSD) and the Office of Workforce Training and Development (OWTD);

4) coordination of programs among state agencies providing TANF services;

5) drug rehabilitation and substance abuse programs as they relate to workforce training services and the effectiveness of existing state TANF programs;

6) the equity of funding for Navajo Nation and Pueblo of Zuni TANF clients, including an explanation of federal requirements; and

7) the effect of the new pre-K initiative on TANF children, including an inquiry into its effects on work programs and before- and after-school programs.

OVERSEE:

1) implementation of the Workforce Investment Act training programs, including the transition of oversight functions from HSD to OWTD;

2) implementation of programs to address hunger and increase food stability; and

3) implementation of programs for child-support enforcement.

REQUEST BRIEFINGS:

1) on the state of poverty in New Mexico today, with a panel presentation that includes representatives from the Lutheran Office of Governmental Ministry, the Center on Law and Poverty, Voices for Children and Albuquerque Interfaith;

2) from the Hunger Task Force;

3) on state agency strategic plans and performance measures; and

4) on national poverty legislative initiatives.

APPROVED MEETING SCHEDULE

Date	Location
June 13	Santa Fe
July 18-19	Ruidoso
Aug. 30-31	Santa Fe
Sept. 21-22	Santa Fe
Oct. 17-18	Santa Fe
Dec. 1-2	Santa Fe

AGENDAS

<u>TENTATIVE</u> AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

June 13, 2005
Room 307, State Capitol

<u>Monday, June 13</u>

10:00 a.m. **Call to Order**

10:05 a.m. **Work Plan**
—Jennie Lusk and Pam Ray, Legislative Council Service staff attorneys

10:35 a.m. **Human Services Division — Reports on Changes in Administration or Contracting for TANF Programming**
—Pamela Hyde, Secretary of Human Services

12:00 noon **Lunch**

1:30 p.m. **Update on TANF Reauthorization**
—Ruth Hoffman, Lutheran Office of Governmental Ministry

2:30 p.m. **Workforce Planning — Update on Coordination of Work Programs and the "One-stop Shop"**
—Reese Fullerton, Executive Director, Office of Workforce Training and Development

4:00 p.m. **Adjourn**

Revised: July 15, 2005

<u>TENTATIVE</u> AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

July 18 & 19, 2005
Conference Center, Hawthorne Suites
Ruidoso, NM

<u>Monday, July 18</u>

10:00 a.m. **Call to Order**

10:05 a.m. **Welcome to the Village of Ruidoso**
—Leon Eggleston, Village Mayor

10:15 a.m. **Panel on Poverty — The Human Face of Poverty in New Mexico**
—Ruth Hoffman, Executive Director, Lutheran Office of Governmental Ministries
—Scott Cameron, Homeless Advocacy Coalition
—Sarah Singleton, J.D., New Mexico Commission on Access to Justice
—Michelle Brown-Yazzie, Deputy Secretary, Indian Affairs Department

12:00 noon **Lunch**

1:15 p.m. **Regional Visit — Tour of Ruidoso's "One-Stop Shop", 707 Mechem***
—John Hemphill, Director, Ruidoso "One-Stop Shop" and Member of the Eastern Workforce Development Board

2:15 p.m. **Report from the Eastern Workforce Development Board, Conference Center**
—John Hemphill

3:00 p.m. **Poverty Statistics — Who Are New Mexico's Poor People? What the Numbers Tell Us**
—Dr. Dely Alcantra, Senior Demographer, Institute for Applied Research Services, Bureau of Business and Economic Research, UNM
—Bill Jordan, Deputy Director for Policy, NM Voices for Children

4:30 p.m. **Recess**

<u>Tuesday, July 19</u>

9:00 a.m. **Legislative Oversight of Poverty Programs**
—Jack Tweedie, National Conference of State Legislatures
Ensuring successful oversight of transitions to work:
★ Establishing what information is required from the executive in order to evaluate the overall success of welfare reform initiatives

- ★ Establishing a framework for reporting information on administrative reorganization of the statewide workforce development offices

12:00 noon **Lunch**

1:30 p.m. **Comparative Statistics**
—Katie Falls, Director, Income Support Division, Human Services Department
Information on the number of successful transitions to work since July 1996, 60-month limits

2:30 p.m. **Barriers to Employment**
—Katie Falls, Director, Income Support Division, HSD

- ★ What are the "barriers" to employment?
- ★ How does HSD identify barriers to employment?
- ★ Once a barrier is identified, what does HSD do to address it?
- ★ What is the status of funding for overcoming various barriers? (were transportation and child care programs cut?)
- ★ What is the HSD plan for addressing long-term barriers such as literacy, language and learning disabilities?
- ★ National substance abuse money (is it all going to DWI). How many referrals were made for substance abuse last year?
- ★ Does every New Mexico city have subsidized child care available?

3:15 p.m. **Transportation Funding**
—Jack L. Valencia, Jr., New Mexico Passenger Transportation Association
—Joseph E. Hardin, Program Manager, Zia Transportation Services, Alamogordo

3:30 p.m. **Adjourn**

NEXT MEETING: August 30-31, 2005 State Capitol

*707 Mechem is toward downtown Ruidoso from the Convention Center and on the opposite side of the street. The One-Stop Shop is in the southern half of the State National Bank. Committee members can rendezvous in the parking lot at l:15 p.m.

<u>TENTATIVE</u> AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

August 30, 2005
Christ Lutheran Church
1701 Arroyo Chamiso[1]
Santa Fe, NM

August 31, 2005
Room 307, State Capitol

<u>Tuesday, August 30</u>

10:00 a.m. **Call to Order**

10:05 a.m. **Strengthening Youth Policy in the States**
—Elizabeth Gaines, Program Manager, Forum for Youth Investment

National Trends in Comprehensive Youth Programming, Maximizing Resources for Youth, Maximizing Interagency Coordination
—Claire Dudley, Director, New Mexico Children's Cabinet

11:00 a.m. **A "Typical" TANF Client — Flow Chart**
—Katie Falls, Income Support Division, Human Services Department (HSD)
—Bill Dunbar, Office of Workforce Training and Development

12:00 noon **Lunch**

1:15 p.m. **Work Session (Open to the Public)**

5:00 p.m. **Recess**

<u>Wednesday, August 31</u>

10:00 a.m. **Successfully Overcoming Barriers to Work**
—Gregory Kepferle, Executive Director, Catholic Charities

11:00 a.m. **"Fresh Start" Child Support Arrears Management**
—Stephanie Gonzales, Director, Child Support Enforcement Division, HSD

Adjourn

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[1]To reach 1701 Arroyo Chamiso from the Old Pecos Trail exit from I-25, go toward Santa Fe, take the left "Y" to St. Michael's rather than heading into downtown and turn right at the first light, which is Arroyo Chamiso. To reach the church from the Capitol, head out Old Santa Fe Trail toward I-25 and turn right at the light at Arroyo Chamiso.

Revised: September 19, 2005

TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

September 21-22, 2005
State Capitol, Santa Fe
Room 307

Wednesday, September 21

9:00 a.m. **Call to Order**

9:05 a.m. **Children, Youth and Families Department — Child Care Programs**
—Mary-Dale Bolson, Secretary, Children, Youth and Families Department (CYFD)

10:05 a.m. **Transitions for Young People Leaving Foster Care**
—Maureen Sanders, Attorney
—Tara Ford, Co-Director, Pegasus Legal Services for Children

11:30 a.m. **Child Care Subsidies**
—Rebecca Dow, President, New Mexico Child Care Association (NMCCA)
—Linda Siegel, Government Relations, NMCCA

12:30 p.m. **Lunch**

1:30 p.m. **Pre-K Initiative and TANF**
—Dr. Patricia Parkinson, Assistant Secretary for Instructional Support, Public Education Department

2:30 p.m. **Case Management Services**
—Reese Fullerton, Executive Director, New Mexico Office of Workforce Training and Development (OWTD)
—Bill Dunbar, Deputy Director of Operations, OWTD

Thursday, September 22

9:00 a.m. **Establishing Meaningful Performance Measures, Evaluating Success, Education Service Delivery**
—Jack Tweedie, National Conference of State Legislatures
—Mark Weber, Legislative Finance Committee (LFC)
—Kacee Collard, LFC

12:00 noon **Lunch**

1:15 p.m. **Creative Approaches to Providing Education Services**

—Pam Etre-Perez, Director, Adult Basic Education, Higher Education Department

—Gary Beene, Assistant Secretary of Vocational Rehabilitation, Public Education Department

—Gustav Kocsis, ESL Program Coordinator, Santa Fe Community College

—Susan Geary, TANF Facilitator and Instructor, Santa Fe Community College

—Marilyn King, Director of the Business and Industry Training Center, San Juan College

2:30 p.m. **Education Works Programs**

—Susan Loubet, New Mexico Women's Agenda

3:30 p.m. **Adjourn**

Revised: October 13, 2005

<u>TENTATIVE</u> AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

October 17-18, 2005
Room 307
State Capitol, Santa Fe

<u>Monday, October 17</u>

10:00 a.m. **Call to Order**

10:05 a.m. **The Case for Appropriating General Fund Dollars for Native American TANF Programs**: Last session, $250,000 was appropriated for Navajo and Zuni TANF programs combined.

Why do Native Americans need separate TANF programs?
What are the advantages to Native American people of having their own TANF programs?
Why should the state fund such programs?
What are the advantages to non-Native American New Mexicans?

—Sarah Hicks, Director, National Congress of American Indians Policy Research Center
—Michelle Walela, Pueblo of Zuni
—Roxanne Gorman, Navajo Nation

11:30 a.m. **Utilities and Weatherization Update/ New Performance Measures**
—Katie Falls, Director, Income Support Division, Human Services Department
—Reese Fullerton, Executive Director, Office of Workforce Training and Development

12:00 noon **Lunch**

1:30 p.m. **Community Action Programs**
—Linda Siegel

2:30 p.m. **Community Schools—Barriers and Promising Developments**
—Renee Paisano-Trujillo, Deputy Director, NM Forum for Youth
—Clarence Hogue, Jr., Director of After-School Programs, NM Forum for Youth
—Sammy Quintana, New Mexico Public School Insurance Authority
—Lynn Pedraza, Director of Health/Mental Health Services, Albuquerque Public Schools

4:00 p.m. **Recess**

Tuesday, October 18

9:00 a.m. **College Affordability**
—Frank Renz, Executive Director, New Mexico Association of Community Colleges

9:45 a.m. **Update on Office of Workforce Training and Development**
—Reese Fullerton, Executive Director, Office of Workforce Training and Development

10:30 a.m. **Partnership for Prescription Assistance**
—Paul Poister, NM State Coordinator for Partnership for Prescription Assistance

12:00 noon **Adjourn**

Revised: December 1, 2005

TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE

December 1-2, 2005
State Capitol, Santa Fe
Room 307

Thursday, December 1

10:00 a.m. **Call to Order**

10:05 a.m. **Human Services Department (HSD) Performance Measures and Office of Workforce Training and Development (OWTD) Performance Measures**
—Liz Stefanics, Deputy Secretary for Programs, HSD
—Daryl Schwebach, Deputy Secretary for Finance and Administration, HSD
—Katie Falls, Director, Income Support Division, HSD
—Reese Fullerton, Executive Director, OWTD

12:30 p.m. **Lunch**

1:30 p.m. **Children, Youth and Families Department (CYFD) Performance Measures**
—Mary-Dale Bolson, Secretary, CYFD

3:00 p.m. **Recommended Legislation**
—Kay Monaco, Executive Director, New Mexico Voices for Children

4:30 p.m. **Recess**

Friday, December 2

9:15 a.m. **Executive Session**

10:00 a.m. **Higher Education Department Performance Measures**
—Pam Etre-Perez, Director, Adult Basic Education Division

11:00 a.m. **Discussion of Committee-Endorsed Legislation and Budget Priorities**
—Senator Linda M. Lopez

12:00 noon **Adjourn**

MINUTES

MINUTES
of the
FIRST MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

June 13, 2005

State Capitol, Room 307
Santa Fe, New Mexico

The first meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Monday, June 13, at 10:15 a.m. in Santa Fe in room 307 of the state capitol. All handouts are in the meeting file.

Present	**Absent**
Sen. Linda M. Lopez, Chair	Sen. Clinton D. Harden, Jr.
Rep. Luciano "Lucky" Varela, Vice Chair	Rep. Irvin Harrison
Sen. Sue Wilson Beffort	Sen. Steven P. Neville
Rep. Kandy Cordova	Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar	Sen. John Pinto
Rep. Gloria C. Vaughn	Rep. Avon W. Wilson
Advisory Members	
Rep. Ernest H. Chavez	Sen. Ben D. Altamirano
Sen. Dianna J. Duran	Rep. Richard P. Cheney
Rep. Candy Spence Ezzell	Rep. Larry A. Larrañaga
Rep. Daniel R. Foley	Sen. John C. Ryan
Rep. Edward C. Sandoval	Sen. James G. Taylor
Rep. Jim R. Trujillo	

STAFF
Jennie Lusk
Pamela Ray
Carrie McGovern

<u>Monday, June 13, 2005</u>

Report from the Human Services Department (HSD): Changes in administration and contracting for Temporary Assistance for Needy Families (TANF) programming

Secretary of Human Services Pamela Hyde and Deputy Secretary Liz Stefanics appeared before the committee to present information and answer questions. Secretary Hyde announced that the TANF job training programs would not be administered by HSD but by the Office of Workforce Training and Development (OWTD). She reviewed the goals and requirements of the federal TANF program.

Questions were asked about the status of TANF funding for the Navajo Nation and the Pueblo of Zuni, and the department was asked to provide committee members with figures on what the Navajo Nation and Pueblo of Zuni get in TANF funding. Further, the committee requested a coordinated presentation on the issue by the tribes and the Indian Affairs Department to the Welfare Reform Oversight Committee. The secretary was also asked about improving drug rehabilitation programs and integrating the rehabilitation with workforce training. The committee expressed an interest in reviewing the contract between HSD and OWTD and discussion ensued on the federal requirements for 50-member regional workforce development boards, on corrective action taken against some regional managers, on management of the TANF workforce contracts and on budgets for each of the regional areas.

Work Plan

On motion of Representative Salazar and second of Representative Vaughn, the committee adopted a revised work plan, reflecting a change of location to Ruidoso in July or August, and these proposed changes of dates to be approved by the Legislative Council: move October's meeting to October 17 and 18 and move November's meeting to December 1 and 2.

Update on TANF Reauthorization

Ruth Hoffman, Lutheran Office of Governmental Ministry (LOGM), reviewed with the committee the nine-year history of welfare reform, contrasting the goals and purposes of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) with the New Mexico Works Act enacted in February of 1998, both of which govern the TANF program. The state program specifically addresses the need to address barriers to employment.

She noted that the state receives approximately $111 million each year plus a $6.5 million supplement for its especially high poverty rate, that there is no proposal to increase amounts and that the amounts do not vary based on the state general fund contributions. Each state must match a minimum of 75 percent of its 1996 expenditures for welfare every year, and New Mexico at one point matched 80 percent. There is no barrier to increasing the state's contribution, but increasing the percentage of state funds does not result in increased federal funding.

Asked whether the state's current contribution made it possible to make a poor New Mexican employable, Ms. Hoffman responded that with the lack of longitudinal studies over the course of the TANF program, it would be difficult to tell. She noted that measuring success merely by a decrease in caseload would not produce an accurate assessment of the success of the reform measures. There is a shortfall in funding, as federal funds have remained flat for nine years. Committee members expressed the need to know whether the reforms are actually working to move people out of poverty and to move people from welfare rolls into work that pays living wages.

Ms. Hoffman also discussed sanctions from the federal government if the state does not meet its work participation rate of 50 percent. If the TANF job training

programs do not meet the participation rate goals, the state can lose federal dollars. PRWORA was due to expire in 2002 but has been extended nine times. The LOGM executive director reviewed her handout, which compares the current senate and house versions of a reauthorization bill.

Workforce Planning

Reese Fullerton, executive director of the state's OWTD, reviewed his handout on the coordinated efforts of the state's employment services for TANF and other clients. The federal Workforce Investment Act of 1998 mandates coordination of and improved performance in employment programs, including oversight of state programs with a goal of seamless delivery of services and integration of such services. The state faces challenges in data sharing, underserved populations and case management. Two workforce development boards will determine who will provide TANF job training programs — the Eastern and the Central Workforce Development Boards. OWTD will begin oversight of Eastern and Central Workforce Development Board TANF actions on July 1, 2005.

Committee members discussed with Mr. Fullerton the state requirement for 50 percent work participation, the ability of contract administrators to charge up to 15 percent of TANF funds for their services and the wisdom of physical consolidation of offices if "virtual" or electronic coordination of services would serve the same end with less cost to taxpayers. Again, as with other presentations, the committee emphasized its interest in making progress toward making New Mexicans more employable. Specifically, the committee wants to see a longitudinal study that includes rates of placement, retention and pay increases for clients. Committee members also expressed concern over the state's monitoring of program success, especially now that HSD is transferring half of the state's TANF job training programs to OWTD for oversight.

Mr. Fullerton explained that the state's Labor Department is still serving other employment needs, including unemployment, veteran, migrant and other programs, although OWTD is serving the TANF population.

The Committee's Next Meeting Is July 18-19, 2005.

The committee adjourned at 4:20 p.m.

MINUTES
of the
SECOND MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

July 18-19, 2005
Conference Center
Ruidoso, New Mexico

The second meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Monday, July 18, 2005, at 10:06 a.m. at the Ruidoso Conference Center. All handouts are in the meeting file.

PRESENT	**ABSENT**
Sen. Linda M. Lopez, Chair	Rep. Irvin Harrison
Rep. Luciano "Lucky" Varela, Vice Chair	Rep. Avon W. Wilson
Sen. Sue Wilson Beffort	
Rep. Kandy Cordova	
Sen. Clinton D. Harden, Jr.	
Sen. Steven P. Neville	
Sen. Gerald Ortiz y Pino	
Sen. John Pinto (7/19)	
Rep. Nick L. Salazar	
Rep. Gloria C. Vaughn	

Advisory Members	
Rep. Ernest H. Chavez	Sen. Ben D. Altamirano
Rep. Larry A. Larrañaga	Rep. Richard P. Cheney
Sen. John C. Ryan	Sen. Dianna J. Duran
Rep. Edward C. Sandoval	Rep. Candy Spence Ezzell
Rep. Jim R. Trujillo	Rep. Daniel R. Foley
	Sen. James G. Taylor

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Jennie Lusk
Pamela Ray
Carrie McGovern

Guests
The guest list is in the meeting file.

Monday, July 18

I. *THE HUMAN FACE OF POVERTY IN NEW MEXICO*

After a welcome by Ruidoso Village Mayor Leon Eggleston, Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry (LOGM), presented a "bare bones budget", which estimates costs and income for New Mexicans by county and family size. The summary of the bare bones budget is available online at www.nmvoices.org.

Ms. Hoffman noted that the 40-year-old federal poverty guidelines were never designed to set thresholds for families in persistent poverty. They provide inadequate measures of the realities of poverty today. The detailed, localized information Ms. Hoffman presented resulted from a three-year-old study that included LOGM, the New Mexico Commission on the Status of Women and New Mexico Voices for Children. More current figures resulting from a somewhat less sophisticated study in 2004 support earlier trends indicating that families in New Mexico need approximately 150 percent to 247 percent more than federal guidelines defining poverty in order to afford basic food, transportation, health care, child care and housing. Thus, a contemporary two-parent, two-child family in New Mexico needs between $36,000 and $43,000 annually to meet a bare bones budget; a one-parent, two-child family, between $29,000 and $38,000 – even if the family uses a 10-year-old vehicle and spends no money for tune-ups or tires; purchases all clothes in discount stores and buys only one outfit for parents per year; spends no money on recreation, school supplies, gifts, eye exams or eyeglasses; and saves nothing for pensions or retirement. The federal poverty guidelines for 2002 were $18,100 for the four-person and $15,020 for the three-person household.

Ms. Hoffman explained that the only ways to reduce poverty are: (1) to increase income and assets; or (2) to reduce expenses. The state is encouraging asset-building through establishment of low-income development accounts, increasing workforce training and informing people about poverty tax credits, all with a view of increasing expendable income. Subsidizing health care is the chief activity to reduce family expenses.

Scott Cameron, executive director of the Homeless Advocacy Coalition in Albuquerque informed the committee that almost half of homeless people work but earn too little to afford a permanent home. Some 17,000 New Mexicans experience homelessness during a given year, and approximately 30 percent of the homeless are families with children. Most homeless families eventually move out of homelessness. A point-in-time count of the homeless in Albuquerque on one night in January 2005 showed a total of 5,256 persons; 1,891 of them were families with children.

Mr. Cameron noted that some homeless people remain homeless because they do not know how to apply for income support benefits, or because services are scattered. Daily survival on the streets is a challenge. He suggested that the homeless rate could be reduced by increasing targeted outreach by the Income Support Division (ISD) of the

Human Services Department (HSD) and by offering emergency assistance to prevent low-income people from losing their homes. He also suggested that finding a residence should be counted as a TANF work activity and that HSD could identify common addresses of homeless shelters in the state and begin to track homeless clients who receive TANF.

Sarah Singleton of the Montgomery and Andrews Law Firm is head of the New Mexico Commission on Access to Justice, which has completed a study demonstrating that low-income New Mexicans have inadequate access to the civil legal system, a situation affecting their ability to receive TANF benefits, challenge illegal working conditions, protect against domestic violence or effectively battle wrongful eviction. Ms. Singleton praised the legislature for establishing the Civil Legal Services Fund, which has made it possible for approximately 12 percent of poor people with legal needs to be served. However, with federal funding for legal services for the poor shrinking, increased fees for civil legal services funding may be necessary. She stated that Minnesota pays $32.00 per person for such services; Hawaii, $7.00; and New Mexico, $4.00. She also noted that the senate and house have failed to appoint representatives to the Commission on Access to Justice; *staff was instructed to investigate why.*

Benny Shendo, secretary of the Indian Affairs Department, reported that 2.5 million Native Americans in the United States have a poverty rate twice as high as the national average. Further, on the Navajo Nation lands straddling three states, some 40 percent of homes lack electricity. Secretary Shendo will distribute to committee members a report prepared with HSD discussing means to address the health crisis expected with the closure of Indian Health Service (IHS) offices. He noted that 17,000 patients now left without insurance or IHS care will eventually end up with state services.

II. ***TOUR OF THE ONE-STOP SHOP***

Director John Hemphill took committee members on a tour of the Ruidoso "one-stop shop". The facility houses various agency service offices dedicated to helping low-income and poor clients find resources.

III. ***EASTERN WORKFORCE DEVELOPMENT BOARD***

Mr. Hemphill, also a member of the Eastern Workforce Development Board (EWDB), and Gary Cozzens of EWDB noted that TANF and Workforce Investment Act (WIA) programs are increasingly working together, either through co-location or through virtual computer cooperation. Portales, Clovis, Alamogordo and Hobbs are moving toward co-location, although more sparsely populated areas will share computer information rather than physical location. Committee members asked which of the databases of clients currently are shared; there are five separate databases at present. Mr. Hemphill reported that the Ruidoso shop is trying to cross-train case managers to work both with TANF and WIA clients, and that a consortium of all the regional community colleges has been able to standardize office hours and forms.

To improve accessibility of services for clients, Mr. Hemphill made three suggestions:

(1) work to establish one common database for all clients;

(2) do what is necessary to ensure that a WIA activity can "count" as a TANF activity for purposes of satisfying the TANF client work requirement. (Historically, TANF clients have not been encouraged to use WIA services, but Mr. Hemphill said co-enrollment should be encouraged. Katie Falls, director of the ISD at HSD, stated that the department could work to align the program guidelines between the programs better); and

(3) ensure that transportation services are not cut, particularly in areas such as Ruidoso where there is no public transportation.

A discussion of the Education Works program followed.

IV. ***POVERTY STATISTICS***

Bill Jordan, deputy director for policy at New Mexico Voices for Children, reviewed an inventory of indicators on poverty and low-income status with the committee, noting that in New Mexico 42.5 percent of the population qualifies as low-income, compared with a national average of 28 percent. "Low-income" means earning 200 percent of the federal poverty level. "Poor" means earning 100 percent of the federal poverty level or less.

Mr. Jordan stated that in New Mexico, 12.9 percent of working families fall below the poverty threshold. Mr. Jordan stressed the importance of education in raising families out of poverty, noting that of New Mexico's low-income families, 41.6 percent have a parent with no high school degree or general equivalency diploma. Mr. Jordan concluded by recommending that legislators raise the state minimum wage, make state funding available to students for short-term non-degree adult development education, target the poorest areas of the state for funding, mandate that at least half of WIA funds be allocated for training and require local workforce boards to fund support services such as child care and transportation. Mr. Jordan also recommended that the state match individual development accounts opened by TANF participants, and also that the state suspend the time limit for education and training programs rather than limiting participation in education and training to 60 months for TANF clients.

Demographer Dr. Dely Alcantara reported that New Mexico's poverty rate is higher than the national average in every single age group. In the year 2000, New Mexico ranked with Louisiana, Mississippi and West Virginia as among the poorest states. Although the income of New Mexicans improved between 1997 and 2002, the poverty rate has not and in 2003, New Mexico was ranked the poorest state in the country. Los Alamos consistently ranks as the most affluent of the areas in New Mexico, while the Pueblo of Zuni has outpaced Mora County as the poorest area, with over half its population in poverty. Dr. Alcantara demonstrated that the poorest New Mexicans pay high percentages of income for housing, that people of color are overrepresented among the poverty population and that immigrants coming from other states to New Mexico fare better than native New Mexican's economically. Dr. Alcantara said some of the statistics compiled by the Bureau of Business and Economic Research bear further

investigation – among them, the possibility that the persistent high dropout rate in New Mexico may indicate "tracking" in the schools that dooms some students to failure, the relationship between education and poverty and hiring practices of businesses that benefit from industrial revenue bonds.

V. *APPROVAL OF MINUTES*

The minutes of the committee's June 13, 2005 meeting were unanimously approved on motion of Representative Salazar, seconded by Representative Vaughn.

The committee recessed at 6:00 p.m.

Tuesday, July 19

Senator Lopez called the committee to order at 9:12 a.m.

VI. *LEGISLATIVE OVERSIGHT OF POVERTY PROGRAMS*

Jack Tweedie, group director of the Children and Families Program of the National Conference of State Legislatures, met with the committee for the entirety of its second morning session. Mr. Tweedie, who has been coming to New Mexico to work with legislators on welfare reform for over a decade now, noted that the state is doing well using its TANF dollars, but could benefit from a focus on outcomes. He suggested that legislators keep in mind five questions as it evaluates the success of welfare reform:

1. What is important? The legislature's role is to decide priorities and ensure that the agencies follow its mandates.

2. What do we know now? Does the Welfare Reform Oversight Committee know all it wants to know about New Mexico's families? What information is being reported now by agencies and what other information does the legislature need? Can the committee assess whether programs are effective with the information it has?

3. What can we do better? The committee's decision on which challenges to overcome will shape policy.

4. How can we strengthen welfare programs? The strategic approaches the legislative committee undertakes can make a difference in the outcomes of programs.

5. How can the legislature support agencies and ensure that legislative priorities are expressed? The committee's oversight role is critical in ensuring the success of programs.

Mr. Tweedie noted that New Mexico caseloads are shrinking and that parents are leaving welfare, but noted that these successes are balanced by the need to make cuts in TANF programming this year. New Mexico's statistics on caseloads are improving, but the question remains: Is the state where it could be? Are individual programs effective? Are executive offices focused on the legislature's priorities? Is the committee's actual goal reducing caseloads or getting families to work? Is it enough to get people away from reliance on cash assistance, or is success better measured by moving low-income working families up the economic ladder? Is the state bringing the lowest income people out of poverty?

Mr. Tweedie suggested that there should be joint responsibility for clients as they move from TANF to the New Mexico Works or WIA programs. Viewing programs ***as***

investments may help legislators assess priorities and mistakes and establish a long-term plan to help New Mexicans overcome poverty. He suggested that agencies can benefit from thinking about ways to divert clients from poverty and about providing support during especially fragile transition-to-work periods.

Discussions on the following subjects, among others, also occurred:

* drug users in New Mexico are eligible for cash assistance, as TANF funds are directed to support the family, and not the drug-using parent. Mandatory drug testing may be unconstitutional if it involves searches without individualized suspicion. However, legislators could consider requiring clients identified as having an addiction to undergo treatment in order to receive benefits, if treatment facilities are available. Mr. Tweedie stated that in states that have studied the issue of addiction, approximately five percent of TANF cash assistance clients were affected by alcohol dependence that has interfered with work; an estimated four percent with substance abuse. The issue of addiction, while significant as it can interfere with parenting, is not broad or far-reaching. The issue of drug use leading to termination in workplaces with a zero tolerance policy versus drug addiction was not further explored;

* nontraditional job training for TANF recipients, such as training to become fitness instructors, is good for the system;

* losing cash assistance for child care can cause otherwise successful families to fail; it is worthwhile to move gradually from offering support to withdrawing it;

* it is important to have teen after-school programs between 3:00 and 6:00 p.m. in order to reduce sexual activity and drug use;

* training recipients in filing taxes and getting the low-income tax credit can help reduce the TANF caseload; and

* establishing rewards for two-year colleges that meet targets for training clients in certain fields or programs can make a difference in the caseload, too.

VII. ***COMPARATIVE STATISTICS/BARRIERS TO EMPLOYMENT***

Ms. Katie Falls reviewed shifts in HSD's TANF caseload profile for the past decade, noting that the number of recipients has decreased by 59.7 percent even though the state population increased by seven percent between 1996 and 2005. The percentage of New Mexicans receiving TANF has been reduced from 5.7 percent to 2.3 percent in the same period.

Ms. Falls discussed hardship extensions available to those who have used the entirety of their 60-month benefits, noting that benefits may be extended due to domestic violence, disabilities or caring for a disabled person in the household. The department is beginning to focus on people who have reached their thirtieth month on TANF funds, as the average case closes after 11.4 months on the program.

In assessing barriers to employment, the department screens clients and makes referrals for those with positive screenings. Domestic violence was the most prevalent cause of a barrier to employment, at 34.2 percent. Ms. Falls suggested, however, that more in-depth assessments should be done if a client has been on TANF for 30 or more months, as this group is more likely to have barriers to employment.

Legislators requested that HSD:

* revisit criteria for granting hardship extensions and consider looking at educational attainment as a factor in hardship exemptions; and

* attempt to identify what happens to clients identified for referral to other agencies for barriers but who do not receive services.

VIII. ***TRANSPORTATION***

Jack Valencia presented testimony on transportation needs as identified by the New Mexico Transportation Association, and Joseph Hardin reported on problems identified at Zia Transportation Services in Alamogordo. Mr. Valencia suggested that the committee could help identify state resources to support transportation services for TANF recipients, helping to close a $2.9 million shortfall in transportation funding. Only TANF is providing matching funds for the Job Access Reverse Commute (JARC) program. Federal funds must be matched on a dollar-to-dollar basis. The federal government will increase funding for transportation programs by 41 percent and the state will need to increase its match by $3 million to a total of $5.6 million or lose the additional federal funds. Mr. Hardin cautioned that the nonprofit serving Otero and Lincoln counties would lose three vehicles and a number of clients with the approved funding, even though in Ruidoso and other areas there is no public transportation for those who would be left without services.

IX. ***ADJOURNMENT/NEXT MEETING***

On motion of Representative Sandoval, seconded by Senator Beffort, the committee adjourned at 3:40 p.m.

Next meeting is August 30-31, 2005.

MINUTES
of the
THIRD MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

August 30, 2005
Christ Lutheran Church, Santa Fe, New Mexico
August 31, 2005
State Capitol, Santa Fe, New Mexico

The third meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Representative Luciano "Lucky" Varela, Vice Chair, on Tuesday, August 30, at 10:20 a.m. at Christ Lutheran Church in Santa Fe. All handouts are in the meeting file.

PRESENT	**ABSENT**
Sen. Linda M. Lopez, Chair	Rep. Irvin Harrison
Rep. Luciano "Lucky" Varela, Vice Chair	Rep. Avon W. Wilson
Sen. Sue Wilson Beffort (8/30)	
Rep. Kandy Cordova	
Sen. Clinton D. Harden, Jr.	
Sen. Steven P. Neville	
Sen. Gerald Ortiz y Pino (8/30)	
Sen. John Pinto	
Rep. Nick L. Salazar	
Rep. Gloria C. Vaughn	

Advisory Members

Rep. Ernest H. Chavez	Sen. Ben D. Altamirano
Sen. Dianna J. Duran	Rep. Richard P. Cheney
Rep. Larry A. Larrañaga	Rep. Daniel R. Foley
Rep. Candy Spence Ezzell (8/31)	Sen. James G. Taylor
Sen. John C. Ryan	
Rep. Edward C. Sandoval	
Rep. Jim R. Trujillo	

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Jennie Lusk
Pamela Ray
Carrie McGovern

Guests
The guest list is in the meeting file.

Tuesday, August 30

STRENGTHENING YOUTH POLICY IN THE STATES

Elizabeth Gaines, program manager for the Forum for Youth Investment in Washington, D.C., introduced "Ready by 21", a national policy initiative designed to focus on enabling young people to become fully ready for work, college and adult life at the age of 21. Currently, she said, most 21-year-olds are not fully able to become self-sufficient. Instead, many young people have social, economic and educational deficits. Young people need psychological, physical and social supports—some of which should be provided by government—to become self-sufficient.

The initiative defines being "ready" as a young adult doing well in two life areas and adequately in another. The areas are: attending college or working steadily; having good health, healthy habits and healthy relationships; and volunteering, being politically active or being active in religious institutions and community.

Resiliency research has indicated that there is nothing "magic" in preparing young people for self-sufficiency, but that young people able to cope well with the demands of adult life have a complex set of skills and assets. The assets consistent in effective programs for young people promote: physical and psychological safety, appropriate structure, supportive relationships, opportunities to belong, positive social norms, a sense of "mattering", opportunities for skill-building and integration of family, school and community efforts.

Ms. Gaines, who is working in conjunction with the National Conference of State Legislatures (NCSL) to promote policies for young people that build readiness by age 21, encouraged legislators not only to broaden their goals so that treatment is available for high-risk young people, but also to consider prevention. She reported that 16 states currently have a children's cabinet, among them New Mexico, but that most children's cabinets include representatives of branches other than the executive.

Questions and comments from committee members included mention that some research indicates that the disadvantages of single parents working may include lack of preparation in young people, especially when children ages 11 to 14 are often left at home after school without constructive activities. Other inquiries included questions about percentages of special education students and appropriate education funding; best practices; and recommended after-school programs. Committee members mentioned that they do not know what programs exist for New Mexico students after school or which of the existing programs is working well. Ms. Gaines, on questioning by the legislators, acknowledged that funding for early childhood programs is critical, but emphasized that research indicates that brains are still developing through age 24 and youth are often neglected.

Legislators discussed the positive impact of using school buildings for after-school and other community programming and of doing good educational programming

within juvenile facilities. They suggested adjusting statutory insurance coverages to enable schools and their related facilities to be open to community groups and expressed an interest in becoming more involved with the Children's Cabinet.

The report from the New Mexico Children's Cabinet was postponed pending the cabinet's completion of a status report.

TYPICAL TANF CLIENT — Flow Chart and Discussion

Bill Dunbar, Office of Workforce Training and Development, and David Devitt, deputy director of the Income Support Division (ISD), Human Services Department (HSD), walked committee members through the services and systems a typical TANF client encounters. They were joined by field office employee Mark Shepherd, Marilyn Hill, Labor Department (LD) deputy secretary, and Katie Falls, director of ISD. Mr. Dunbar said that the Eastern Workforce Development Board is functioning better than ever despite a transfer of functions and that the central board has had only a minimal decrease in provision of services during the months of transition – 3/10 of one percent. He noted that legislative appointees for the transition's oversight committee have still not been made.

Mr. Devitt, who has attended federal reauthorization meetings for TANF, suggested that "universal engagement" will become the standard for all TANF clients. After reauthorization, it is unlikely that TANF clients will have 60 days before engaging in a work activity, as permitted under the New Mexico Works law. He reported that of the 2,640 TANF clients statewide who are not exempt from work, only 32 percent are currently meeting their work requirements.

Mr. Shepherd explained the flow chart included in the committee's handouts, noting critical deadlines and barriers and explaining that TANF clients sign a Work Participation Agreement that binds them to work in exchange for their benefits. Mr. Dunbar noted that there will be eight one-stop shops statewide, and that 30 counties will have versions of the comprehensive model discussed in the flow chart.

Committee members expressed interest in data sharing, in the differences between Workforce Investment Act and TANF programs.[1] Finally, committee members agreed that all agencies that deal with TANF recipients should share a commitment to working together to resolve client problems.

GOAL SETTING — A Working Session

Senator Lopez led the committee as both chair and facilitator in a session designed to help establish goals for the coming fiscal year. The chair emphasized the

[1]NOTE: Handouts on the differences between those two programs, brought by the Income Support Division for the July meeting but not circulated, are enclosed for the information of committee members.

committee's oversight role over all welfare reform and suggested that the committee would be more effective by concentrating on performance measures and by educating itself about what programs are working effectively for New Mexico's poorest people. The chair invited advocates Ruth Hoffman, Lutheran Office of Governmental Ministry, Kim Posich, New Mexico Center on Law and Poverty, and Kenneth Owen, New Mexico Legal Aid, to join the committee members along with the following agency representatives: Mr. Dunbar, Ms. Falls and Ms. Hill.

Advocates made informal statements prior to the goal-setting exercise. Ms. Hoffman said that New Mexico is not improving in getting people out of poverty but instead remains with Louisiana, Arkansas and Mississippi as among the poorest states. Between 25 percent and 35 percent of the population is poor in New Mexico, and the state is not making headway in reducing that percentage, she said, again stating that the federal poverty guidelines are outdated. Further, she reminded committee members that the reauthorization of TANF will almost certainly involve greater work requirements and higher participation rates. Mr. Owen commented that the flow chart previously discussed represented an ideal – not a reality – and noted agency computers automatically remove otherwise eligible TANF clients from the rolls if their Medicaid eligibility has expired, due to the recent change from a 12-month to a six-month eligibility period for Medicaid.[23] During such periods of ineligibility, the client receives no cash assistance. In addition, some clients believe that their eligibility denial is valid and do not double-check the rationale for the denial, thus relinquishing the cash assistance they deserve. He suggested the committee address systemic barriers to interagency cooperation. Mr. Posich identified two key difficulties for people in poverty as the conflict between the ISD and the legislature and the level of funding for case workers. He urged committee members to ensure that the ISD works well and to appropriate enough money to support the department in implementing welfare reform.

Committee members then individually offered up two goals each for welfare reform. Repetitions were tallied and the goals with the greatest numbers were selected as committee priorities. The top four goals were: increasing the effectiveness of the "one-stop shop" by improving interagency cooperation; measuring the success of clients going through the system; expanding funding for youth at-risk programs; and funding the ISD adequately. Finally, committee members were asked to list two barriers to achieving each of the goals. The results of both exercises are in the meeting file.

The meeting recessed at 4:13 p.m.

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[2]Representative Trujillo informed the committee that the interim Legislative Health and Human Services Committee has voted to write Governor Richardson to request that he rescind the six-month rule and to return to a 12-month eligibility period. Other comments included a recommendation that the agency place clients rejected because of the six-month rule on "pending" status rather than rejecting them and a comment that the legislature was aware it underfunded Medicaid and required recertification every six months in part to reduce participation in the Medicaid program.

Wednesday, August 31

Senator Lopez reconvened the meeting at 10:12 a.m. in Room 307 of the State Capitol.

OVERCOMING BARRIERS TO WORK

Gregory Kepferle, executive director of Catholic Charities, discussed the work of his organization, a nonprofit that serves 11,000 persons, many of whom are TANF recipients. He made recommendations for legislative action, including the following:

- increase eligibility for child care to 200 percent of the federal poverty level;
- instruct the Children, Youth and Families Department (CYFD) to use the federal I-94 card used by refugee children who do not have social security numbers as an alternate form of identification;
- instruct the ISD to allow refugees to use a temporary ISD number as identification for Medicaid taxi services since refugees cannot get a social security number right away;
- require the LD and workforce training center employers to offer shuttles or organize carpool services for employees on weekends and evenings;
- encourage congressional representatives to increase federal Section 8 funding;
- ensure that the state's new Affordable Housing Trust Fund is available to leverage federal funds for housing for homeless and low-income families;
- continue funding domestic violence and substance abuse programs and ensure that coordinated efforts are made for prevention, treatment and recovery support;
- permit nonprofit adult basic education (ABE) and English as a second language (ESL) service providers to receive state contracts for ABE;
- allow ESL as a primary activity for TANF clients;
- allow for more time for basic education ESL and GED preparation before TANF clients must seek a work activity; and
- encourage increases in the minimum wage and universal access to health care.

Committee members expressed a desire to have a discussion of ABE at the next meeting. Ms. Hoffman encouraged members to call their congressional representatives to urge that Congress not eliminate education as a work activity.

FRESH START — CHILD SUPPORT PROGRAMS

Kathy Valdez, deputy director of the Child Support Enforcement Division, HSD, reviewed successes in the arrears management program (AMP) since the legislature authorized the HSD in 2004 to develop such a program. The program, through which interest on child support arrearages can be forgiven, is designed to increase reliable income flowing to children while increasing fairness to non-custodial parents.

Committee members asked for clarification on the issue of reciprocity of child support collection between states and were told that New Mexico cannot alter a legitimate court order from another state establishing a set child support payment.

Members discussed the virtues of eliminating interest on child support arrears in order to encourage timely payments. The fact that interest accrues prior to principal payments caused a good deal of concern.

Representative Varela stated that the department needs an ombudsman for resolving child-support-related problems. In addition, committee members expressed an interest in fixing the child support statutes to include a fine or penalty rather than interest on arrearages. Representative Varela will request the Legislative Finance Committee (LFC) to put child support on its radar screen and to examine the statute's interest provisions. Finally, during the year the governor has proclaimed as the year of the child, Representative Varela expressed his belief that it would be appropriate for the governor to provide a message on this legislation for the 2006 legislative session. Representative Varela called for a report on child support from the HSD looks at systemic problems (such as difficulty certifying a child care provider) to see whether there are systemic problems in the child care process. He asked that LFC contact CYFD about the problem.

APPROVAL OF MINUTES

The minutes of the July meeting were approved with one correction that discussion of the Education Works Program also occurred during the July meeting. Representative Varela moved approval, seconded by Representative Vaughn, and the motion passed unanimously.

THE VICE CHAIR REQUESTED THAT COMMITTEE MEMBERS GIVE THE CHAIR FEEDBACK ON THE SUMMARY CHART DISTRIBUTED AFTER MONDAY'S WORKING SESSION.

ADJOURNMENT

The meeting was adjourned at 1:20 p.m.

NEXT MEETING: Wednesday and Thursday, September 21 and 22, 2005,
State Capitol, Room 307

MINUTES
of the
FOURTH MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

September 21 and 22, 2005
State Capitol, Santa Fe, New Mexico

The fourth meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Representative Luciano "Lucky" Varela, vice chair, on Wednesday, September 21, at 9:10 a.m. at the State Capitol in Santa Fe. All handouts are in the meeting file.

PRESENT	**ABSENT**
Sen. Linda M. Lopez, Chair	Rep. Irvin Harrison
Rep. Luciano "Lucky" Varela, Vice Chair	Sen. Steven P. Neville
Sen. Sue Wilson Beffort	Sen. Gerald Ortiz y Pino
Rep. Kandy Cordova	Rep. Avon W. Wilson
Sen. Clinton D. Harden, Jr.	
Sen. John Pinto	
Rep. Nick L. Salazar	
Rep. Gloria C. Vaughn	

Advisory Members

Rep. Ernest H. Chavez	Sen. Ben D. Altamirano
Rep. Candy Spence Ezzell	Rep. Richard P. Cheney
Rep. Daniel R. Foley (9/21)	Sen. Dianna J. Duran
Rep. Larry A. Larrañaga	Sen. John C. Ryan
Rep. Edward C. Sandoval	Sen. James G. Taylor
Rep. Jim R. Trujillo	

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Jennie Lusk
Carrie McGovern

Guests
The guest list is in the meeting file.

Wednesday, September 21

CHILDREN, YOUTH AND FAMILIES DEPARTMENT (CYFD) CHILD CARE PROGRAMS

Secretary Mary-Dale Bolson, CYFD, discussed the department's current emphasis on improving the quality of child care providers and provided an overview of the programs currently funded. She noted that $500,000 had been redirected from the general fund to home visit programs administered by the department, with an eye to targeting high-risk, high-need parents. The secretary also discussed a pilot project in the Colonias area in southern New Mexico under which parents can be paid a subsidy to take 45 hours of child development courses and then become child care providers for their own and others' children. She also noted the expansion of "nontraditional" child care services for parents who work hours outside an 8:00 a.m. to 5:00 p.m. schedule. Child care was cut by $30 million for TANF clients during the current fiscal year.

The secretary explored several scenarios by which New Mexico could expand the number of children eligible for child care services. If the eligibility rates move from 150 to 160 percent, the secretary would expect an increase to $2,379,361 per year for the budget; if to a level between 150 and 200 percent, the price tag would be $4,441,580 in licensed care.

On questioning from committee members, the secretary stated that the department had made recommendations on its budget for the executive, but that the budget is not yet approved. The committee vice chair will talk with the Legislative Finance Committee staff to find out whether the department will request a flat budget.

TRANSITIONS FOR YOUNG PEOPLE LEAVING FOSTER CARE

Tara Ford, Pegasus Legal Services co-director, and Maureen Sanders, attorney, presented the predicament of young people raised in foster care custody of the state who are released at age 18 unprepared to find housing, schooling and work on their own. Ms. Ford emphasized that the state is well aware of how long the children will be in the state's custody and of the children's needs, yet plans very little for these young people. Foster care children are known to have a higher level of special needs than the general population. The problems that bring children into foster care — abuse, neglect, incarcerated parents and disabilities — can have an impact on children's development and levels of attainment. The state is obligated to provide some services such as special education for identified young people until age 21. Many former foster children are eligible for the developmental disabilities (DD) waiver program, but, even though the waiting list is up to five years for DD services, CYFD rarely applies for services for the children in advance. Many former foster children become homeless when they are released from state custody at age 18, and many are incarcerated.

The presenters advocated creating a program of mentorships for young people, along the lines of the gold mentor program cut during the 2005 session in the Aging and Long-Term Services Department. That program could help young people transition out of state custody and navigate the bureaucracies involved in getting appropriate services and education. In addition, the two advocated changing medicaid eligibility from age 18 to

age 21— a simple move that would affect approximately 100 children formerly in foster care and approximately another 60 children in the juvenile justice system. They reminded the committee members that the state has a special obligation to foster children, since it removed them from their natural supports: their birth families. The state can pay initially for positive supports, they said, or can pay later for housing former foster youth in homeless shelters or correctional facilities.

The two recommended the following policy changes: (1) identify foster children with disabilities as early as possible; (2) pass legislation requiring state agencies to develop a structure to ensure that educational needs of children and youth in foster care are met; (3) ensure adequate housing is made available; (4) ensure that the foster care children have support from mentors; (5) increase job opportunities for foster youth; (6) provide medicaid benefits to all youth emancipating from CYFD custody up to age 21 as allowed by federal law; and (7) pass legislation empowering CYFD to require attendance of staff at a transition planning meeting for youth at six months prior to emancipation. On questioning from committee members, the two agreed that, within the web of agencies offering services to young people, there is very little systemic coordination or case management. Foster children tend to find information at agencies, but little, if any, coordination.

CHILD CARE SUBSIDIES

Linda Siegel, Rebecca Dow, Dan Ritchie and Donna Fletcher appeared before the committee in order to give members more insight into licensed child care. New Mexico Temporary Assistance for Needy Families (TANF) dollars go not only to licensed child care providers such as not-for-profit and for-profit corporations, faith-based and secular companies and Head Start agencies, but also to registered, unlicensed homes. The three suggested that CYFD use a sliding scale to remove families from TANF subsidies incrementally rather than all at once. Ms. Fletcher, who is from a downtown Albuquerque preschool, discussed that school's sliding scale by which parents are slowly weaned from subsidies. Mr. Ritchie advocated changing the phrase "child care subsidy" to "early care and education scholarship" in order to shift legislative perception from simply moving children into daycare to actually putting them into quality daycare.

The New Mexico Association for the Education of Young Children advocates raising the level of eligibility for child care subsidies to families making up to 200 percent of the poverty level; continuing to expand pre-K programs; providing TEACH scholarships for child care staff similar to those available for classroom teachers; and supplementing wages for early childhood teachers. There was a net loss in child care subsidies last session — when about $500,000 was cut from this budget.

TANF FUNDING, PRE-K INITIATIVE

Dr. Patricia Parkinson, Richard LaPan and Lana Paolillo, early literacy bureau chief and director of Reading First, reported that last fiscal year was the final year of Public Education Department (PED) funding for after-school programs. The money for those programs was transferred from the Human Services Department (HSD) to PED. Legislators questioned why the TANF-funded child care subsidies did not include many programs in the southeast quadrant of the state; Dr. Parkinson said she would check to

see whether programs from that area applied and noted that the initial priorities of the departments was to get programs in place in Title I schools that have a high percentage of poor children and in school districts that are not meeting adequate yearly progress (AYP) goals. According to Mark Weber, Legislative Finance Committee staff, the pre-K program is expected to pick up some of the services formerly provided by PED in its after-school programs. Legislators questioned the equity of funding some programs where a school is meeting AYP goals and asked whether it is fair to make successful schools ineligible for pre-K programs.

Dr. Parkinson discussed the historic importance of the pre-K program, in which PED and its public schools collaborate with CYFD and its private providers to provide programming. She said, in answer to committee questions, that the department hopes to greatly expand the program so that there is a voluntary pre-K program for every four-year-old who needs it. Legislators also expressed concern that there be more parity between pre-K programs in the public schools where reimbursements can be made as a supplement to other publicly supported services and the private sector, where teachers work for lower wages and benefits.

Representative Varela directed the department to respond to allegations of geographic bias, and Dr. Parkinson agreed to do so.

MINUTES

On motion of Senator Harden and second of Representative Vaughn, the minutes of the August meeting were approved unanimously.

CASE MANAGEMENT SERVICES

Reese Fullerton, Office of Workforce Training and Development (OWTD) director, and Bill Dunbar, OWTD deputy director, introduced several panelists to inform the committee about case management in that office. The panelists were: Lawrence Rael, director of the Albuquerque-area Council of Governments (COG), including Sandoval, Valencia, Torrance and Bernalillo counties; Conroy Chino, secretary of labor; Gwen Hunter, director of WIA and TANF programs in central New Mexico; and Jan Bradburn, director of the Clovis Community College Workforce Training Center and the Eastern Area Workforce Development Board. In addition, former TANF clients Rosalie Garcia and Helen Esquibel discussed their experience with case managers in eastern New Mexico.

Mr. Fullerton outlined time lines for services related to workforce training: on October 3, a Belen "one-stop shop" will open; by December 31, a Sandoval County operation will begin; by February of 2006, a Torrance County office will open; and by April 2006, a new Bernalillo County office will open. The eastern regional office, opened in 2004, was a pilot project. On July 1, 2005, OWTD contracted with the eastern board to provide and enhance services.

Mr. Rael noted that the COG provides administration for the workforce connection board for central New Mexico and that funds pass from OWTD to the local board and then to the COG. The COG office provides all financial and administrative functions on

behalf of the board. The local workforce board received TANF funds on behalf of OWTD and contracted with the Labor Department (DOL) for services. The DOL contracted with a board to run the WIA program.

Under DOL, four offices provided services for TANF clients, and the transition in administration went smoothly with the exception of one area. COG is attempting to use facilities not otherwise in use.

Mr. Chino gave a snapshot of TANF from the DOL point of view: the department entered into the TANF contract 90 days ago with a dedication to removing barriers to employment and improving mental health and chemical dependency services. Since DOL took over, there have been 1,800 participants. There are 251 clients placed in jobs, and 400 persons have been trained.

Mr. Chino reported difficulty in entering data in four different databases; trying to integrate case management with other agencies; and cross-training staff. The DOL is using one common intake tool for all potential services.

Ms. Nutter reported on orientation for staff in the central region, which consists of four days in Bernalillo County and one day elsewhere. Ms. Bradburn reported on the pilot program for the east side, where all staff were cross-trained to provide information on services, including WIA, TANF, food stamps and college financial aid. The pilot program targeted two markets: participants; and businesses and future employers.

On questioning from committee members, Mr. Rael stated that the concerns in selecting an agency for case management were: (1) whether the agency was the one people were accustomed to using or a different one; (2) whether it could bring in other partners to help provide services; and (3) whether it had an understanding of the labor market in the area so that it could respond quickly to local needs. Because DOL had been a good WIA provider, it had some preference as the case management agency. In addition, it appeared to be capable of expanding the network of other partners and of responding to local needs. Individual case managers are required to have a four-year degree plus at least two years of experience in human services or five years of field experience in human services. Mr. Chino reported that a task force has been convened to get the databases melded; the project could take up to five years, although a two-to-three-year goal is in place. Mr. Chino also reported that 29 full-time case management employees are located in the city of Bernalillo, with a total of 52 employees in the central area. Each employee has a case load of 220, although 100 would be preferable.

HSD monitors DOL's performance, according to Mr. Fullerton, although OWTD would bring a compliance issue, if one arose.

RECESS

The committee recessed for the day at 5:00 p.m.

Thursday, September 22

Representative Varela reconvened the meeting at 9:05 a.m.

ESTABLISHING MEANINGFUL PERFORMANCE MEASURES, EVALUATING SUCCESS, EDUCATION SERVICE DELIVERY

Jack Tweedie, NCSL director of children's programs, and Mark Weber, LFC, gave a wide-ranging, three-hour presentation. The two introduced new LFC staff member, David Lucero, who was the former budget director at HSD. Mr. Lucero will be the primary contact for CYFD and OWTD.

Update on Federal TANF Reauthorization.

Mr. Tweedie gave a brief update on federal TANF reauthorization, including that TANF has been extended through December 31, 2005 as part of the legislative response to the Hurricane Katrina disaster. It now appears the reauthorization will be incorporated into the federal budget reconciliation. It is not yet known whether the cuts proposed in TANF in the reauthorization will be in the reconciliation language. It is likely that work participation rates will be elevated to 70 percent and that only work (as opposed to education programming) will meet the work requirements. Marriage and family formation are likely to be the only area of increased funding. Currently there is a proposal to cut $10 billion of the medicaid budget over the next five years. Mr. Weber added that the state may be over the threshold on health insurance premium taxes, which in future may be limited to 3 percent.

Performance Evaluation - Measuring Outcomes.

Mr. Tweedie focused on the importance of measuring success through examining outcomes — a method he recommended to the committee for its own use. He said it is critical for legislators to look for actual improvement over time — to identify priorities and see whether they are being met, to set targets and to measure progress. He noted that a lack of education is the most common challenge for TANF clients, as 40 percent of TANF clients nationwide lack a high school diploma or general equivalency diploma. The lack of a high school education affects employment, wages and earnings. However, there has been only limited success for programs aimed at diploma or GED completion. He recommended focusing on a diploma or GED only as the student gets close to completing high school and to focus instead on the importance of length and intensity of participation.

To evaluate education programs, he suggested the committee examine: whether a program has a focus on employment-related goals and offers hands-on work experience; how much collaboration the program has with welfare and community agencies; early intervention and personal attention on adolescent problems; and a commitment to continuous staff development. He suggested the committee consider post-secondary education as a work activity and focus on high-wage and high-growth job initiatives. Other states have found "job hopping" — having state aid in moving from an entry-level job to a more lucrative and permanent one — well worth state funds invested, Mr. Tweedie said.

Representative Varela, Mr. Tweedie and Mr. Weber discussed the Arkansas "outcomes" and their suitability for use in New Mexico to evaluate performance. Although not all the measures will be the same across states, according to Mr. Tweedie, New Mexico will need measures to track domestic violence supports, educational supports and child care supports, most of which are administered by CYFD. LFC plans subcommittee hearings from each key agency, according to Mr. Weber, with an action plan to meet targets. Representative Varela asked Mr. Weber to give the committee an estimate of changes to benefits eligibility when a worker's salary goes up to $7.00 per hour and beyond — through $11.00 per hour. Mr. Tweedie suggested the committee also seek information on job retention after six months. One place to find good retention figures is the unemployment database. However, a new database from the federal health and human services department is available to states for identifying child support obligations by reporting who is working and who is not. The database is called "new hires". In order to get the database information, sometimes statutes and sometimes memoranda of understanding are required to support the exchange of information.

Mr. Weber said that $7.00 per hour is really a poverty threshold for a family of three and that a person making $7.00 per hour will not get out from poverty. Children are eligible for medicaid up to 185 percent of poverty, but child care support is available only to those up to 150 percent of poverty. The federal government controls who is eligible for food stamps and for earned income tax credits. Discussion ensued on the importance of subsidized housing and job retention and on data needed.

Evaluation discussions by Mr. Tweedie included mention of the importance of determining whether Education Works is well designed to focus on work (as opposed to education) and time limits. Most effective "chunks" of education are tied to specific jobs, he said. Mr. Tweedie can provide assistance with evaluation.

The following topics were raised and discussed: the Washington state model for community college and business activities; job retention among TANF clients; needs for GRADS and other support systems for parents dealing with poverty; the drop-out rate; focusing on earnings (as a percent of poverty) rather than on salary; and time limits imposed on those returning to school.

Representative Varela noted that agency representatives still have not attended WROC meetings and expressed his frustration at the fact that many agencies had no representation whatever. Staff was instructed to remedy the situation through sending a letter stating that the chairs and committee members request the presence of a staff person at every meeting.

From the audience, Ruth Hoffman, Lutheran Office of Governmental Ministries director, was recognized, and she stated that current performance measures are inadequate and that she hoped committee members would fulfill their roles as legislators by setting goals and policies and seeing that they are implemented; recommended that measurements be for earnings rather than for wages; and reminded members that it is highly unlikely they will be able to get most New Mexicans currently living in poverty into $12.00 per hour jobs. Instead, a more realistic policy is to insure that people have a

safe place to live, health insurance for children and support for moving up the income ladder.

CREATIVE APPROACHES TO PROVIDING EDUCATION SERVICES

ABE: Pam Etre-Perez, director of adult basic education (ABE) in the Higher Education Department, talked about ABE's Work Readiniess Adult Basic Education Program (WRAP), which concentrates on remedial education services. The goal of the program is a GED or entry into a community college. The department has $1 million for FY 2004-2005, in part subcontracted through ENMU-Roswell. She reported that 81 percent of clients referred to ABE programs from New Mexico Works received services.

TANF Programs - SFCC: Susan Geary, head of TANF programs at Santa Fe Community College, reported that her program has found that fundamental screening programs for basic hearing and vision are helpful in identifying barriers to work. Her department, which gets referrals from New Mexico Works and the Human Services Department, does a thorough interview and screening as well as taking an employment, health and safety history for each client. The program helps people earn their degrees or enter technical programs by helping them discover interests and values. The program also helps people to prepare resumes. She has found that approximately 50 percent of the clients have a learning disability.

ESL: Gustave Kocsis, program coordinator for English as a Second Language (ESL) programs at Santa Fe Community College, reported that the program now has 1,500 students and cannot serve all who need the services. He estimates that 30 percent of the adult population needs ESL services, and he has had to turn down requests for ESL services at community centers and churches. The ESL population at SFCC is a working, low-income population, most of whom are under 45 years old and speak below an intermediate level of English. One of the most frequent reasons cited for wanting to learn English is to help children – the next generation – in school.

Business Perspective: Marilyn King, director of the Business and Industry Training Center at San Juan Community College, emphasized the importance of screening for learning disabilities and language barriers using simple assessment tools. As a center working with employers, San Juan's facility needs a developed workforce that can be educated in job skills on-site. Without services identifying and ameliorating learning disabilities and solving some processing or language problems, local businesses will have a far more difficult time finding a stable pool of employees.

DVR: Gary Beene, assistant secretary of the Department of Vocational Rehabilitation, opened his presentation by stating that poverty is a greater problem than a flight of stairs for people with disabilities. He and his programmatic staff members, Ralph Vigil from vocational rehabilitation services and Kelly Davis from a special project on committee issues, have begun a project on removing the barrier of motivation. He mentioned a Bureau of Business and Economic Research (UNM-BBER) study indicating that people with disabilities who go to work return $5.00 for every $1.00 the staff spends. That study will be distributed with the minutes of the meeting and will be

in the library file. Those eligible for vocational rehabilitation services must have an identified disability and they are served on an individualized basis.

Summary: Ms. Etre-Perez summed up three important points: (1) approximately one-third of adults aged 18-24 in New Mexico (400,000 persons) have no high school diploma; (2) those without a diploma face intense barriers and obstacles to employment; and (3) an individualized approach can meet the needs of this population.

On questioning from the committee, the presenters acknowledged that the federal government push to work first is a barrier to a state's decision to put people into school first. ESL and GED programs do not count as a work activity under federal rules, but states can permit ESL and GED programs to be work activities, so long as the states provide funding.

Senator Harden and Representative Vaughn agreed to carry a bill for ABE funding, and Senator Harden will carry a bill for full funding for the Gold Mentor Program.

EDUCATION WORKS PROGRAM

Susan Loubet talked about the Education Works program. Education Works was inspired by the Maine Parents as Scholars Program (MPSP); both MPSP and Education Works benefit TANF-eligible individuals while they go to school. The program provides eyeglasses, dental services uniforms and other services.

Currently, the program is funded for 500 participants at $500,000; recently it has been given flexibility to increase the number of semester hours for participants if the income support division of HSD has adequate funding to do so.

Participating in Education Works takes a person off the TANF "timeclock" while benefits run. Those in the program must maintain at least a 2.0 average and take 12 credit hours per semester.

On motion of Senator Beffort with a second from Representative Vaughn, the committee unanimously voted to send a letter to New Mexico's congressional delegation supporting the Education Works program and urging the representatives to ensure that any new federal bill will continue to allow the state to use Education Works funding in its "maintenance of effort" funding.

ADJOURNMENT

The meeting adjourned at 3:45 p.m., on motion of Representative Sandoval with a second from Representative Varela.

NEXT MEETING: Monday and Tuesday, October 17 and 18, 2005
State Capitol, Room 307

MINUTES
of the
FIFTH MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

October 17-18, 2005
State Capitol

The fifth meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Monday, October 17, at 10:25 a.m. at the State Capitol in Santa Fe.

Present
Sen. Linda M. Lopez, Chair
Sen. Sue Wilson Beffort
Sen. Clinton D. Harden, Jr.
Sen. Gerald Ortiz y Pino (10/17)
Sen. John Pinto
Rep. Nick L. Salazar
Rep. Gloria C. Vaughn

Absent
Rep. Luciano "Lucky" Varela, Vice Chair
Rep. Kandy Cordova
Rep. Irvin Harrison
Sen. Steven P. Neville
Rep. Avon W. Wilson

Advisory Members
Rep. Ernest H. Chavez
Rep. Daniel R. Foley (10/17)
Sen. Dianna J. Duran
Rep. Candy Spence Ezzell
Rep. Edward C. Sandoval
Rep. Jim R. Trujillo

Sen. Ben D. Altamirano
Rep. Richard P. Cheney
Rep. Larry A. Larrañaga
Sen. John C. Ryan
Sen. James G. Taylor

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Jennie Lusk
Pam Ray
Carrie McGovern

Guests
The guest list is in the meeting file.

Monday, October 17

THE CASE FOR APPROPRIATING GENERAL FUND DOLLARS FOR NATIVE AMERICAN TANF PROGRAMS

Sarah Hicks, director of the National Congress of American Indians Research Center, gave an overview of Native American Temporary Assistance for Needy Families (TANF) administration, noting that currently 50 native-run TANF programs serve 200 tribes. Citing a 2004 Annie E. Casey Foundation study, she noted that:

- more than 40 percent of American Indian children live in poverty;
- approximately one-third of American Indian men are unemployed; and
- the median income of non-Indian white Americans is twice that of Native Americans.

Because of the significant impact of poverty in Indian country, then, many tribes have decided to administer their own TANF programs, making them available closer to home and administered by natives familiar with the challenges of accessing services on reservations and other tribal lands.

Native American TANF programs involve direct funding by the federal government. Tribes receive a block grant based upon a certain level of participation, just as do states. Unlike states, which are required to "match" their block grants with "maintenance of effort" (MOE) money, tribes are not required to contribute funds or services in exchange for receiving federal money. Because tribes are located in states, the state MOE match serves both entities.

New Mexico provided a state general fund appropriation for Navajos and Zunis for the first time during the last legislative session, although the money has not yet been released. That amount is less than a quarter of the amount that legislators mistakenly thought had been appropriated three years ago when a measure passed that directed federal money to the tribe and nation. The $1.3 million for the Navajo Nation and the $189,000 for the Pueblo of Zuni once appropriated was never passed on to the tribes because the state cannot appropriate federal dollars.

Michelle Walela, director of the Zuni Career and Development Center and administrator of the tribe's TANF program, noted that the current New Mexico appropriation will be $32,750 for the Pueblo of Zuni. The case count at Zuni, however, has doubled since the Zuni-administered TANF program was created, apparently in part because Zuni clients find a Zuni-run operation more accessible and user-friendly. When the tribe moved a food stamp office to Zuni, the number of clients tripled. TANF programs are experiencing greater participation, too. The Zuni TANF program is the second-largest native program, after the Navajo Nation's. Zuni operates a one-stop shop.

Roxanne Gorman, head of the Navajo TANF program, said that hers is the largest tribal TANF in the country. The New Mexico Navajo Nation TANF offices in Crownpoint, Shiprock and Gallup encourage self-sufficiency, she said, and currently focus on promoting high school graduation and adult basic education. The Navajo

Nation straddles three states. Arizona contributes $2.4 million toward the Navajo Nation TANF, New Mexico appropriated $217,250 for the first time this year and Utah contributes nothing. The Navajo Nation TANF program serves between 10,000 and 12,000 children.

On questioning from committee members, estimates for the nontribal TANF were given: $42,000 to 43,000 clients and an MOE of $32 million. Katie Falls, director of the Income Support Division (ISD) of the Human Services Department (HSD), said she will estimate and report to the committee a number that would represent an equitable amount of state MOE contribution for the Native American TANF programs as compared with the average MOE contribution for non-native TANF programs.

Committee members asked why the state should fund TANF programs it does not administer and were told that the reasons include:

(1) gaining better participation from tribal members, who will understand and use services provided by their own tribal members better than they do those provided by administrators who do not speak their language or know their circumstances;

(2) the state provides TANF funds and services for other state residents, and tribal TANF participants are also state residents entitled to an equitable portion of state funds;

(3) tribal governments may have a better understanding of their communities' needs and local resources;

(4) tribes are better able to offer a "tough love" approach to clients; and

(5) tribes have more flexibility to define who is eligible for services and to establish work requirements for native communities where unemployment is over 50 percent.

Concerns were expressed about the ability of the Navajo Nation to provide adequate services in the remote locations of Tohajilee and Alamo, although the Navajo Nation has established itinerant offices there. Discussion followed on the difficulty of finding jobs on the Navajo reservation and on Zuni tribal lands and on the need for the Navajo Nation to state explicitly that creating jobs and training people for available jobs are goals of its TANF program. The chair asked that the Navajo Nation and the Pueblo of Zuni provide the committee with appropriation requests in time for its next meeting.

UTILITIES AND WEATHERIZATION; NEW PERFORMANCE MEASURES

Ms. Falls reported that federal funds in the amount of $9 million for low-income utility support will be bolstered by $23 million from the state general fund, appropriated during the recent special session. The low-income program for help in paying utility bills is available to applicants who earn no more than 150 percent of the federal poverty level and is parceled out on a points system involving factors that include the cost of energy

versus household income, the number of residents and the age of residents. The average payment in previous years was $128, but this year the average payment will be $450. Some Native American entities that participate in the federal utilities funding program independently will also receive state general fund dollars.

The phone number for the program is 1-800-283-4465, and information is also available through local ISD offices.

Ms. Falls and Reese Fullerton, executive director of the New Mexico Office of Workforce Training and Development, reported that they are going to attempt to use "new hire" data, recently made available by the federal government, rather than unemployment insurance data and self-reporting to track whether the state's poorest people move out of poverty. Statutory revisions may be needed in order to permit sharing of information among agencies. The agencies will track numbers of clients, job retention and income levels. They also will organize data so legislators can clearly assess whether those who go to work are able to earn enough money to move out of poverty.

COMMUNITY ACTION PROGRAMS

Linda Siegel and Sally Moore, executive director of Empowering Our Communities, talked about community action programs, which have been funded through federal dollars for the past 30 years. Such New Mexico programs are expected to lose at least half of their funding in the coming weeks. Community action programs will, therefore, request state funds for full funding.

Sharon Henderson from the New Mexico Assets Consortium asked legislators to fund a program that allows matching funds for poor people who save a certain percentage of their assets for a long-term investment. Providing an incentive for saving not only makes it possible for the state's poorest people to amass funds needed for starting business or for education but also teaches them good financial habits.

Vicki Van Horn, executive director of the New Mexico Project for Financial Literacy, explained the workings of typical charitable remainder trusts and contrasted them with bond sales to benefit the assets acquisition program. On questioning from committee members, she said that a conservative estimate of return for the state's investment of $1.9 million would be 2,372 households able to save money and create assets for home ownership, business and education. She also assured committee members that employers can participate in individual development account savings for employees, although establishing such employer-based accounts can be complex.

COMMUNITY SCHOOLS

Renee Paisano, deputy director of the New Mexico Forum for Youth, stated that hers is one of 25 statewide after-school networks attempting to provide both safety and extended learning after regular school hours. Some estimates are that 40 percent of youth are left on their own after school hours.

The forum has led 12 quality conversations statewide, asking what young people want for after-school programming and inventorying what programs are available. By November and December, a web-based directory of schools offering after-hours programs, a survey and a book based on the conversations are due for release.

Clarence Hogue introduced himself as a newcomer at the forum and stated that after-school programs provide youth with safe places that offer adult supervision, peer counseling, transportation and, often, highly valued opportunities for self-expression.

Lynn Pedraza, director of Health and Mental Health Services for Albuquerque Public Schools (APS), reported on the current memorandum of understanding among APS, Bernalillo County and the City of Albuquerque agreeing on the importance of integrating services across communities, including school-based health centers, dental health programs, social work and mental health services. The major obstacles to creating a more extensive network of such cooperative agreements involve confidentiality and physical space for outside agencies. At this point there are 41 cooperative sites in the Albuquerque-Bernalillo County area.

Sammy Quintana of the Public School Insurance Authority (PSIA) reported that PSIA insures 50 schools and 13 institutions of higher education, but that APS is not part of the PSIA. Tenant Utility Liability Insurance Policies (TULIPs), once available to schools for extending coverage for non-school uses, have been less available after 9/11, but within two or three months the policies will again be available, he said.

On questioning from committee members, the panelists said that many school systems are moving in the direction of using the schools after hours, acknowledging that principals hold part, but not the entirety, of the power of community involvement in local schools, that extended hours are becoming a new reality and that different types of teachers, including peers and trade professionals, are becoming involved in after-hours education. Reference was made to the successes of the Beacon schools in San Francisco and the use of AmeriCorps volunteers. Ms. Pedraza said that it is important to emphasize creating sustainable programs and using evidence-based, effective programs to ensure that community schools are working. Mr. Quintana said that premiums for PSIA are not based on the number of hours a school is open, but rather on the history of claims and types of activities covered. Only school-sponsored events are permitted, as of today.

A discussion followed on means of funding extended community school programs.

The meeting recessed at 5:00 p.m.

Tuesday, October 18

Representative Salazar reconvened the meeting at 9:10 a.m.

COLLEGE AFFORDABILITY

Frank Renz, executive director of the New Mexico Association of Community Colleges, presented information indicating that a college education is not affordable for most of New Mexico's poorest post-secondary students. Through passage of the College Affordability Act in 2005, the legislature provided a framework for assisting poor students who cannot take advantage of the lottery tuition scholarship for any number of reasons, e.g., their need to attend only part time or not being able to enter immediately after high school. However, the act was not funded. It is likely that sponsors will seek a nonrecurring appropriation for the College Affordability Act in January 2006.

Mr. Renz noted that only 10 percent of New Mexico students qualify for the lottery scholarship and that only five percent of students on the lottery tuition scholarship are low-income. New Mexico received an "F" in affordability on the national report card on higher education, although it received a "B" in the year 2000 and a "C" in 2002. On questioning by committee members, Mr. Renz clarified that a $20 million nonrecurring appropriation could earn a six percent yield and fund $1.2 million for affordable education in its first year. He agreed to consider and discuss with sponsors the legislators' concerns that a person receiving state funds through the College Affordability Act be able to earn at least an associate degree; an amendment to the legislation may be required in order to address that concern. Mr. Renz estimated that 60 of 100 New Mexico high school students do not attend college, most often because they feel they cannot afford to attend. In response to a concern expressed that attendance in college may be low because the percentage of New Mexicans who drop out is high, Mr. Renz also advocated fully funding adult basic education (ABE) programs and English as a Second Language (ESL) programs. He noted that the average age at New Mexico universities is now 26 years old; the average at community colleges is 31. He also explained "unified educational system" models in which students attend a college, get a credential, go to work for a period and then, on return to college, earn credit for work experience. Funding a traditional model of education is not appropriate in these times where few students complete their education in that fashion.

Discussion ensued on the wisdom of using formula funding for dual enrollment rather than having high schools pay college tuition for high school students who dual enroll in courses. Mr. Renz said he could get information for the committee members on how many students entered dual-enrollment courses, and for how many hours. Representative Trujillo said he would sponsor a bill to change funding for dual enrollment.

UPDATE ON OFFICE OF WORKFORCE TRAINING AND DEVELOPMENT (OWTD)

Reese Fullerton, executive director of OWTD, reported that the agency has plans to open offices in the central region, including offices in Torrance County, Valencia County, Rio Rancho and Albuquerque as well as two other offices in other regions, between now and June 1. With OWTD's new administration in the eastern region, the numbers dipped, and OWTD was sanctioned. The same thing happened in the central region. However, since the sanctions, OWTD has developed an action plan, has monthly

meetings with ISD and is now working to avoid problems. ISD and the one-stop shops are now communicating better. OWTD is purchasing a database that will help track numbers to ensure that customers are properly assessed. In addition, vehicles are being assigned so that workers can do home visits, the Bernalillo County Works Office is making referrals to the Department of Vocational Rehabilitation and staff is being trained in job placement.

On questions from committee members, Mr. Fullerton acknowledged that there is not enough money to meet all the performance measures. Ms. Falls confirmed that the ISD had requested $13 million, dropped the request to $10 million and then was funded for only $9.3 million for New Mexico Works. However, she said that the department request to the legislature would not go up this year; the department is budgeting only the money currently in the federal block grant. Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry, told the committee that the $32 million in state money required for a match of the federal block grant is not actually cash. Instead, in many cases TANF funds are being matched by the department's taking credit as MOE for activities already in place. She said less money is being spent for support services for TANF clients and that more than half of the $32 million match is actually using other departmental programs as credit rather than actual spending.

MINUTES

The minutes of the September meeting were approved unanimously.

PARTNERSHIP FOR PRESCRIPTION ASSISTANCE

Paul Poister gave the committee handouts and information on the partnership program, which is designed to help find prescription drugs for people who otherwise cannot afford them. The program works this way: when a New Mexico patient calls a toll-free number, the person who answers works through the caller with a questionnaire that helps identify an appropriate prescription drug program; the caller then enters the brand name of the prescription in question and a database searches for what is available. The toll-free phone number is 1-888-477-2669.

ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

NEXT MEETING: Thursday and Friday, December 1 and 2, 2005

MINUTES
of the
SIXTH MEETING IN 2005
of the
WELFARE REFORM OVERSIGHT COMMITTEE

December 1-2, 2005
Room 307, State Capitol

The sixth meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Thursday, December 1, at 10:25 a.m. at the State Capitol in Santa Fe. All handouts are in the meeting file.

Present
Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Rep. Kandy Cordova
Sen. Clinton D. Harden, Jr.
Sen. Steven P. Neville
Sen. Gerald Ortiz y Pino (12/1)
Sen. John Pinto (12/2)
Rep. Nick L. Salazar
Rep. Gloria C. Vaughn

Absent
Rep. Irvin Harrison
Rep. Avon W. Wilson

Advisory Members
Rep. Ernest H. Chavez
Sen. Dianna J. Duran
Rep. Candy Spence Ezzell (12/1)
Rep. Daniel R. Foley (12/1)
Rep. Larry A. Larrañaga
Sen. John C. Ryan
Rep. Edward C. Sandoval
Rep. Jim R. Trujillo

Sen. Ben D. Altamirano
Rep. Richard P. Cheney
Sen. James G. Taylor

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Jennie Lusk
Pam Ray
Carrie McGovern

Guests
The guest list is in the meeting file.

Thursday, December 1

Senator Lopez called the meeting to order at 10:15 a.m.

Human Services Department (HSD) and Office of Workforce Training and Development (OWTD) Performance Measures and Budget

Katie Falls, director of the Income Support Division (ISD) of HSD, reported that temporary assistance to needy families (TANF) programming is maturing and that the department is now focusing on long-term goals such as preventing children from being born into poverty. Daryl Schwebach, deputy secretary for finance and administration at HSD, reported that HSD is not requesting additional appropriations this year and it expects to have approximately $5 million in carryover from 2007. He reviewed the budget as presented in HSD's handouts and, in answer to questions posed by committee members, said that the amount requested for administration has decreased for fiscal year 2007. The request for the Education Works Program will be the same as last year.

Asked whether the department is making headway on work participation rates, Ms. Falls answered that the department has concerns. Last year, the Santa Fe participation rate was only 41.4 percent, and this year after the first quarter, the participation rate is 36.6 percent. The federal requirement for participation is 50 percent.

Staff answered questions on money flow, tracing funds formerly directed to various agencies, including the Children, Youth and Families Department (CYFD), the Public Education Department (PED) and the Commission on the Status of Women (CSW), to their current locations in the budget. Committee members questioned whether various programs were being cut, reduced or merely located in the budgets of other departments. HSD staff also reviewed problems from previous years regarding the carryover of federal funds. Committee staff was instructed to find a way for the committee members to trace which programs were relocated and which programs were cut.

Committee members clarified with HSD staff that the state had funded Education Works appropriations that allow study for a general equivalency diploma (GED) to be credited as a work activity for TANF clients. Noting that the Education Works Program has not recruited the entirety of the students who could be funded through the current appropriations, committee members urged HSD to fill every slot, either through renewed emphasis or expanded outreach.

Reese Fullerton, executive director of OWTD, reviewed his agency's goals and budget. OWTD's budget request includes a $1 million supplemental request from the general fund for infrastructure and transition and funding for a staff statistician. The goal is to have all four offices in the central region share information with the ISD. As to creating one-stop shops, OWTD intends to open shops in Santa Fe, Farmington, Las Cruces and Socorro by June. Mr. Fullerton also reported that job retention is increasing.

Committee discussion included the various proposals for funding individual development accounts (IDAs) and the caseload for case managers with OWTD.

CYFD Performance Measures and Budget

Secretary of Children, Youth and Families Mary-Dale Bolson presented her department's annual update to the committee when it reconvened. She repeated that there are real losses in federal dollars, and that the department will need $679,000 just to keep services at the same level after federal regulatory changes. She expressed concerns on the impact of skyrocketing methamphetamine use in New Mexico and the resulting impact on New Mexico families in terms of treatment, foster care, counseling and child care. She also noted that today there are 400 more children in foster care than there were during the past budget cycle and that foster families receive the same amount of money that they received beginning 11 years ago.

On questioning from committee members, the secretary reviewed options for child care, including pre-kindergarten and Head Start programs, the cost of out-of-state institutional care, the authority for removing children from and returning them to homes, the future of the facility at Springer and the impact of adopting a statewide minimum wage on CYFD program eligibility.

New Mexico Voices for Children's Recommended Legislation

Kay Monaco, executive director of New Mexico Voices for Children (NMVC), presented an executive summary of the organization's new study, "The Path to a High Road Economy — Investing in People, Creating Opportunities" and reviewed the group's legislative recommendations with the committee. She raised with committee members the concern that New Mexico is not progressing in preparing local workers for the jobs of the future, as such jobs require better education. She noted that 68 percent of adults who apply to the Albuquerque Technical-Vocational Institute and 33 percent of freshmen at the University of New Mexico need remedial programs, even if they hold a high school diploma. She cautioned that the state cannot wait to fix the entirety of the public school system; a better strategy is to emphasize educational programs in the workplace. She noted that only 11 percent of those estimated to need adult basic education (ABE) are enrolled in ABE programs and that only a small percentage of enrollees earn a GED.

NMVC is recommending that the Unemployment Trust Fund be used to make a one-time appropriation for creating workplace incentives. That fund generates approximately $40 million per year. NMVC recommends taking approximately $15 million from the fund and giving it to OWTD to administer, as the state of Idaho has done. Among other initiatives, NMVC also recommended making a nonrecurring appropriation for the College Affordability Act, increasing the minimum wage, exploring means of providing health care for all and revamping the tax system to make it more progressive.

The meeting recessed at 5:10 p.m.

Friday, December 2

Senator Lopez reconvened the meeting at 9:10 a.m. with an executive session during which David Lucero of the Legislative Finance Committee reviewed a range of recommendations for individual development accounts (IDAs). The public session began at 10:10 a.m.

Minutes

The minutes of the fifth meeting of the committee were approved as mailed on motion of Representative Cordova and second of Representative Vaughn.

Higher Education Department — ABE Performance Measures

Pam Etre-Perez introduced herself and other staff concerned with ABE. She reported that of the 1.1 million adults in New Mexico, some 240,000 did not graduate from high school and 162,000 are English language learners. Therefore, approximately 35 percent of the New Mexico adult population needs some sort of educational support. She reported that $1 million of ABE funds are earmarked for English as a second language (ESL) education in order to increase ESL enrollment. The department wants to double ABE services. Over the 37 years that ABE has been in existence in New Mexico, it has moved from being based in public secondary schools to being based at community colleges, and its budget has increased incrementally. On questioning from committee members, Ms. Etre-Perez said that every area of the state has an adequate number of ABE classes, although administrative sites are not located throughout the state. She said