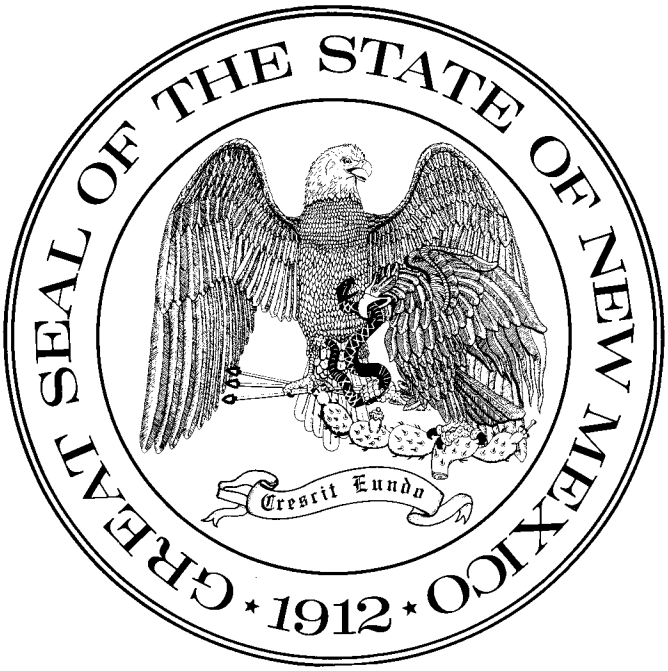

NEW MEXICO STATE LEGISLATURE

WELFARE REFORM OVERSIGHT COMMITTEE
2008
INTERIM REPORT

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New Mexico Legislative Council Service
411 State Capitol
Santa Fe, NM 87505

WELFARE REFORM OVERSIGHT COMMITTEE
ANNUAL SUMMARY 2008

In 2008 more than ever, the poorest people in one of the country's poorest states struggled to find work, make a living wage, afford utilities and raise their children to be educated and productive.

New Mexico's Economy and the Poor

At the beginning of the legislative interim of 2008, the Welfare Reform Oversight Committee (WROC) met in a rich economic environment, with gas at the pump costing approximately $4.00 per gallon and plenty of money in state coffers because of oil and gas revenues.

By August, WROC members endorsed legislation at a special session based on the high costs of natural resources. They supported increasing the salary that parents could earn while still receiving state subsidies for child care; the rate was raised from 165 percent to 200 percent of the federal poverty level. In addition, members of the legislature, including WROC members, voted for a tax rebate for the poorest New Mexicans.

However, by the waning days of the interim, the price of gas and oil plummeted and the legislature faced budget shortfalls. The WROC and other legislative committees and executive agencies sought ways to cut the current-year budget in order to meet the budget shortfalls, essentially freezing appropriation endorsements. The outlook for the coming budget year was so grim that representatives from programs of every stripe that appeared before the committee were warned not to seek any increase and, in fact, to expect a cut.

Fearing both cuts in services and a roll-back to the pre-August income cap for receiving child care expenses, the committee wrote to the Legislative Finance Committee (LFC) urging that ways, other than cuts in services for the poorest people, be found to remedy the shortfall. (See the letter immediately following this summary.) In keeping with its overall emphasis on valuing the education and well-being of New Mexicans, the committee also endorsed legislation providing appropriations for adult basic education, teen pregnancy prevention and maintaining child care assistance eligibility at the higher levels adopted during the special session.

Duties and Future of the Welfare Reform Oversight Committee

As planned, the committee monitored and toured job-training programs and oversaw cash assistance, child care, transportation and job-related services. It received a report from the deputy secretary of human services stating that the number of clients on public assistance has declined over the decade of the WROC's existence. However, there remain persons in poverty who simply no longer receive public assistance, though it is unknown how they survive. Further, the deputy secretary identified a new category of New Mexico's poor: "disconnected single mothers".

The committee also dealt with its own demise, preparing for the day its statutory authority would sunset. The committee endorsed legislation creating a human services committee instead of a mere oversight committee, and it voted to authorize such a committee to hear and contend with issues such as homelessness and hunger. The human services committee would be split from the Legislative Health and Human Services Committee, which would focus more directly on health care, health coverage, health care licensing and related issues.

A broader human services agenda would further legitimize the committee's concerns with low-income household utilities. Thus far, the committee has dealt with the affordability of public utilities by noting that it is difficult to complete homework, stay well or get to work in a home where basic standards are such that its residents nearly freeze. Other committees have approached the issue through the dangers to health and problems with economic productivity. However, the WROC has been the committee most responsive to public needs, endorsing and carrying legislation promoting an increase in the amount of state money going to the Low Income Home Energy Assistance Program (LIHEAP). In future years, a human services committee would be the likely environment for creating a permanent means of funding public utilities for low-income New Mexicans.

Behavioral Health Services and Oversight Concerns

Concerns again surfaced on implementation of statewide behavioral health system management during a meeting convened in Albuquerque in August. Administrators of the contract for behavioral health services appeared before the committee to answer its concerns — among them that behavioral health remains underfunded and the Human Services Department has not requested adequate funding, that residential treatment facilities were closed despite a lack of replacement options through "comprehensive community-based support services" and a lack of oversight over the approximately $300 million-per-year behavioral health contract.

Administrators reviewed the process for requests for proposals for replacing the behavioral health services provider, which largely followed the prescriptions of the Procurement Code. Committee members were told that oversight of the unwieldy contract was spread among agencies and that sanctions are sprinkled throughout the contract, which will be finalized in spring 2009 and become effective July 1, 2009.

However, the Human Services Department asserted over the interim that its contracts with the behavioral health services "single entity" and the statewide managed care organizations that provide health services for persons on public assistance are not subject to the Procurement Code. The department's point of view was met with some alarm by legislators, who have approved almost $1 billion in contract funds over the past three years of the single entity's contract.

Among other significant committee activities, committee leadership then requested an attorney general opinion on whether the Human Services Department may operate as exempt from requirements of the Procurement Code. The issue of accountability under the Procurement Code arose when extra payments were made to the single entity for behavioral health services. In addition, the committee requested a response from the state auditor as to whether an audit is

currently appropriate. The attorney general responded in the final week of the calendar year. (See the opinion immediately following the committee's letter to the LFC.)

Problems Particular to Identifiable Populations

Although chronic poverty affects young and old, male and female and majority and minority ethnic groups in New Mexico, some populations are especially hard hit from certain policy decisions. The committee examined some of these population-specific problems, seeking ways to reduce the barriers to working that these policy decisions pose.

Military veterans reported to the committee about a system that consolidates veterans' medical services in Albuquerque rather than in community hospitals throughout the state. Especially hard hit are rural New Mexico veterans, who sometimes must travel up to five hours each way in order to wait several hours at the veterans' hospital in Albuquerque. In response to hearing the stated problems of the veterans, the committee endorsed a memorial calling for a study of ways that telehealth services can be used to serve veterans in rural areas.

The committee heard from the Higher Education Department about the need to emphasize need-based financial aid, a shift that is especially beneficial for poor students who cannot afford to attend school full time. It also heard about the continuing snail's pace on funding for adult basic education and English-as-a-second-language programming as waiting lists for class slots lengthen and poorly educated New Mexicans are left behind. In response, the committee endorsed larger appropriations for adult basic education than will likely be requested by the department, in hopes to augment current funding levels.

The committee heard about child care regulations imposed by the Children, Youth and Families Department on providers and on graduate students. Specifically, providers worry that they would be unable to pay the living wages established two legislative sessions ago and that they would be put out of business by an increased emphasis on public funding of pre-kindergarten services. In response, the committee endorsed a bill to maintain the 50-50 split between funding for public and private pre-kindergarten services, overriding a temporary provision originally written into the legislation. It also endorsed a bill and a memorial centering on pre-kindergarten benefits, both seeking to ensure parity between pre-kindergarten teachers in public and private settings.

Efficiency

Several times over the interim, the committee requested that the Human Services Department demonstrate its efficiency — especially in maximizing enrollment in public assistance programs. In a continuing conflict between the New Mexico Center on Law and Poverty and the department, problems, including barriers to enrollment for benefits and outreach, surfaced. The department asserted that it had addressed almost every concern raised by a private nonprofit organization, maximizing enrollment in particular. The committee endorsed legislation requiring consolidation of applications for public assistance, when possible.

New Mexico State Senate

State Capitol
Santa Fe

December 9, 2008

COMMITTEES:

VICE CHAIR:
· Education

MEMBER:
· Judiciary

SENATOR LINDA M. LOPEZ
MAJORITY CAUCUS CHAIR
D-Bernalillo-11

9132 Suncrest Rd. SW
Albuquerque, NM 87121

Phone: 831-4148

Senator John Arthur Smith, Chair
Representative Luciano "Lucky" Varela, Vice Chair
Legislative Finance Committee
Capitol North
Santa Fe, NM 87501

Re: Avoiding Cuts in Essential Services

Dear Senator Smith and Representative Varela:

The Welfare Reform Oversight Committee (WROC) at its most recent meeting voted to bring a matter of great consequence to the Legislative Finance Committee (LFC) as it grapples with cutting the budget for the coming year: the importance of continuing to invest in New Mexico families that are in poverty.

Of course, it will be tempting for the LFC to make simple cuts by program, either by reducing the absolute numbers of government dollars for which people in poverty compete or by raising the standards for eligibility for public assistance. A small across-the-board Medicaid cut, a lower income standard for eligibility or funding fewer adult basic education classes may seem worthy approaches to address this year's budget shortfall. However, the WROC urges you not to cut benefits at all to *any* of New Mexico's poorest people. WROC members believe it is possible and, indeed, critical to invest in the futures of poor children and to improve through public assistance the potential of children born to poor families today. Cutting essential health, child development and educational services puts New Mexico's future in jeopardy.

It is not possible to wait until a richer period to begin to address the fact that New Mexico is still among the poorest states in the country. Its high poverty rate and low educational attainment already make it less competitive for out-of-state investments. Delaying state investments for poor people will only delay New Mexico's potential as a small but dynamic economy.

As you are probably more aware than other legislators, a few years ago, New Mexico implemented tax cuts that favored business in order to spur development. In addition, it has provided tax breaks, or "incentives", for various industries that promised to generate future tax dollars while delaying the increase of investments in moving more of New Mexico's poorest people off public assistance rolls. The wager was that implementing these business benefits would ultimately provide solid state revenues in the years to come.

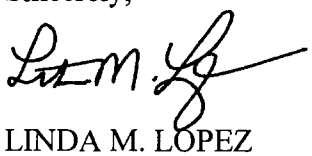
Whether the state has won or lost in the gamble is an unresolved question. Has investing in various businesses while delaying access to health benefits and education for New Mexico's poor people paid off? The Federal Reserve Bank has sent envoys to testify to this legislature that the state should not hold its breath waiting for the payoff from economic development initiatives, noting, "What often passes for economic development and sound public investment is neither. . . . Persuasive economic research indicates that there is a far more promising approach to economic development with government assistance. It rests not on an externally oriented strategy of offering subsidies to attract private companies, but rather on government support of those much closer to home — quite literally: our youngest children. This research shows that by investing in early childhood education, governments — in partnership with private firms and nonprofit foundations — can reap extraordinarily high economic returns, benefits that are low-risk and long-lived."[1].

It is critical that the state consistently invest in programs designed to give New Mexico's babies a chance to grow into productive and capable citizens — programs designed to cut teen pregnancy rates, promote maternal health, nurture first-time mothers, evaluate child development for signals of delays and immunize all children, among them.

It is also critical to provide educational opportunities to help families rise out of poverty — most importantly, to provide affordable adult basic education, English-as-a-second-language training, vocational education and higher education courses that are within financial reach of all New Mexico families.

The committee urgently requests you to work with the departments that deal with the state's poorest people — the Higher Education, Human Services and Children, Youth and Families departments and the Department of Health — to make surgical budget cuts that avoid slicing into the services that children need to remain healthy, that families need in order to keep working and that New Mexicans need to become productive wage earners.

Sincerely,



LINDA M. LOPEZ

LML:kf

cc: WROC Members
David Abbey, Director, Legislative Finance Committee
Secretaries of Health; Human Services; Children, Youth and Families; and Higher Education

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[1]Rolnick and Gruenwald, "Early Childhood Development on a Large Scale", *The Region*, published by the Federal Reserve Bank, 2005.

Attorney General of New Mexico

GARY K. KING
Attorney General

ALBERT J. LAMA
Chief Deputy Attorney General

December 24, 2008

The Honorable Luciano "Lucky" Varela
New Mexico State Representative
1709 Callejon Zenaida
Santa Fe, NM 87501

Re: Opinion Request - Procurement Code & Statewide Behavioral Health Services Contract with ValueOptions

Dear Representative Varela:

You have requested our advice regarding the application of the Procurement Code to the 2005-2008 Statewide Behavioral Health Services contract between the Behavioral Health Purchasing Collaborative ("Collaborative") and its contractor, ValueOptions. It is our understanding that the 2004 legislature in NMSA 1978, Section 9-7-6.4 mandated more than a dozen state agencies to form the Collaborative in order to issue a Request for Proposals ("RFP") for a single entity to work as the coordinator for the delivery of behavioral health care services for New Mexicans. The RPF process culminated with the award to ValueOptions of a multi-phase contract (Phase I: July 2005 to June 2006; Phase II: July 2006 to June 2008; Phase III: July 2008 to June 2009). It is our understanding that several of the Collaborative's agencies, such as the New Mexico Human Services Department ("HSD"), contributed budgetary dollars to fund the contract. Your letter specifically asks whether the Procurement Code applies to payments from HSD to ValueOptions. Your letter also asks about the effect of the 2008 legislature's passage of House Bill 181, codified in NMSA 1978, Section 9-7-6.4(G), which expressly subjects the Collaborative's contracts to the Procurement Code. Based on our examination of the relevant New Mexico constitutional, statutory and case law authorities, and on the information available to us at this time, we conclude that the 2005-2008 Statewide Behavioral Health Services contract is subject to the Procurement Code. We also conclude that House Bill 181 expressly requires that any prospective contracts entered into by the Collaborative be subject to the Procurement Code.

The Procurement Code, NMSA 1978 Sections 13-1-28 to –199, creates a comprehensive structure for the procurement and implementation of state agency contracts. The Procurement Code "shall apply to every expenditure by state agencies for the procurement of items of tangible personal property, services, construction." NMSA 1978, § 13-1-30 (2005). The general rule is that state agencies must work in conjunction with the New Mexico General Services Department's State Purchasing Agent in

express language in the RFPs and the contracts regarding the role of the State Purchasing Agent and applicability of the Procurement Code.

The legislature has provided for two standard exceptions from the general rule: (1) *certain agencies* must follow the Procurement Code processes but have an exception from working in conjunction with the State Purchasing Agent and (2) agencies may enter into *certain types* of contracts that are exempt from the Procurement Code processes. See NMSA 1978, §§ 13-1-98, -99 (amended through 2007). There is also a specific exemption for *certain types of health care* contracts. That exemption provides that the Procurement Code does not apply to a state agency's or local public body's procurement of goods or services through an agreement creating "a network of health care providers or jointly operating a common health care service" provided the state purchasing agent or a central purchasing office makes a determination that the arrangement will or is likely to reduce health care costs, improve quality of care or improve access to care. NMSA 1978, § 13-1-98.1(B) (1988).

It is our understanding that the 2004 RFP in Section 1.1 expressly stated: "All services provided pursuant to this Agreement are subject to the Procurement Code ... unless specifically provided otherwise."[1] The initial contract, which referenced work for Phase I, II and III, stated in Section 3.1: "The Collaborative shall make payments to the Single Entity (SE) for the behavior health service programs described in the RFP."[2] The contract provided, in Section 1.2: "All services provided pursuant to this Agreement are subject to the Procurement Code...."[3] The contract for Phase II, also in Section 1.2, stated: "All services provided pursuant to this Agreement are subject to the Procurement Code...."[4] Thus, it appears that the general rule is applicable to the ValueOptions contract and that the Collaborative and ValueOptions agreed, from the beginning of their contractual relationship, to follow the Procurement Code. See Gross, Kelly & Co. v. Bibo, 19 N.M. 495, 517, 145 P. 480 (1914) (a contract is the meeting of the minds by the parties).

We also believe that the standard exceptions in Section 13-1-99 and Section 13-1-98 are inapplicable to the ValueOptions contract. The legislature has listed approximately ten agencies in Section 13-1-99 that do not have to consult with the State Purchasing Agent on procurement matters. The listed agencies include the judicial branch, state educational institutions and health care institutions that provide direct patient care, but do not include the Collaborative or the HSD. The legislature has also listed approximately thirty types of contracts in Section 13-1-98 that are exempt from the Procurement Code. The listed contracts include the procurement of professional entertainers, investment advisors and livestock food, but do not include a contract for the procurement of a coordinator of behavioral health care services.

According to your letter, there has been a long-standing dispute between the State Purchasing Agent and HSD regarding the applicability of the health care exemption under Section 13-1-98.1 to the contract. As discussed above, Section 13-1-98.1(B) creates an exception to the Procurement Code for a state agency's or local public body's procurement of items of tangible personal property or services "through an agreement" with another state agency or other entity "for the purpose of creating a network of health care providers or jointly operating a common health care service, if the

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[1] www.bhc.state.nm.us.pdf/RFP2008/Collaborative/BH_RFP11-3-04Final.pdf
[2] www.bhc.state.nm.us/pdf/Bhfinalcontract040105.pdf
[3] www.bhc.state.nm.us/pdf/Bhfinalcontract040105.pdf
[4] www.bhc.state.nm.us/pdf/FY07VOContractFinal062306.pdf

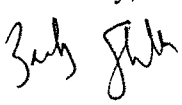
state purchasing agent or a central purchasing office makes a determination that the arrangement will or is likely to reduce health care costs." The State Purchasing Agent believes that this provision is inapplicable to an analysis of the ValueOptions contract because the term "arrangement" refers to the relationship among the state agencies (i.e. the creation of a collaborative reduces costs) and has nothing to do with the contractual relationship with a contractor. HSD believes that the provision does apply because the term "arrangement" refers to the relationship between the state agencies and the contractor (i.e. the creation of the contract between the Collaborative and ValueOptions reduces costs) and thus the procurement and the terms of the contract are exempt from the Procurement Code. The state Supreme Court has stated that disputes over statutory language should be resolved by looking to the "agency that ... applies that statute" and "the court will begin by according some deference to the agency's interpretation." Morningstar Water Users v. Pub. Util., 120 N.M. 579, 583, 904 P.2d 28 (1995). The State Purchasing Agent's interpretation, as the state agency in charge of procurement matters, should be entitled to deference in this matter and therefore the exception is understood to be inapplicable.

Notwithstanding past disagreements between HSD and GSD, the legislature has now decisively resolved this matter. The 2008 legislature's passage of House Bill 181 impacts contracts the Collaborative enters into after the law's effective date. The law reads: "Any contract proposed, negotiated or entered into by the collaborative is subject to the provisions of the Procurement Code." NMSA 1978, § 9-7-6.4(G) (2008) (emphasis added). The most prudent reading of the law is a prospective application due to the constitutional principle that States may not enact laws that impair or alter existing contracts. See U.S. Const. art. I, § 10. It is our understanding that the Collaborative is currently in the process of issuing a new RFP for the "Statewide Behavioral Health Services" contract. This process falls under the ambit of House Bill 181 and the Collaborative must follow the structure provided in the Procurement Code.

In conclusion, the Procurement Code does apply to payments from HSD to ValueOptions for 2005-2008 contract and House Bill 181 expressly requires that any prospective contracts entered into by the Collaborative should be subject to the Procurement Code.

You have requested a formal opinion on the matters discussed above. Please note that such an opinion is a public document available to the general public. Although we are providing you with our legal advice in the form of a letter instead of an Attorney General's Opinion, we believe this letter is also a public document, not subject to the attorney-client privilege. Therefore, we may provide copies of this letter to the general public. If we may be of further assistance, or if you have any questions regarding this opinion, please let us know.

Sincerely,



ZACHARY A. SHANDLER
Assistant Attorney General

cc: Albert J. Lama, Chief Deputy Attorney General

2008 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
WELFARE REFORM OVERSIGHT COMMITTEE

Membership

The Welfare Reform Oversight Committee was created by Section 2-17-1 NMSA 1978 to examine the statutes, constitutional provisions and rules governing welfare reform in New Mexico; monitor and oversee the implementation of the New Mexico Works Act; review issues related to welfare reform, including job training programs and related contracts; oversee 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 make recommendations relating to the adoption of rules and legislation, if any are found to be necessary.

The committee is also charged with hearing about implementation of the New Mexico Works Act from the secretaries of human services; workforce solutions; children, youth and families; higher education; and health. Committee members are:

Members

Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Advisory Members

Sen. Nathan P. Cote
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga
Rep. Steven P. Neville
Sen. John C. Ryan
Rep. Edward C. Sandoval

Work Plan

The Welfare Reform Oversight Committee focuses on sustained employment for persons on public assistance, implementation of the New Mexico Works Act and the effectiveness of agencies that administer public assistance funds and programs. These agencies include the Human Services Department, the Children, Youth and Families Department, the Higher Education Department and the Workforce Solutions Department. The committee identifies and solves problems, where possible, arising from barriers to employment. Such barriers include educational needs, a lack of transportation and child care, particularly in rural areas.

In order to meet these and its remaining statutory obligations such as monitoring job training programs and related contracts, oversight of cash assistance, child care, transportation

and other job-related services and issues related to federal welfare program changes, the committee will examine:

- how to continue the work and oversight role beyond the committee's statutory termination on December 15, 2008;
- the cost-effectiveness of work force development programs across the state, including rural transportation and progress in removing transportation barriers to work;
- the effectiveness of councils of government as administrators of work force development;
- public assistance programs, including adult education, post-secondary and scholarship programs that help persons on public assistance return to work;
- other barriers to work, including domestic violence and substance abuse in coordination with the Legislative Health and Human Services Committee;
- operation of retention programs at the Human Services Department and cost-effectiveness of public assistance programs;
- successes in maximizing enrollment for public assistance programs;
- provisions of the new request for proposals for behavioral health services;
- the impact of tax credits and incentives for persons in poverty in New Mexico;
- early childhood education advances, including child Medicaid enrollment; and
- elderly and veteran assistance.

2008 Meeting Schedule*

Date	Location
May 22	Santa Fe
July 29-30	Santa Fe
August 26-27	Santa Fe
September 22-23	Santa Fe
October 29-30	Santa Fe
November 25-26	Santa Fe

* Legislative Council approved only five meetings, but Representative Varela will appeal.

TENTATIVE AGENDA
for the
FIRST MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

May 22, 2008
Room 317, State Capitol

Thursday, May 22

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

10:05 a.m. **Interim Legislative Committee Protocols**
—Paula Tackett, Director, Legislative Council Service

10:30 a.m. **Out of Poverty—Context and Strategies that Work**
—Ona Porter, Executive Director, Community Action New Mexico

11:30 a.m. **Discussion of Work Plan**
—WROC Committee Members

12:00 noon **Adjourn**

Revised: July 22, 2008

TENTATIVE AGENDA
for the
SECOND MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

July 29-30, 2008
Room 322, State Capitol

Tuesday, July 29

10:00 a.m. **Weatherization, Home Heating and Options for Helping People in Poverty Meet Their Utility Bills**
—Cathy Sisneros, Bureau Chief, Work and Family Support Bureau, Human Services Department (HSD)
—Roy Stevenson, Director, Utility Division, Public Regulation Commission
—Lionel Holguin, New Mexico Mortgage Finance Authority (Invited)

12:00 noon **Lunch**

1:00 p.m. **Workforce Solutions Department and Human Services Department Updates**
- Administration of Work Force Programs
  —Betty Sparrow Doris, Secretary, Workforce Solutions Department
- Temporary Assistance for Needy Families Update (Including Cost-Effectiveness and Auditing for Effectiveness)
- Oversight of Contractors
- Discussion of the Economy, in General, and Requests for Proposals
  —Katie Falls, Deputy Director, HSD

Wednesday, July 30

10:00 a.m. **Suggestions for Poverty Eradication**
—Ruth Hoffman, Lutheran Advocacy Ministry
—Bill Jordan, New Mexico Voices for Children

11:00 a.m. **Administrative Barriers to Enrolling in Public Benefits Programs and to Staying Enrolled**
—Kim Posich, Director, and Gail Evans, Staff Attorney, New Mexico Center on Law and Poverty

12:00 noon **Adjourn**

Revised: August 25, 2008

TENTATIVE AGENDA
for the
THIRD MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

August 26-27, 2008
Mid-Region Council of Governments
809 Copper Ave. NW
Albuquerque
Conference Room

Tuesday, August 26

10:00 a.m. **Welcome**

10:15 a.m. **Helping Veterans Get Back to Work**
—Hoyt Roberson, Medical Supervisor, Veteran and Family Support Services, Veterans' Services Department; Pilot Project for Sandoval County Case Management for Veterans and Their Families
—Frank Ramirez, New Mexico State Council President, Vietnam Veterans of America
—John Garcia, New Mexico Veterans' Services Department

12:15 p.m. **Tour of Workforce Connection of Central New Mexico at 501 Mountain Road NE**

1:00 p.m. **Lunch (Provided for Committee Members)**

2:00 p.m. **Workforce Solutions Department — Veterans and Substance Abuse Programs**
—Speaker TBA

2:30 p.m. **Substance Abuse and Work**
—Joy Westrum, President, Second Chance Center
—Rick Pendery, Executive Director, Second Chance Center

3:00 p.m. **Tour of Mid-Region Council of Governments**

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

Wednesday, August 27

9:00 a.m. **Behavioral Health Overview**
—Peter Cubra, Co-Chair, Bernalillo Local Behavioral Health Collaborative

10:30 a.m. **Issues with the New Request for Proposals for Behavioral Health**
—Bill Belzner, Deputy Director, New Mexico Behavioral Health Collaborative

11:30 a.m. **Substance Abuse and Mental Health Treatment for Native Americans in Albuquerque**
—Mary Garcia, Executive Director, Albuquerque Indian Center
—Elizabeth Bear, Clinical Director, Albuquerque Indian Center

12:00 noon **Lunch**

2:00 p.m. **Adjourn**

Revised: September 19, 2008

TENTATIVE AGENDA
for the
FOURTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

September 22-23, 2008
Room 311, State Capitol

Monday, September 22

10:00 a.m. **Work Retention, Safeguards Against Improper Denial of Benefits and Other Related Issues**
—Katie Falls, Deputy Director, Human Services Department

11:30 a.m. **ValueOptions Financial Follow-Up**
—Brent Earnest, Legislative Finance Committee Analyst
—Charles Sallee, Legislative Finance Committee Auditor

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

2:00 p.m. **New Mexico Plan to End Hunger**
—Diane Harrison Ogawa, Executive Director, PNM Resources Foundation
—Nancy Pope, Director, New Mexico Plan to End Hunger

3:00 p.m. **Early Childhood Programs**
—Dorian Dodson, Secretary, Children, Youth and Families Department

Tuesday, September 23

9:00 a.m. **Strengthening ABE Programs in New Mexico: Improving Lives Through Education**
—Pam Etre-Perez, State Director of Adult Basic Education

10:30 a.m. **Issues on Child Care from the Provider's Perspective**
—Rachel Davis, President, New Mexico Child Care Association
—Rebecca Dow, New Mexico Child Care Association

Revised: October 23, 2008

TENTATIVE AGENDA
for the
FIFTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

October 29-30, 2008
Room 322, State Capitol

Wednesday, October 29

10:00 a.m. **Ways to Minimize the "Cliff Effect"**
—Kinsey Dinan, Senior Policy Associate, National Center for Children in Poverty, Columbia University
—Bill Jordan, Policy Director, New Mexico Voices for Children

11:30 a.m. **Models for State Benefits in Private Child Care**
—Dan Haggerty, Director, Office of Child Development, Children, Youth and Families Department (CYFD)

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

2:00 p.m. **Impact on Payroll of Private Daycare Centers of Upcoming Minimum Wage Increase**
—Jake Meyer, Executive Director, Children in Need of Services, Alamogordo

2:30 p.m. **Higher Education**
—Reed Dasenbrock, Secretary, Higher Education Department

3:30 p.m. **Small Schools: Education Reform As Part of a Strategy to Attack Poverty**
—Fred Nathan, Executive Director, Think New Mexico

4:00 p.m. **Committee Discussion: Recommending Charge for WROC after the Sunset of the Committee**

Thursday, October 30

9:00 a.m. **Human Services Department Updates**
—Pamela S. Hyde, Secretary of Human Services
—Carolyn Ingram, Medicaid Director, Human Services Department

10:00 a.m. **Efforts to Feed People Well Enough to Stay in School and Work**
—Pam Roy, Executive Director, Farm to Table

11:00 a.m. **Report from Housing First Task Force**
—Marisol Atkins

11:30 a.m. **Pathways to Success**
—Angela Adams, Director of Protective Services, CYFD
—Maryellen Bearzi, Deputy Director of Protective Services, CYFD

12:00 noon **Working Lunch**
—Committee Endorsements

Revised: November 17, 2008

TENTATIVE AGENDA
for the
SIXTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE

November 25, 2008
Room 322, State Capitol
Santa Fe

Tuesday, November 25

10:00 a.m. **Treating Guardians As Parents Under TANF**
—Ruth Hoffman, Director, Lutheran Advocacy Ministry

10:30 a.m. **Community Business Education, University of New Mexico**
—Amy Wohlert, Dean, Anderson School of Business

11:00 a.m. **Domestic Violence Program Needs**
—Lynn Rosenthal, Executive Director, New Mexico Coalition Against Domestic Violence

12:00 noon **Working Lunch**

Pathways to Success — Foster Care
—Angela Adams, Director of Protective Services, Children, Youth and Families Department (CYFD)
—Maryellen Bearzi, Deputy Director of Protective Services, CYFD

1:00 p.m. **Report on Pre-Apprenticeship Program**
—Catherine Cross Maple, Deputy Secretary, Public Education Department

2:00 p.m. **CYFD Housing First Task Force**
—Marisol Atkins

3:00 p.m. **UNM Graduate Students for TANF-Funded Child Care**
—Dick Minzner, UNM
—Lisa Knudsen, Graduate Student, UNM

3:30 p.m. **Committee Endorsements**

MINUTES
of the
SECOND MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
July 29-30, 2008
State Capitol, Santa Fe

The second meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, chair, on Tuesday, July 29, 2008, at 10:15 a.m. in Room 322 of the State Capitol in Santa Fe. Handouts are in the meeting file.

Present
Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent
Sen. John Pinto
Rep. Jim R. Trujillo

Advisory Members
Rep. Nathan P. Cote
Rep. Candy Spence Ezzell
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga (7/29)
Rep. Edward C. Sandoval
Rep. Daniel R. Foley
Sen. Steven P. Neville
Sen. John C. Ryan

Other Members in Attendance
Rep. Patricia A. Lundstrom (7/30)

(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.

<u>Tuesday, July 29</u>

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Weatherization, Home Heating and Options for Helping People in Poverty Meet Their Utility Bills

A panel, including Cathy Sisneros, Human Services Department, Izzy Hernandez, New Mexico Mortgage Finance Authority, and Roy Stephenson, Public Regulation Commission, discussed New Mexico's history with the Low Income Home Energy Assistance Program (LIHEAP), especially in light of Governor Richardson's plans to ask for $4 million for LIHEAP and $4 million for weatherization programs in a special session announced for August 15, 2008.

Ms. Sisneros said that after the winter "moratorium" period, utility providers may disconnect service even to low-income utility customers. If those customers are not current or enrolled in a payment program, they will not be eligible for LIHEAP funds in the current LIHEAP year. Mr. Stephenson said that Senator Lopez's bill, SB 189, which directed one-third of the natural gas processors' tax to a newly created Home Energy Relief Fund, had consensus support since it both generated money for weatherization and created energy savings. Although the bill died, he said the committee might want to consider it for the long session.

Representative Sandoval expressed his continuing concern that the legislature's support of LIHEAP wavers so widely — between $2 million appropriated in the last session due to the WROC-endorsed appropriation bill to $23 million in the most recent special session — and suggested that the legislature should make an overt decision whether or not to do something significant to help vulnerable people and those on fixed incomes pay their ever-rising utility bills.

Mr. Hernandez explained the eligibility for weatherization programs, which enable even low-income renters to receive state dollars for weatherizing rental units so long as at the time of the grant, someone in the house meets LIHEAP qualifications. Although the average cost per unit weatherized is $3000, the investment lasts 15 to 20 years. However, only an estimated two percent of all eligible homes in New Mexico have been weatherized, approximately 1,000 per year for the past seven years. The New Mexico Mortgage Finance Authority has worked on homes in every New Mexico county, as required.

Ms. Sisneros confirmed that there is a significant affordability gap for low-income utility customers — between $600 and $850 per season. There are an estimated 67,506 residential accounts past due. There is no prioritization of LIHEAP funding for, say, first persons with children or elderly persons; funds are allotted first come, first served.

On a motion by Representative Sandoval and seconded by Senator Lopez, the committee unanimously endorsed legislation for an additional $8 million general fund appropriation for LIHEAP weatherization and other services for the 2009 fiscal year.

Workforce Solutions Department Update

Secretary Betty Sparrow Doris reviewed progress at the Workforce Solutions Department since its establishment on July 1, 2007. The department aims to use the perspective of the

employer of New Mexicans who enroll at work force locations to create a "demand-driven" program. The department now has 30 integrated Workforce Solutions Department offices and has only five more to go, Ms. Sparrow Doris said, noting that some are physically co-located and some are only "virtually" co-located.

Human Services Department Update on Welfare Reform Efforts

Deputy Secretary of Human Services Katie Falls attempted to answer the complex question of whether efforts to reform the welfare system have been successful, in light of the fact that the WROC will end in December 2008 absent new statutory authorization. Her short answer was that the numbers of cases on public assistance has declined over the past 10 years. Whether this means that people have moved out of poverty and can live without state support, particularly intense state support, is another matter.

She said legislators should be proud of the New Mexico Works Act, which has led New Mexico to invest in education that leads to better employment. Unfortunately, new federal acts, particularly the Deficit Reduction Act of 2005, make federal funds unavailable for educational efforts, such as those authorized in the New Mexico Works Act. She reviewed handouts (see the meeting file) with legislators, who expressed concern at the newly recognized "disconnected single mothers" category. Ms. Falls said that such "disconnected" mothers have no safety net and usually rely on a non-relative male or parents for support.

In response to questions from Representatives Ezzell and Tyler, Ms. Falls said that federal rules prohibit denying temporary assistance to needy families funds to persons because of substance abuse and noted that the state had attempted to institute mandatory drug screening for public assistance applicants. Staff was requested to prepare a memorandum on the issue.

Representative Varela asked Ms. Falls to report the numbers of persons hired who actually remain in their jobs for any length of time, in keeping with new departmental performance measures.

Lawrence Rael, Mid-Region Council of Governments (MRCOG), attended as a representative of an agency involved with the work force in the central New Mexico region and reported that Albuquerque now has a one-stop work force center on Mountain Road and that MRCOG is also creating a business center so that business people can come to it and conduct interviews and assessments. Another one-stop shop is being completed in Rio Rancho in Sandoval County. Representative Varela asked him to give the committee a list of all the services available at the one-stops in the central region and to contact the Department of Information Technology to coordinate a presentation on ways that all the work force centers will be connected.

Ms. Falls noted that transportation remains a problem, both in the central and northern areas. Mr. Rael and Representative Varela discussed rural transportation districts.

The committee recessed at 4:25 p.m.

Wednesday, July 30

The committee reconvened at 10:10 a.m.

Poverty and Poverty Reduction Proposals

Ruth Hoffman, Lutheran Advocacy Ministry, gave an overview of New Mexico's poverty situation and proposed solutions to poverty problems both through raising income and reducing expenses. To raise income, she suggested that committee members might want to encourage asset-building, financial literacy, education of persons in the workplace and increased tax credits; to reduce expenses, families can reduce costs of housing, child and health care, utilities and food, especially for children in families where it is plain that the parents are likely never to attain marketable skills. She also praised Senator Ortiz y Pino's suggestion that the Corrections Department ensure that persons who leave prisons and residential facilities have attained a high school diploma or a graduation equivalency diploma.

Ms. Hoffman said that having a safe place to live is the most crucial support for getting families out of poverty because children remain in a single school and in identified surroundings when permanency is established. The New Mexico Housing Trust Fund, however, is not well-funded.

Bill Jordan, policy manager at New Mexico Voices for Children, requested that legislators redirect excess funds that may be spent during a special session in a few weeks from rebates to investments in poor people — investments that will help more people out of poverty.

Senator Beffort discussed the idea of maintaining eligibility for families that use child care assistance even after they earn too much for initial qualification for the state support (i.e., to lessen the impact of the "cliff effect"). Perhaps, for instance, a family could qualify with earnings that are 200 percent or less of the federal poverty level (FPL), yet not lose its child support stipend until its income reached 250 percent of the FPL. She also urged members to support programming after school at middle schools — vocational education, sports and other classes that keep children engaged and learning beyond the standard school day — at least in part to help lower the pregnancy rate.

Adjournment

The committee adjourned at 1:45 p.m. The next scheduled meeting is in Albuquerque on August 26 and 27, with the place to be announced.

MINUTES
of the
THIRD MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
August 26-27, 2008
Mid-Region Council of Governments, 809 Copper NW, Albuquerque

The third meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Senator Linda M. Lopez, vice chair, on Tuesday, August 26, 2008, at 10:15 a.m. in the conference room of the Mid-Region Council of Governments (MRCOG) in Albuquerque. Handouts are in the meeting file.

Present
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Gloria C. Vaughn

Absent
Rep. Luciano "Lucky" Varela, Chair
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Sen. John Pinto
Rep. Shirley A. Tyler

Advisory Members
Rep. Nathan P. Cote
Rep. Daniel R. Foley
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga
Sen. John C. Ryan (8/27)

Rep. Candy Spence Ezzell
Sen. Steven P. Neville
Rep. Edward C. Sandoval

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

Other members in attendance:
Representative Ray Begaye

Staff
Jennie Lusk
Karen Wells

Guests
The guest list is in the meeting file.

Tuesday, August 26

Welcome

Lawrence Rael, chief executive officer of the MRCOG, welcomed the committee to the MRCOG board room, explained the mission and activities of the COG and thanked members for the legislature's support of MRCOG's remodeling and building. The middle region consists of the four central counties of New Mexico: Bernalillo, Valencia, Torrance and Sandoval. The MRCOG approves land use plans for all four counties as well as conducting and coordinating economic planning, federal Workforce Investment Act (WIA) activities, agribusiness, the Regional III Housing Authority and Railrunner programs. The MRCOG at one time had temporary assistance for needy families (TANF) funding, but now, New Mexico State University administers the TANF-funded work programs.

Mr. Rael highlighted demographics indicating that the four-county area has only eight percent of the acreage of the state, but 42 percent of the population and 48 percent of the jobs. When including Santa Fe County, the tally is half the state's population and 60 percent of its jobs. The population of Bernalillo County, now at 75.1 percent of the state, is expected to fall to 67.2 percent of the state by 2030 as the surrounding counties and Santa Fe continue to grow. Although Bernalillo County will have a big swath of jobs, the number of commuters will be reduced by 2030.

Transportation issues continue to be important, considering the shifts in population, so Mr. Rael discussed the timeline for implementation of the Railrunner transportation corridor. He said that by December 2008, all of the stations but Isleta and Zia will be open and operational. Currently, the four miles from the Waldo exit on I-25 to the tunnel under northbound I-25 remain to be completed, as does one mile within Santa Fe.

Other transportation projects include a metropolitan support station taking passengers from Rio Bravo south of the airport in Albuquerque to the airport and western Kirtland Air Force Base and the Veterans Administration Hospital. Bernalillo and Sandoval counties will ask for a one-eighth percent contribution for the Railrunner, as Valencia county has, and all those initiatives passed by voters will support the commuter train with local money.

The Workforce Connection Business and Career centers in Bernalillo, Sandoval, Valencia and Torrance counties are in operation, and there are offices in Moriarty, Belen and Albuquerque.

Legislators questioned Mr. Rael about the priorities of working with schools and the level of participation with Albuquerque Public Schools versus other districts; connections to recreation; using the COG as a conduit for capital outlay funds; and the COG's involvement in water resources.

Programs to Get Veterans to Work

Alan Martinez, State Benefits Division director of the Veterans' Services Department, talked about the many state programs available to veterans and their families, among them the "Veterans-Business" (VetBus) connection, which helps veterans start their own small businesses. The program was established by Public Law 108-103, a federal law requiring a three percent set-aside for veteran-owned businesses. Lloyd Calderon has been hired on as the VetBus coordinator, and the state is presenting four conferences this year around the state to help get veterans to work. The department may ask the state for a bill mirroring the federal statute, setting aside a certain percentage of funding for veteran-run businesses.

Chris Burmeister, administrator of the Sandoval County Veterans Pilot Program that gives veterans and families case management and various alternatives, reported that his program is operating quite successfully, although it has been in operation less than a year. The Sandoval County project serves veterans from any conflict and any branch of service, and operates a 24-hour crisis line. Plans are to expand to Farmington and Gallup in the next year and Mr. Burmeister also hopes to provide separate services for women veterans.

Frank Ramirez, a Vietnam veteran from Roswell who heads the Vietnam Veterans of America New Mexico State Council, addressed the committee about problems for veterans who would prefer to be seen in their home towns having to be "dragged" to Albuquerque for care. "Most veterans live in rural areas," Mr. Ramirez said. "We don't like the urban life." Beyond problems of preferences, he said, having to travel to Albuquerque to see a doctor in the Veterans Administration puts a strain on jobs, since veterans have to lose a day per office visit if they have to travel to Albuquerque. Currently, Mr. Ramirez and others in his organization pick veterans up in southeastern New Mexico and take them to their Albuquerque appointments. Unlike other states, the Veterans' Services Department in New Mexico does not offer this service and does not pick up persons in wheelchairs or on inhalers because of insurance liability, he said.

Mr. Rodriguez recalled the post-traumatic stress disorder (PTSD) system started in 1986, wherein local providers contracted with the Veterans Administration to provide crisis beds. At that time, veterans were able to receive treatment near their homes. This program no longer exists and those who need crisis help must go to Albuquerque, usually at least 200 miles away. He pointed out the irony that servicemen and women from New Mexico are not often from urban areas, yet only urban areas are able to provide care. He also noted that gender friendly services are not widely available for women in rural New Mexico. He said that the Roswell program has the same problems that the Sandoval County initiative does. Mr. Rodriguez said that those who start a veterans business must, at present, come up with funds for purchase or lease of the business.

Senator Ortiz y Pino remembered 2005 testimony in which Albuquerque persons testified as to the services wives and mothers were getting; now there are none available. Plans to use legislative appropriations from 2006 for training therapists in EMDR (rapid eye movement therapy) were switched to support the Sandoval County project when ValueOptions took over administration of the state's behavioral health programs as the single entity (SE).

Thus, ValueOptions changed a model that allowed many physicians to supervise community services to a program in which only one central location is available. Although money was originally appropriated for EMDR-type programs, Senator Ortiz y Pino confirmed with Mr. Burmeister that ValueOptions now uses a curriculum without EMDR. However, this curriculum includes military culture and trauma and understanding traumatic brain injury and Iraq-specific information.

Two years ago, according to Mr. Burmeister, Sandoval County began screening veterans for uranium exposure since Iraq veterans may be under increased risk of exposure. Currently, program employees go to veterans' homes to help fill out necessary paperwork for veterans' benefits. Representative Foley encouraged the group to support funding for a program expansion in the Roswell area, whose problems Mr. Rodriguez had highlighted.

Senator Beffort asked about federally qualified health center (FQHC) status on behavioral services and questioned whether that infrastructure could serve for the veterans program expansions.

Senator Beffort moved and Representative Vaughn seconded that a memorial be prepared encouraging the Veterans Administration to enter into memoranda of understanding to adopt a model involving telehealth consultation for veterans using all 13 FQHCs in New Mexico. Legislators also recommended using a model that involves a mobile unit for PTSD services and sexual assault.

On questions from legislators, presenters said there are some 196,000 veterans in the state, or 10 percent of the state's population. Representative Cote noted that New Mexico is always in the top five of state populations participating in armed conflicts.

Mr. Martinez said that everyone who goes to the Veterans Administration receives a user card. However, the state Veterans' Services Department wants to build on the uses of that card so that a veteran can present the card anywhere, information on the client can be accessed anywhere and the Veterans Administration is then billed for services.

Representative Larrañaga asked about programs and funds to assist young people while they are in college and was told by Mr. Martinez that he could not answer the question accurately, since the number of persons serving in the military is increasing all the time.

Tour of the Albuquerque One-Stop

Members boarded a special bus provided by the MRCOG for a tour of the Workforce Connection of Central New Mexico Business and Career Center. The tour was given by Patrick Newman of the WIA administration, and legislators were met by Secretary Betty Sparrow Doris of the Workforce Solutions Department.

Mr. Newman said that the building started with 19 partners and now has 55 partner-members. Staff from several departments are being cross-trained to answer questions from all

who enter the center and want a job. Eleven of the partners required by federal law to participate in WIA are now in a single Albuquerque business location and the other eight are in cooperation. The partners combine resources and share costs. The Aging and Long-Term Services Department (ALTSD) says it wants to move into the center.

The Workforce Connection Center has three main components or areas of emphasis: health care, construction and manufacturing. The center processes between 3,000 and 4,000 clients a month. Ms. Sparrow Doris introduced her staff, which included Cristin McKinley, Larry Maestas, Robert Whitaker, Arlene Luchetti and Patric Gannon. Legislators toured the facility, which is still under remodeling and construction, and saw rooms for classwork and computer skills, rooms in which local businesses can interview and hire local workers and kiosks in which job seekers can track available openings.

New Mexico Hires Vets First

Larry Campos, the state veterans coordinator at the Workforce Solutions Department, spoke about his federal grant for veteran outreach and employment-focused representatives. The federal grant through the United States Department of Labor is focused on veterans who need the most intensive services or have multiple barriers to employment. Many of the clients are homeless.

The program also includes a recovery program for wounded warriors.

Finally, there are other programs for transition, including five facilities for incarcerated veterans coming back into communities. There is a two-year transition program with outreach. There are 7,000 homeless veterans in New Mexico; half of them are in Albuquerque.

New Mexico needs a statute for hiring veterans, according to the presenter. The law might read that any state agency with federal dollars totaling $100,000 or more per year should have a preference for hiring veterans.

Second Chance

Joy Westrum, executive director of Second Chance in Albuquerque and a recent Second Chance graduate, explained that the Second Chance Program works with the Veterans' Services Department to serve 50 veterans at any given time. The program is for substance abusers who are often referred in a last-ditch effort to avoid long-term incarceration. Ms. Westrum said her rehabilitation option costs between $75.00 and $90.00 per day; incarceration per day is $85.00. Ms. Westrum also said that Second Chance operates a center for women and their children.

The core of the Second Chance Program is a sauna detoxification regimen that includes vitamins. However, the program also includes job training, reintegration to society through job readiness and practical skills like getting a driver's license and placement in independent housing. The program is going to start GED preparation.

Doug, a recent graduate, talked about his life, with 33 years of cocaine addiction, 17 years in the penitentiary and a potential sentence of 26 more years prior to alternative placement in Second Chance. Since undergoing the detoxification, Doug has felt no addictive urge and is now a teacher at the program.

On questioning by committee members, Doug said that he had not been offered drug treatment in the penitentiary, probably because his incarceration was not on drug-related charges. However, he said that drugs are more available in the penitentiary than elsewhere. Also, he said that a person must be sentenced to a therapeutic community in order to get drug treatment, but it is almost impossible to get treatment for drug addiction within the penitentiary without a conviction for a drug crime.

Ms. Westrum said that her program prefers to treat persons with indeterminate sentences such as treatment through "successful completion" of the program. However, it is piloting a three-month program so that judges who do not have jurisdiction to sentence offenders to longer term treatment can refer clients to Second Chance. Ms. Westrum did not have figures on the program's recidivism rate, as it has been open only two years. She drew contrasts between Second Chance and the Alcoholics Anonymous Program, noting that Second Chance is an intensive treatment of six days a week, eight hours a day, typically for six months at a time, though AA principles are used. She also distinguished Second Chance from Delancey Street, noting that clients at Delancey Street commit to two years while a Second Chance stay is typically shorter, and that Delancey Street is voluntary and runs on an honor system while Second Chance is a lock-down facility.

She also said that ValueOptions has expressed no interest in including the Second Chance Program; Secretary Williams at the Corrections Department likewise does not support the program, she said. Ms. Westrum also said that, despite representations made to the legislature that Bernalillo County has a contract with Second Chance, there is no such contract.

Wednesday, August 27

Metropolitan Assessment and Treatment Services (MATS)

Originally, the WROC had scheduled a tour of the MATS facility in Albuquerque, but the tour had to be canceled because of a gas leak. Therefore, Senator Lopez asked MATS staff for a brief orientation to and overview of MATS services. Adan Carriaga, administrator, and Dwight E. Dias, facilities manager, presented.

The two said MATS, the largest inpatient treatment facility outside the Bernalillo County Detention Center, is financed in large part from the state excise tax bill introduced by Representative Rick Miera. It operates on a moral recognition treatment therapeutic perspective. It has 100 beds for men and 50 for women, 16 community case managers, DWI treatment, an after-care component and it is building an attached area of independent living housing for those transitioning out of the center and into the workplace. It serves approximately 3,200 clients per

year, most (69 percent) for alcohol treatment, 14 percent for cocaine or crack, 11 percent for opiates, five percent for methamphetamine and one percent for other drugs. Some 18 percent are veterans, 44 percent have a DWI on their record and 100 percent are referred to ongoing services. Because the MATS facility can take approximately 50 new persons per day, fewer emergency room beds are being taken by people who are drunk and sobering up.

On questioning by committee members, the presenters emphasized that they have a strong program oriented to Native American clients, including professional staff from the Jicarilla Apache Nation and the Pueblo of Santo Domingo and culturally competent practices that include a talking circle and the White Bison recovery model. Mr. Carriaga said the MATS facility does all it can to support Native American culture and to connect native people with their communities, including working with First Nations Health and the Albuquerque Indian Center.

The two expressed concern that there is a moratorium for applications for Medicaid from Bernalillo County.

While there is currently enough money in the budget to accomplish all the center has targeted, there is no room for expansion without an injection of new money. The center especially wants more mobile case managers and a methamphetamine team to help people on the streets get into a recovery program. Currently, the center gets approximately $6 million from the state excise tax.

Report from the Bernalillo County Behavioral Health Collaborative

Peter Cubra, co-chair of the Bernalillo County Behavioral Health Collaborative, segued from the previous substance abuse funding discussion by reporting that Bernalillo County is having difficulty in becoming a Medicaid provider for purposes of mental health services, and that its inability to do so affects the amount of federal funding available within the county for such services. The Medicaid funding spent in Bernalillo County could be a magnet for federal matching dollars. Although the need for services is high, the state will not or cannot provide more services and the county is unable to get this funding stream for mental health services.

He reminded the committee that Representative Mimi Stewart's Pre-Release Benefits Assistance Act has died in the legislature for the past three sessions, even though the bill merely provides money for social work staff in jails and prisons to ensure that inmates with disabilities are connected with public benefits prior to discharge. With links provided for the public benefits to which they are entitled, former inmates have a chance to succeed "outside"; without them, recidivism rates are high. The administration has not supported the legislation or included money for the expansion of social workers in its budget.

Mr. Cubra gave a brief historical overview of changes in the state's behavioral health system as a context for the discussion. In the 1990s, he said, the state authorized 1,300 beds for children in residential treatment. However, when Duke Rodriguez, former secretary of human services in the Gary Johnson administration, brought in the Medicaid managed care system in 1997, he also reduced expenditures for children's services. More than 50 percent of residential

treatment beds for children were lost in the first year after the reductions, and the administration promised but did not deliver "community-based services" to replace them. Without the community services, children who at one time might have received residential treatment ended up in prison or homeless.

The same pattern is being repeated today, he said, now that the SE for behavioral health services statewide has closed residential treatment facilities. The SE, ValueOptions, has methodically closed residential treatment facilities without adequate replacement through "comprehensive community-based support services" (CCSS). He distributed a letter sent from the collaborative to the state purchasing collaborative that noted that a cap of six hours on CCSS services established by the state purchasing collaborative has had a negative impact on local providers. In addition, the cap was placed on services without a vote or a rulemaking change. CCSS started January 1, 2008 as a service, but was overused within three months and then shut down. Unfortunately, Mr. Cubra said, when providers ask for prior authorization for more hours, it is not they but the SE that determines how many more hours are needed. Providers treating patients in good faith that they will be paid have been refused payment for excess hours. The closure of residential treatment facilities is not a new problem, as Mr. Cubra reported on the problem in the 2007 interim before the Legislative Health and Human Services Committee (LHHS).

Similarly, problems he reported in a July 2006 LHHS meeting persist. They are:

(1) local behavioral health collaboratives need more funds, but the Human Services Department (HSD) has not asked for the needed additional funds;

(2) behavioral health remains underfunded in general. The 2002 gap report by Pamela Hyde, now secretary of human services, estimated underfunding of behavioral health services at 47 percent. According to Mr. Cubra, the HSD is now suppressing Medicaid spending, including spending on outreach, because of the lack of funding;

(3) oversight of ValueOptions remains "incoherent". Although sums of money for mental health services are significant — $3 billion over the past three years — the purchasing collaborative for mental health services is a rubber-stamp board. He noted that the passage of Representative Varela's House Bill 181 last session (which was endorsed by the WROC and requires rulemaking and a unitary budget for behavioral health) is a step in the right direction; and

(4) compliance by ValueOptions in the state contract is not strictly required.

Mr. Cubra said that ValueOptions received $20 million in Medicaid funds outside the contract after December 2006 and then again the next year. As the SE reported that it was not making money it was allowed to cut back on services such as residential treatment of children. Some eight providers of residential treatment have gone out of business since the beginning of 2007.

Although Mr. Cubra said he believes that ValueOptions is doing a poor job, he had no position on whether it should receive a new four-year contract. When compared with other companies that bid on the for-profit job, he said he does not prefer one over the other. He said

that, so far as he knows, none of the companies "is run by nuns and Sunday school teachers". The fact that the providers are for-profit corporations is a problem for the state, regardless of which contractor is selected. He said that "cost containment", sometimes offered as a rationale for privatizing behavioral health in the first place, has not been impressive with the for-profit system.

On questions from the committee, Mr. Cubra said he would recommend that the legislature create a department of behavioral health, staffed and funded adequately.

Senator Ortiz y Pino asked for another historical review of the events that led to private organization of behavioral health services; Mr. Cubra said that 1997 brought about the Medicaid managed care system, and that system was required to subcontract with experienced behavioral health subcontractors. The federal government's Health Care Finance Administration ordered New Mexico to return to fee-for-service for behavioral health in 1999, he said, but in the elections that year, Governor Johnson wrote then-Governor Bush prior to the latter's being sworn in as president and asked him to reverse the Health Care Finance Administration's decision to require a return to fee-for-services payment. Advocates promoted segregation of the state's behavioral health money. All the state's Medicaid behavioral health funding was separated from the New Mexico Salud Healthcare (managed care) health plan and put into the single entity — a contract for approximately $330 million per year to a single business. A logical time to restructure behavioral health services again, Mr. Cubra said, would be when the federal government reduces funding for "transition" staffing.

Brent Earnest, analyst with the Legislative Finance Committee (LFC), was asked by committee members about the extra $20 million Mr. Cubra mentioned as being added to the ValueOptions budget, and he said he would report at the next meeting of the committee.

Mr. Cubra concluded the questioning period by saying that the administration has never asked for funding adequate to the tasks of the collaboratives and said that he has no problem with Linda Roebuck and Bill Belzner, but that they are only two people and at least five are needed to do a proper job.

Issues with the Request for Proposals (RFP) for Behavioral Health

Linda Roebuck, CEO of the state's Behavioral Health Purchashing Collaborative, and Bill Belzner, procurement manager for the next RFP for behavioral health and deputy CEO of the Behavioral Health Purchasing Collaborative, told the committee that the RFP issued has been available since August 8 on the collaborative web site, www.bhc.state.nm.us. The amount of the contract was $320 million in FY08 and will be $330 million in FY09. The consolidated budget for the collaborative is $425 million, which includes some funding that is not in the contract for the SE.

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398-page limit on the responses to the RFP, not including attachments. Six entities submitted responses: Choices, Inc., of Indianapolis, IN, Magellan Health Care of New Mexico, Sunwest Behavioral Health of El Paso, United Health Care (doing business as Options Health), ValueOptions and Molina, which withdrew. The narrative responses are due October 8. A part of the RFP process involves not only the technical proposal, but the offeror must also receive Medicaid data and prepare a per member per month matrix, which is due November 5. The coordinated fee-for-service form will be released September 12, and on November 20 the award will be made. The draft contract should be final on December 31, 2008. There is a place for bidders to state how they would prefer to modify the contract. On January 22, 2009, the statewide collaborative is set to approve the contract, which should have gone through the Department of Finance and Administration by that point, and there is a 15-day protest period after the contract is approved. Finally, there is a five-month period for readiness review, in which the bidder selected should demonstrate to all the collaborative that it is capable of performing the contract. The effective date is July 1, 2009.

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MINUTES
of the
FOURTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
September 22 and 23, 2008
State Capitol, Santa Fe, NM

The third meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, chair on Monday, September 22, 2008, at 10:15 a.m. in Room 311 at the State Capitol.

Present
Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Sen. Clinton D. Harden, Jr. (10-22)
Sen. John Pinto
Rep. Jim R. Trujillo

Absent
Sen. Dianna J. Duran
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Advisory Members
Rep. Nathan P. Cote
Rep. Miguel P. Garcia
Rep. Larry A. Larranaga
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Sen. Steven P. Neville
Sen. John C. Ryan
Rep. Edward C. Sandoval

Other members in attendance:
Speaker Ben Lujan
Senator John Arthur Smith

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

Staff
Jennie Lusk
Carrie McGovern
Karen Wells

Guests
The guest list is in the meeting file.

Monday, September 22

Work Retention, Safeguards Against Improper Denial of Benefits and Related Issues

Katie Falls, deputy director of the Human Services Department (HSD), gave a detailed talk, keyed to respond to each of the Center on Law and Poverty's (CLP) allegations of the department's handling of Medicaid applicants. HSD general counsel Paul Ritzma, Ted Roth and Steven Rendazzo accompanied Ms. Falls. Her handout is in the meeting file. The only criticism Ms. Falls did not address was the CLP's concern about grandparent eligibility for temporary assistance for needy families (TANF) funds, which she promised to address at a later date. In a September 18, 2008 letter to the committee, the CLP expressed these concerns:

(1) the department's processing of emergency food stamps for very poor families is inadequate at least in part because of "outsourcing" electronic benefits transfer (EBT) cards;

(2) the department's most important notices are not translated into Spanish;

(3) lags in processing can cause an improper and automatic denial of food stamp benefits; and

(4) fewer very poor families are on Medicaid than there were under the previous administration.

These concerns were shortened versions of the requests the CLP distributed in the July WROC meeting urging the committee to:

(1) ensure that the HSD implement safeguards that eliminate improper auto-denial, especially ensuring that the files of TANF-eligible clients are not subject to autoclosure;

(2) ensure that the HSD ease language barriers (including for Navajo and Vietnamese speakers) by publicizing the right to interpretation services and sending written communications in Spanish when the recipients speak only Spanish;

(3) ensure that the department improve screening for emergency food stamps; and

(4) put very low-income New Mexicans back on Medicaid.

In addition, the CLP requested that the HSD disregard guardians' income in determining whether children are eligible for TANF funds and that it not curtail benefits or eligibility for expensive recipients of Medicaid, such as elderly or disabled New Mexicans, while increasing the enrollment of children.

As to concern (1), the handling of emergency or "expedited" food stamps applications, an independent audit taken pursuant to the *Deborah Hatten Gonzales* case indicates that 97.22% of applications were approved within the 29-day period for regular applications and six days for expedited applications. Also, although the CLP asserts that half of the food stamp applicants leave not knowing what additional documents they may need to complete an applications file, the HSD asserted that 94% of applicants leave knowing exactly what information is still missing.

Currently, HSD staff send applicants home with an EBT card that only needs to be activated when the amount of the food stamp award is determined. There is no delay due to mailing of a card, for instance, since applicants leave with one. Applicants who are not eligible simply have a card with no funds attached.

Representative Trujillo raised with Ms. Falls the fact that one of his constituents became discouraged in dealing with bad service in Santa Fe, and Ms. Falls acknowledged that there are problems. However, she said that significant new procedures are being put in place in the Santa Fe and Albuquerque offices — the two worst in terms of — that should reduce the numbers of complaints and the need for complaints.

As to concern (2), the availability of Spanish-language documents, Ms. Falls acknowledged that not all forms are in Spanish, but that the HSD is paying for a "language line" for translation services and is trying to improve services. It is developing signs to post in HSD offices. There is a problem as to sending appropriate individualized notices to Spanish-speakers, since the old ISD-2 computer system, which has been in place since 1994, cannot perform the function to complete them in Spanish. However, forms do include a message saying to contact caseworkers where there is a language barrier. Bilingual caseworkers receive a dime more per hour for their language skills. Santa Fe has a dozen Spanish-speakers in the office, just under half of the staff.

The HSD is asking for a large multi-year appropriation to replace the old ISD-2 system in the coming fiscal year in order to solve this and other problems.

As to concern (3), the denial of benefits because of the HSD's automated system, Ms. Falls acknowledged that there are auto-denials, but that the system is set up to ensure that applicants receive the full amount — not a shorter amount — of time to provide documents proving eligibility. Clients are able to request additional time, when necessary, to bring in documents. She said that failure to make timely denials of benefits causes the state to receive federal penalties. She said that the numbers the CLP uses to quantify how many applicants are denied benefits due to failures to provide necessary information are not accurate. Instead, as the HSD has informed the CLP, 99.21% of Medicaid applications are processed in a timely way, with complete information provided.

As to concern (4), low-income New Mexicans on Medicaid, Ms. Falls said that Medicaid

is at its peak enrollment — 443,931 persons in May 2008. She agreed that the state's poorest families need their benefits as quickly as possible.

Speaker of the House Ben Lujan, who joined committee members, asked a series of questions on food stamp eligibility and outreach to Native American communities. In response to his questions, Ms. Falls said that the most recent data — which dates from 2004 through the United States Department of Agriculture (USDA) — showed 250,000 persons on food stamps in the state. Senator Lopez requested information on new federal food stamp requirements. A document reviewing those changes is attached to these minutes. The HSD has put additional Native American positions in field offices to determine eligibility in Crownpoint, Shiprock, Gallup and Acoma-Laguna and at the Indian Health Service offices in Santa Fe and Albuquerque and at the Southwest Indian Polytechnic Institute. The HSD is working with LIHEAP customers to reach low-income New Mexicans and remind them that they may be eligible for food stamps.

ValueOptions Follow-Up

Legislative Finance Committee (LFC) performance auditor Charles Sallee and analyst Brent Stevens reported to the committee on the issue of overpayment by the HSD to ValueOptions, its behavioral health contractor for mental health and substance abuse services statewide. Peter Cubra, co-chair of the Bernalillo County Behavioral Health Collaborative, had reported in the previous WROC meeting that a $20 million overpayment was made to ValueOptions.

Mr. Sallee, whose two audits of the behavioral health care programs had previously been discussed by the committee, explained where such a figure could have been derived. Nonetheless, he still questions only two payments or forms of payment: (1) an $11 million payment made in 2006 by the HSD to ValueOptions that appeared unrelated to performance under the contract; the approval process for the contract amendment that allowed the payment did not include a clear delineation between what areas staff were authorized to negotiate; and (2) prepaying "per member per month" amounts to the contractor, as the practice appears contrary to best practices requiring that services be delivered prior to payment — especially since prepayment reduces the leverage the state has to require the contractor to perform adequately or prove that it actually incurred costs.

Staff were instructed to request an opinion by the attorney general on the propriety of the two payments or types of payment and to ask the state auditor to consider an audit.

Early Childhood Programs

Dorian Dodson, secretary, Children, Youth and Families Department (CYFD), announced to the committee that the CYFD is creating a new division entirely for early childhood education. The former family services division has been changed as of September 1 by executive order to the "Early Childhood Division", which will serve children ages 0 to 13 but will concentrate on services for those ages 0 to 5. Diana Gonzales is acting director. Home visiting services have moved to the new division and Dan Haggerty is concentrating on improving the quality of child care services.

The CYFD agreed to report on the types of services available in each New Mexico town, who has applied to provide services and what kinds of quality can be had in each location. Senator Harden asked why so few programs are available in northeastern New Mexico, and the secretary said the CYFD had funded 100% of those who applied. The CYFD is working with area residents to develop a plan to provide more services, including more recruitment of child care providers willing to apply for pre-K funding, in the area. Efforts to improve accessibility, availability and quality are continuous for the CYFD. The senator emphasized that early childhood education is essential to providing a way out of poverty and therefore is of special concern to committee members.

The committee asked about procedures for expanding eligibility for child care subsidies from 165% to 200% of the federal poverty level (FPL). Secretary Dodson said that the CYFD is doing aggressive outreach to find children who otherwise might not be in child care and that every child is funded for 165% of FPL. There were a total of 22,245 children receiving child care subsidies in New Mexico in January 2008. Of the appropriation of $13 million for child care passed in the recent special session, some $5 million will be used for keeping child care subsidies in place. The other $7.2 million is for expansion. Because the CYFD child care assistance program accounts for approximately 26% of the child care services purchased in New Mexico, it is the primary entity driving the cost of care; further, the cost of care is rising with the quality of care, as more providers better educate teachers in child development.

Adult Basic Education Programs (ABE)

Pam Etre-Perez, state director of ABE, and Dr. William Flores, deputy secretary, Higher Education Department (HED), told the committee that the United States has the lowest literacy rate of all industrialized nations. It is common for people here to have been educated only through eighth grade, which is uncommon elsewhere in the developed world.

The HED's goal is to establish a seamless system for early childhood education, moving from earliest years to elementary and secondary schools and finally to college. Job opportunities are severely restricted for a person without a high school education, so funding for general equivalency diplomas (GED) and English language skills are especially important. Of those who have graduated with a GED in New Mexico, more than half have met their goals. Without a GED or a high school diploma, a person can expect to earn $7.33 per hour. Having the GED or diploma raises that sum to $10.78 on average; some college, to $12.92 per hour; and a bachelor's degree, to $19.38 per hour. Even though ABE programs help graduates to earn more money, and even though having persons earn a good wage helps to generate dollars for the economy, there remains a huge unmet need for ABE in New Mexico, according to Ms. Etre-Perez. There are over 400,000 persons eligible for ABE, but only 5% of those are able to enroll.

This year, the department will ask for $2.5 million in general fund appropriations. Of this, $1.3 million is earmarked to bring programming to those already on a waiting list; $1.1 million to increase ABE enrollment by 10%; and $100,000 for a curriculum specialist.

Senator Beffort, who attended a higher education conference at New Mexico Tech, noted that the only way to raise New Mexico's education level is to target adults. She suggested that the committee may want to encourage the legislature to make changes to the lottery scholarship to enable more students to attend colleges. On questioning by Representative Garcia, Ms. Perez said that GED tests are still administered by the Public Education Department (PED) and not by the HED.

Dr. Flores, who was provost at the New Mexico State University, emphasized to the committee that dropouts cost taxpayers $1.5 billion annually in public benefits and lost wages. In addition, he noted that ABE is a bargain at $515 per student versus approximately $6,000 per student during kindergarten through twelfth grade and over $12,000 per student on average for higher education.

Representative Trujillo asked about HED's coordination with work force training, and Dr. Flores said that HED is now moving toward working more closely with local work force development boards. Secretary Reed Dasenbrock has been asked by the Legislative Education Study Committee to submit a finance plan showing how ABE can transfer from the HED the role of helping students successfully enter the work force. The HED is working with the ACHIEVE Institute to integrate higher standards in high schools and to foster better coordination between colleges and the state's career services programs. In addition, Dr. Flores said that the HED is working with the PED to identify students ages 16 to 20 who drop out and get a GED with an eye to encouraging them to stay in school while earning college credits.

Chairman Varela asked for a report on ways HED and the Workforce Solutions Department can better work together to ensure that the state supports adult education as strongly as it supports other education.

Holly Harper, a GED program graduate who now attends the University of New Mexico (UNM)-Valencia campus, shared her story of arriving in New Mexico a decade ago with a son and two suitcases. Today, she and her son both work in the GED program. Ms. Harper called the GED program "life-changing" because pursuing her certificate taught her how to set goals and how to deal with systems.

Senator Beffort asked that the committee consider her position that GED instructors should not have to hold a bachelor's degree in order to teach and that only if people are failing GED course work should the additional requirement for an undergraduate degree be imposed. A short memo on the issue is attached to these minutes.

Child Care from the Providers' Points of View

Donna Fletcher, Chrissy Jeter and Rebecca Dow addressed the committee, sharing with it their business concerns with the changes required by the CYFD. They said the 250 licensed providers in the state have now trained 2,500 potential staffers in the 45-hour entry-level course work required of daycare centers. Shorter requirements are being accepted at some sites, and 16 hours may be accepted from online course work.

They thanked committee members for helping to extend the eligibility for child care subsidies from the state to families up to 200% of the FPL.

Ms. Jeter asked that committee members support an increase in the reimbursement rate for providers. Ms. Dow agreed and said that her school is running at a financial deficit because of the rate. Providers are struggling, especially as more of their teachers are better-trained and earn a "five-star" rating. The schools do not want to hire less-qualified teachers, but are having difficulty in meeting the salary needs of well-qualified teachers, especially with such low reimbursement rates. Ms. Fletcher said that private providers cannot afford to pay for benefits for teachers.

Chairman Varela noted that the legislature had appropriated more funding for reimbursement rates — but that the funding was vetoed by the governor. Representative Varela wants more money for the children's budget, he said.

Committee members discussed ways to help private child care providers, among them:

* exempting them from gross receipts tax when providers accept state-subsidized children as students;

* using capital outlay money for private provider vehicles;

* repealing the "sunset" provision by which public and private pre-K programs were to remain at approximately 50% each of the market;

* requesting that the appropriate agency revisit its plan to require private providers to purchase new buses rather than vans, especially since safety has not been an issue;

* exempting private providers from having to hire "highly qualified" teachers, defined as those with an undergraduate degree, at a minimum; and

* providing state funds for private child care providers.

Adjournment

The committee adjourned at noon.

treatment beds for children were lost in the first year after the reductions, and the administration promised but did not deliver "community-based services" to replace them. Without the community services, children who at one time might have received residential treatment ended up in prison or homeless.

The same pattern is being repeated today, he said, now that the SE for behavioral health services statewide has closed residential treatment facilities. The SE, ValueOptions, has methodically closed residential treatment facilities without adequate replacement through "comprehensive community-based support services" (CCSS). He distributed a letter sent from the collaborative to the state purchasing collaborative that noted that a cap of six hours on CCSS services established by the state purchasing collaborative has had a negative impact on local providers. In addition, the cap was placed on services without a vote or a rulemaking change. CCSS started January 1, 2008 as a service, but was overused within three months and then shut down. Unfortunately, Mr. Cubra said, when providers ask for prior authorization for more hours, it is not they but the SE that determines how many more hours are needed. Providers treating patients in good faith that they will be paid have been refused payment for excess hours. The closure of residential treatment facilities is not a new problem, as Mr. Cubra reported on the problem in the 2007 interim before the Legislative Health and Human Services Committee (LHHS).

Similarly, problems he reported in a July 2006 LHHS meeting persist. They are:

(1) local behavioral health collaboratives need more funds, but the Human Services Department (HSD) has not asked for the needed additional funds;

(2) behavioral health remains underfunded in general. The 2002 gap report by Pamela Hyde, now secretary of human services, estimated underfunding of behavioral health services at 47 percent. According to Mr. Cubra, the HSD is now suppressing Medicaid spending, including spending on outreach, because of the lack of funding;

(3) oversight of ValueOptions remains "incoherent". Although sums of money for mental health services are significant — $3 billion over the past three years — the purchasing collaborative for mental health services is a rubber-stamp board. He noted that the passage of Representative Varela's House Bill 181 last session (which was endorsed by the WROC and requires rulemaking and a unitary budget for behavioral health) is a step in the right direction; and

(4) compliance by ValueOptions in the state contract is not strictly required.

Mr. Cubra said that ValueOptions received $20 million in Medicaid funds outside the contract after December 2006 and then again the next year. As the SE reported that it was not making money it was allowed to cut back on services such as residential treatment of children. Some eight providers of residential treatment have gone out of business since the beginning of 2007.

Although Mr. Cubra said he believes that ValueOptions is doing a poor job, he had no position on whether it should receive a new four-year contract. When compared with other companies that bid on the for-profit job, he said he does not prefer one over the other. He said

that, so far as he knows, none of the companies "is run by nuns and Sunday school teachers". The fact that the providers are for-profit corporations is a problem for the state, regardless of which contractor is selected. He said that "cost containment", sometimes offered as a rationale for privatizing behavioral health in the first place, has not been impressive with the for-profit system.

On questions from the committee, Mr. Cubra said he would recommend that the legislature create a department of behavioral health, staffed and funded adequately.

Senator Ortiz y Pino asked for another historical review of the events that led to private organization of behavioral health services; Mr. Cubra said that 1997 brought about the Medicaid managed care system, and that system was required to subcontract with experienced behavioral health subcontractors. The federal government's Health Care Finance Administration ordered New Mexico to return to fee-for-service for behavioral health in 1999, he said, but in the elections that year, Governor Johnson wrote then-Governor Bush prior to the latter's being sworn in as president and asked him to reverse the Health Care Finance Administration's decision to require a return to fee-for-services payment. Advocates promoted segregation of the state's behavioral health money. All the state's Medicaid behavioral health funding was separated from the New Mexico Salud Healthcare (managed care) health plan and put into the single entity — a contract for approximately $330 million per year to a single business. A logical time to restructure behavioral health services again, Mr. Cubra said, would be when the federal government reduces funding for "transition" staffing.

Brent Earnest, analyst with the Legislative Finance Committee (LFC), was asked by committee members about the extra $20 million Mr. Cubra mentioned as being added to the ValueOptions budget, and he said he would report at the next meeting of the committee.

Mr. Cubra concluded the questioning period by saying that the administration has never asked for funding adequate to the tasks of the collaboratives and said that he has no problem with Linda Roebuck and Bill Belzner, but that they are only two people and at least five are needed to do a proper job.

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Senator Lopez cautioned the presenters that the continuing complaints — not just Mr. Cubra's allegations — raise management communications issues. She expressed disappointment that the collaborative is disallowing benefits without notice to providers.

Ms. Roebuck said she is taking a "proactive" stance in a problem she sees on the horizon: that Medicaid will no longer pay for transportation. Providers used to be able to bill Medicaid for transportation, but will no longer be able to do so.

Senator Ryan said that he had heard that ValueOptions is making twice as much profit here as elsewhere, eight percent versus four percent, and asked about the $20 million payment. Mr. Belzner answered that Attachment D of the contract, non-Medicaid services, spells out how much profit is allowed: from 11.8 percent to zero. The contract also specifies that 86 percent of funding must be paid for direct services, leaving only 14 percent for administration. Mr. Belzner said he would not elect to respond to Mr. Cubra's allegations about profits without data before him, but added that he would respond later. Ms. Roebuck said that the presenters need to get a better explanation themselves.

Ms. Roebuck also said that bylaws are now available.

Committee members and the presenters talked more about profits versus administrative costs and about problems with Bernalillo County's request to become certified as a Medicaid provider. Staff were instructed to schedule responses and more information at the next meeting.

On questioning from Senator Ortiz y Pino, Ms. Roebuck said that it is the administration at HSD and the Medicaid Assistance Division in particular, that decides how much money goes to behavioral health. Neither Ms. Roebuck nor Mr. Belzner knew how much of the $97 million for Medicaid legislators appropriated in the past session — a sum which should draw a federal match — will go to behavioral health. Senator Ortiz y Pino said that he thought legislators believed that the funds should percolate to behavioral health.

Albuquerque Indian Center

Mary Garcia, executive director, said that the Albuquerque Indian Center is working hard to bring Native Americans into a recovery program. Melissa Ramo, a staff member at the center, also presented information to the committee.

The Indian center serves 3,500 to 4,000 clients a month, they said, and many are homeless and addicted. The center serves approximately 85 percent Native Americans, but also serves Hispanics and Anglos. It does not treat domestic violence victims, but wants to do so. Currently, the center turns away some 80 to 1,000 persons per month due to lack of money for staffing.

The center is not a ValueOptions program because it was too small to apply for a contract when it started approximately three years ago. The center is likely to approach the legislature for money to fund two more counselors and two more substance abuse specialists.

Minutes

On motion of Representative Salazar and Senator Lopez, the minutes of the July meeting were unanimously approved.

Adjournment

The meeting adjourned at 2:45 p.m.

MINUTES
of the
FIFTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
October 29 and 30, 2008
State Capitol, Santa Fe

The third meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, chair, on Wednesday, October 29, 2008, at 10:15 a.m. in Room 311 of the State Capitol.

Present
Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort (10/29)
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar (10/30)
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.

Advisory Members
Rep. Nathan P. Cote
Rep. Miguel P. Garcia
Rep. Larry A. Larranaga
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Sen. Steven P. Neville
Sen. John C. Ryan
Rep. Edward C. Sandoval

(Attendance dates are noted for those members who did not attend the entire meeting.)

Staff
Jennie Lusk
Carrie McGovern
Karen Wells

Guests
The guest list is in the meeting file.

Wednesday, October 29

Minimizing the "Cliff Effect"

Bill Jordan, policy director of New Mexico Voices for Children, introduced Kinsey Dinan, senior policy associate with the National Center for Children in Poverty, to the committee, but first he thanked committee members for getting the child care assistance eligibility rate up to 200% of the federal poverty level (FPL). He noted that it had taken seven years and 17 days to get the rate back up to 200% and praised the efforts of legislators in enabling more marginal families in New Mexico to qualify for state subsidies for child care.

Ms. Dinan explained in a nutshell the problem of the "cliff effect": for some persons, receiving a raise of $.50 can disqualify a family from receiving income assistance, causing the person to decline a potential salary raise. It takes a parent working at $19.00 per hour year-round to cover basic family needs for two children, which is triple the minimum wage and double the FPL.

The National Center for Children in Poverty has created an income "simulator" program on its web site so that persons throughout the country can determine how much money they need in order to survive in various communities.

The center's studies have found that three major "bumps" cause families to be forced off eligibilty rolls — those associated with the loss of temporary assistance for needy families (TANF) benefits, whereby the parent is eligible for public health insurance; the loss of food stamps; and the loss of child care subsidies. Ms. Dinan explained that the state can help close the gap in affordability by increasing subsidies. She also suggested expanding "categorical eligibility" for assistance, e.g., tying eligibility for child care to eligibility for other public assistance programs. The federal government, for instance, allows TANF-eligible families to collect food stamps — but states may use even different programs to qualify families for child care subsidies. In Vermont, the state's earned income tax credit (EITC) is funded with TANF funds, so persons who qualify for the EITC also qualify for food stamps. Ms. Dinan agreed to look at New Mexico programs to analyze ways to offer other expansions.

Ruth Hoffman, director of the Lutheran Advocacy Ministry, said that the Human Services Department (HSD) is aware of the possibility and that it requires only an administrative change to provide categorical eligibility. At present, 20 other states enable persons to become eligible for child support subsidies based on qualifying for other programs.

The committee requested a memorial urging the HSD to provide categorical eligibility.

The committee also supported ensuring that individual development accounts (IDAs) remain nontaxable; Senator Beffort reported that the HSD is planning to ensure this by issuing a new rule on IDAs. In addition, the committee agreed that IDA information should be available in all one-stop job shops operated by the New Mexico Workforce Solutions Department.

On questioning by Senator Lopez, New Mexico Voices for Children research director

Gerry Bradley said that the organization continues to update the "bare bones budget", demonstrating how much income is required to live above poverty in various New Mexico locales.

Minutes

On motion of Representative Lujan and seconded of Representative Vaughn, the minutes of the WROC's August and September meetings were unanimously passed.

Models for State Benefits in Private Child Care

Dan Haggard, director, Office of Child Development with the Children, Youth and Families Department (CYFD), brought to the committee's attention several models that other states use for funding private child care with state dollars. In New Mexico, there are 6,310 child care providers, 1,014 of them licensed by the CYFD. While the state cannot get detailed attendance figures because the unlicensed facilities do not report to the state, the department estimates approximately 50,000 children are in child care, 21,000 of them in registered facilities. The state pays for 23,000 children.

The department estimates 9,500 persons work in daycare, approximately 4,000 in licensed facilities. Most have few, if any, benefits beyond their salaries. The average child care employee makes $7.75 per hour, and there is an average 30-40% turnover rate. The most important contributor to quality child care, Mr. Haggard said, is a small staff-to-child ratio; the second, a decent salary; the third, the ability to build strong ties between children and the caregiver, most likely developed when turnover is infrequent.

Across the country, there are varieties of ways by which states reward employees for early childhood education — some 10 states make direct payments from state or local government to the employees, often through "retention grants" whereby an employee does not get a bonus until the employee has stayed for a fixed period of time or through paying wage supplements to private daycare teachers to ensure that wages are comparable with public school teacher wages. In California, private teachers can earn up to $4,000 per year based on transcripts of early childhood education completion. In Madison, Wisconsin, city employees earn between $750 and $2,000, paid on a quarterly basis, depending on how long they stay in their jobs. Most states begin by giving grants to excellent teachers and moving from there to more direct government support. In North Carolina, the state offers a boost in wages for graduates of the "TEACH" program, as the state does in New Mexico, and in addition reimburses up to one-third of the cost of provider premiums for health insurance for employees in private child care and up to two-thirds of the premium for pre-kindergarten (pre-K) employees. In Rhode Island, private pre-school teachers may enroll in state coverage initiatives.

New Mexico's support is indirect — that is, the state rewards certain child care providers with higher subsidies for staff that earns "star" ratings for progress in education and training. A discussion followed on ways to improve salaries and benefits for New Mexico's private child care employees, with special concern on how to do so in the gloomy fiscal environment predicted for the coming session. Bill Dunbar, deputy secretary, CYFD, said the department's

priority is to ensure that child care funding is not cut in the coming session.

Senator Beffort warned committee members not to tamper with private child care providers — not to require staff to hold bachelor's degrees, for instance. With the budget squeeze, it may be a good time to slow down on government involvement with child care providers. On questions from Senator Beffort, Mr. Haggard said that training in early childhood education is important and rewarded. While an associate degree or bachelor's degree in early childhood education is best, those licenses do not necessarily qualify a person for being a good teacher. In other states, he said, the state supports wages of teachers as they seek certification or degrees in early childhood education. Mr. Haggard agreed to let the committee know if any federal money is available to help in paying private child care providers higher salaries or benefits.

Mr. Haggard also reported that the department has formed a committee to address parity problems between private and public child care providers. Among the issues the committee will explore are compensation and benefits.

The committee agreed to discuss endorsement of a bill that would ensure that the ratio between private and public pre-K providers remains at 50/50%. Mr. Dunbar noted that the number of registered providers is decreasing with the new requirement for a criminal records check; Senator Ortiz y Pino expressed concern that the requirement for criminal background testing may drive providers "underground" and allow the state less access to information on who is watching New Mexico children. He said that family providers often have a particular problem with such a requirement.

Impact on Private Daycare Centers of Minimum Wage Increases

Representative Vaughn's constituent Jake Meyer expressed a concern to committee members that private child care providers will be unable to pay for salary increases required by the increase in the minimum wage unless the state increases the rates it pays to providers. Mr. Meyer said infants and toddlers are the most expensive children to serve and, as such, slots are always full for them. He predicted that parents who do not use a state subsidy will be left seeking slots where there are none.

Higher Education

Secretary Reed Dasenbrock, Higher Education Department, introduced his staff, including deputy secretary William Flores, Len Malry, Matt Martinez, Brandon Trujillo, Teresa Acker and Pam Perez, all of whom were available for questions. The secretary directly linked higher education with higher income and noted that New Mexico tuition for higher education has more than doubled over the past decade. Until now, the United States has led the world in collegiate graduation, but this is no longer so, he said. With more education, a person is less likely to be poor, unhealthy or incarcerated. While higher education is not like public education in that it is not an entitlement, having a good percentage of persons enrolled in higher education benefits the entirety of society, the secretary said.

University students who come from New Mexico, Mr. Dasenbrock continued, have a 40% lower attainment rate than persons who attend New Mexico universities but originate elsewhere. He recommended the following as a strategy for encouraging more New Mexico students to attend New Mexico institutions of higher learning: (1) hold costs low, especially since tuition has increased over 125% in the past decade; (2) increase the amount of need-based aid, especially since the lottery scholarship does not take financial need into consideration; and (3) increase the amount of work-study assistance available for students. The department's legislative requests are for appropriations for college affordability, adult basic education, work-study and outreach. Statutory changes recommended include the 3% scholarship change, expanding dual credit to Bureau of Indian Education schools, enacting the post-secondary Indian education act and cleaning up the language in the College Affordability Act. The secretary noted that some 60% of New Mexico high school students start college but that a high percentage drop out during students' third semester of school.

Small Schools

Fred Nathan of Think New Mexico introduced the committee to the concept that making smaller schools can solve many of New Mexico's educational problems — budgets for security can be reduced, as can the dropout rate as students feel safer and become less anonymous.

Think New Mexico's recent report on small schools laid out a plan for transitioning the plans of New Mexico primary and secondary schools to require smaller enrollment. Smaller schools are demonstrably better than larger ones in terms of dropout rates. In New Mexico, the dropout rate costs the state approximately $62 million. Dropouts report that they did not feel safe at school and large schools are forced to spend more for security. Mr. Nathan described a "dis-economy" of scale for large schools, including higher costs for security and transportation and a need for more principals.

Significantly, Mr. Nathan suggested focusing on the cost per graduate rather than only the cost per student; the dropout rate, now at 54% in New Mexico, is too high, and small schools offer a solution. America Enriquez, a student at a small charter school, Amy Biehl, talked about the improvement in her grades and her increasing accountability to the high school and to her family. Although she once considered dropping out of high school, she now plans to go to college and hopes to attend the Air Force Academy and become a pilot. On questioning of committee members, Mr. Nathan said that it might take as much as a century to get all schools small; however, now is the time to quit making them large.

Human Services Department Update

Secretary Pamela Hyde, HSD, reported to the committee that food stamp enrollment is at an all-time high and that the department has simplified the application process for food stamps. In other good news, the federal government allotment for the Low Income Home Energy Assistance Program (LIHEAP) will enable the state to almost double LIHEAP. The department has simplified eligibility there, too. The department has started paying an incentive to encourage TANF recipients to keep their jobs. The program, available to persons who earn less than 150% FPL, pays a bonus to those who remain in their jobs longer than 18 months.

The secretary said she had received three proposals to furnish behavioral health services for the state. On questions from committee members, the secretary said she did not have the attorney general review the behavioral health RFP but was content with the contract after executive sessions with the bidders.

The secretary mentioned several other priorities and news items, including these: the department urgently needs a new information technology system and will request funds along with eight other agencies for it; even so, the department's highest priority is additional staff; the department will submit an expansion request. The state housing initiative started by behavioral health, the Mortgage Finance Authority, the Governor's Poverty Task Force and CYFD has caused the groups to recommend increasing the number of low-income units, and federal money is available to developers of such units; the department will recommend changes for housing for youth in transition; the department's veterans' programming for those with post-traumatic stress disorder (PTSD) is expanding to include McKinley and Eddy counties. The department wants to open the old state-owned buildings in Los Lunas and will put in a $10 million capital outlay request, with $650,000 in start-up funds. Although New Mexico may see an increase in federal dollars in the coming year, the money will not be as much as is needed. It would take $10 million to get people off the developmental disabilities and developmental and elderly waiver waiting lists. The George W. Bush veto of SCHIP recently was met with Congress' preauthorization to continue through March 2009. The enrollment in the State Coverage Initiative program has blossomed, leaving the department with large bills for services. The HSD's strategy is to fund existing businesses that participate in covering employees rather than expanding only by enrolling new businesses.

New Mexico Food Gap Task Force

Pam Roy and Clark de Schweinitz, chair of the New Mexico Food and Agriculture Policy Council, briefed the committee on New Mexico's national status on feeding people fresh, healthy foods. The state is second in the country in food insecurity, and 41% of families served by food banks are already working full time. One of six children does not eat from the fruits and vegetables food groups daily, and some New Mexicans travel very far in order to gain access to healthy food. The cost for getting fruits and vegetables into sparsely populated rural areas has increased by 75%.

The two discussed various programs that strive to create a public-private partnership with the Food Gap Task Force and businesses. At this point, the infrastructure for follow-up is there. The group is helping store owners get coolers to their stores. In addition, the group is looking for ways to make the women infant children program (WIC) and the electronic debit cards available at the 40 farmers' markets.

Senator Ortiz y Pino asked about intentions to tax soft drinks sold on school grounds and was told about current developments on the issue of getting healthy food into the schools.

Adjournment

The committee adjourned at 1:10 p.m. after deciding to request only a one-day meeting

next month on Tuesday, November 25, 2008.

MINUTES
of the
SIXTH MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
November 25, 2008
State Capitol, Santa Fe

The sixth meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, chair, on Tuesday, November 25, 2008, at 10:20 a.m. in Room 307 of the State Capitol.

Present
Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Gloria C. Vaughn

Absent
Rep. Shirley A. Tyler

Advisory Members
Rep. Nathan P. Cote
Rep. Candy Spence Ezzell
Rep. Miguel P. Garcia
Rep. Edward C. Sandoval
Rep. Daniel R. Foley
Rep. Larry A. Larrañaga
Sen. Steven P. Neville
Sen. John C. Ryan

Staff
Jennie Lusk
Carrie McGovern
Karen Wells

Guests
The guest list is in the meeting file.

Tuesday, November 25

Treating Guardians As Parents Under TANF
Ruth Hoffman, director, Lutheran Advocacy Ministry, explained to the committee that New Mexico is the only state in the country that counts the income of a legal guardian against a

child who would otherwise be eligible for public assistance and suggested that the committee endorse a bill to fix the problem.

Counting a caregiver's income against a child for eligibility purposes is especially unfair to grandparents, she said, noting that a person who goes through the trouble to get legal custody of a child who needs care probably has an investment in the child's well-being. Making it impossible for a child who lives with a caregiver to receive assistance the child would receive if not formally under the guardianship of a caregiver discourages making more permanent relationships.

Ms. Hoffman said that the cost could be as high as $6 million to $7 million to allow benefits for children who reside with a legal guardian, but there is money within the Temporary Assistance for Needy Families (TANF) budget to do so, she said.

The organization is supporting the Human Services Department's (HSD) $45 million request for an improved computer system, without which it could be more difficult to institute the eligibility changes.

Business Education in Rural Communities

Amy Wohlert, interim dean of the Anderson School of Management at the University of New Mexico (UNM), presented a request to the committee for funding for a pilot project that would make business courses available to business people who are not enrolled in colleges. The courses would be established as a set designed to give a businessperson skills to stay in business without having to enroll in a college course. The plan would be similar to that offered on the UNM main campus, but tailored to individual communities where UNM has a branch college. The request is for state funds for a pilot program that would include development of materials and payment of facilitators and instructors. Once a program is established, however, the university would expect the course to become self-sustaining.

Domestic Violence Needs

Lynn Rosenthal, the new director of the New Mexico Coalition Against Domestic Violence, and lobbyist Linda Siegel told the committee that it is essential that the coalition receive at least $1 million in recurring TANF funds for the state, which includes 35 providers of domestic violence services for 17,000 men, women and children in New Mexico in 2007. The amount of the appropriation is the same as that in the current year, but the coalition hopes to get its funding built into the budget as a recurring item. In Alamogordo, there was a 30 percent increase in the demand for services last year, she said, and noted that all shelters are experiencing increases as food and utility costs rise and that the need for services is expanding in these stressful, economically difficult times. The rates of felony domestic violence in Rhode Island increased by 25 percent in data collected during the financial crisis; Ms. Rosenthal does not expect an altogether different situation in New Mexico.

Ms. Rosenthal explained that money the legislature allotted for domestic violence programs was returned to the HSD last year primarily because of problems with data collection,

new billing and training systems. In several discussions remaining throughout the day's meeting, committee members sought and received clarification on the treatment of funds reverted. The upshot of the questions and answers is this: the funding reverted to the HSD, where it can be used as cash assistance, but it did not revert to the federal government; hence, the state has lost no money. The legislature could address the situation and make the coalition whole by appropriating an equivalent amount of TANF funds to services in the coming year.

Bill Dunbar, deputy secretary of the Children, Youth and Families Department (CYFD) program that funds domestic violence, stated that the department does not anticipate reverting money in the coming fiscal year. He also plans to move a $600,000 recurring amount for FY10 rather than retaining it in the budget balance of $1 million for domestic violence funds. Therefore, more money should be available for domestic violence programming. The department budget makes the domestic violence item recurring.

Senator Beffort expressed concern that judges are not following the law with regard to referrals for domestic violence offenders. Committee members agreed to have staff write the state supreme court to express concern on the matter, after doing some research. The decision was made on motion of Senator Beffort and seconded by Representative Vaughn. Senator Lopez noted that the committee should also be concerned with sexual assault funding in addition to domestic violence funding. Staff was instructed to write the supreme court on behalf of the committee in order to express concern that some judges are not properly referring perpetrators to treatment.

Senator Harden asked that a Legislative Finance Committee (LFC) analyst inform the committee about how the bills considered by the WROC will work with the Courts, Corrections and Justice Committee (CCJ) legislation already endorsed. Staff indicated that the CCJ endorsed only substantive legislation and no appropriation for domestic violence.

Fostering Connections

Maryellen Bearzi, CYFD deputy director of protective services, reviewed provisions of the new federal "fostering connections" bill, which became law on October 7 of this year. The new bill changes the entirety of the picture, she said, in terms of TANF, child welfare, child support and foster programs. The federal bill is extremely restricted and, for instance, it includes only persons who meet the 1996 Aid to Families with Dependent Children (AFDC) standards, thus decreasing the number of families able to participate in state programs. Additional federal requirements include requirements to place siblings together, meet educational needs and ensure that there is adequate physical and behavioral health care. The federal law moves money directly to tribal governments. All children under the federal statute must meet mandatory school attendance requirements.

The CYFD will propose amendments to the Children's Code to bring the state into requirements for the new federal law. In addition, the state is moving its Native American programs to Indian tribes for Title IV-E requirements. Staff was instructed to write a letter to the New Mexico Supreme Court requesting that it be more attentive to adoption and foster care

proceedings. Senator Lopez encouraged all committee members to attend a juvenile training session just before the opening of the upcoming session.

Follow-Up from HSD and CYFD Concerning Morning Session

Cathy Sisneros from the HSD and Mr. Dunbar appeared at the committee's request in the afternoon to explain the flow of funds for child care subsidies. Ms. Sisneros suggested that the legislature appropriate the amount it wants from TANF or domestic violence funds in the coming year to make the domestic violence programs whole.

Mr. Dunbar said that the CYFD has built domestic violence program funds into its budget for the coming year.

Pre-Apprenticeship Report

Catherine Cross-Maple, deputy secretary, Public Education Department, told the committee about the pre-apprenticeship report now issued in response to Senator Ortiz y Pino's memorial. The committee, she reported, is on target. Soon the department will publish its high school assessment in the pre-apprenticeship area. Dr. Cross-Maple said that apprenticeship programs would be highlighted in the Capitol Rotunda on March 17, demonstrating career technical and industrial applications.

Housing First

Marisol Atkins reported that the Housing First Task Force could not ask for more funds to address the shift to making a broader array of housing available to homeless persons in the current financial climate. However, between 2005 and 2007, the number of homeless persons decreased.

Graduate Student Funding

Dick Minzner and UNM graduate student Lisa Knudsen reported that under current CYFD rule, graduate students are ineligible for subsidies for child care. According to Mr. Minzner, the secretary of children, youth and families, stated that she will not change the regulation to be more inclusive unless the legislature appropriates more money since including graduate students in the TANF program will have a financial impact on those already receiving benefits. Discussion ensued and the committee expressed support for including the graduate students.

Minutes

On unanimous voice vote of the members in attendance, on motion of Representatives Varela and Vaughn, the minutes of the previous meeting were approved.

Endorsements

The committee endorsed the following substantive bills, sponsored by legislators as follows:

(1) creating an interim human services committee, Senator Lopez;
(2) paying health care benefits for private pre-k, Senator Beffort;
(3) consolidating eligibility for public assistance benefits, Senator Harden;
(4) maintaining the half-public and half-private funding mechanism for pre-k, Senator

Beffort; and

(5) exempting the income of a legal guardian who is not a parent from consideration when determining eligibility for state assistance, Senator Ortiz y Pino.

It endorsed the following appropriations, with sponsors as follows:

(1) adult basic education for $4 million, Representatives Vaughn and Salazar;
(2) teen pregnancy prevention for $80,000, Senator Lopez;
(3) maintaining child care assistance eligibility at 200 percent of the federal poverty level for $13.2 million, Representative Varela;
(4) making graduate students eligible for state child care subsidies, if otherwise eligible, Representative Sandoval; and
(5) supporting the sexual assault coalition for $1 million, Senator Lopez.

A proposal by the UNM Anderson School of Management to expand its business education programming did not receive the committee's endorsement.

Memorials

The committee endorsed the following memorials with the following sponsors:

(1) forming a working group for parity for pre-k wages in private provider settings, Senator Beffort;
(2) using a telehealth model for veterans, Representatives Trujillo and Sandoval;
(3) increasing food stamp enrollment, Speaker Lujan; and
(4) adopting the recommendations of the CYFD Housing Task Force, Representative Garcia.

Adjournment

The committee adjourned at 5:30 p.m.