

**MINUTES
of the
THIRD MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

**August 1-2, 2007
New Mexico State University Club House
Las Cruces**

The second meeting of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Wednesday, August 1, 2007, at 10:20 a.m. at the New Mexico State University (NMSU) Golf Course club house in Las Cruces. Handouts are in the meetings file.

Present

Sen. Linda M. Lopez, Chair
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar (8/2)
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn (8/2)

Absent

Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Rep. Jim R. Trujillo

Advisory Members

Rep. Miguel P. Garcia
Rep. Candy Spence Ezzell
Rep. Edward C. Sandoval (8/1)

Sen. Ben D. Altamirano
Rep. Daniel R. Foley
Rep. Larry A. Larrañaga
Sen. Steven P. Neville
Sen. John C. Ryan

(Attendances date are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Randi Johnson

Guests

The guest list is in the meeting file.

Wednesday, August 1

NMSU Works — Program Overview

Dr. Paul Gutierrez, vice provost for outreach services, associate dean and associate director of the Cooperative Extension Service at the College of Agriculture and Home Economics at NMSU and director of the New Mexico Works Program, talked with the committee about the importance the university gives to workforce programs, particularly the Temporary Assistance to Needy Families (TANF) Program. The southern New Mexico Works Program has 40 staff members and its budget totals \$9 million. Dr. Gutierrez noted that there has been a steady decline in participants and caseloads for TANF from October 2006 to April 2007. The federal Deficit Reduction Act, with its increased requirements for reporting and monitoring, may be a factor in that drop. NMSU plans to reduce the amount of monitoring required while maintaining federal requirements and institute new strategies for administrative tasks to counteract the decline. In addition, changes are needed to make the use of the services more friendly, including simplifying the time sheet and making it bilingual.

Ida Starling, a client from workforce training, came and told her story.

Carolyn VanderGiesen, associate director for the program, reviewed the services offered by her group and outlined the organization of those services. Her handout is in the meeting file. She noted problems in the central area: there are high numbers of poor people (21% are on food stamps in Torrance County) and there is a decline in caseloads and decentralization in Bernalillo County. With the decline in caseloads, it may be possible to have a better staff-to-client ratio. Right now, the Human Services Department (HSD) personnel come with the client directly to the workforce program and training is individually tailored to the client's needs. If a client is facing more than one barrier, the program gives a comprehensive assessment as well as an individual responsibility plan.

The presenters summarized the successes of the central program, including 9,000 activities and 2,300 job placements. They noted that Albuquerque may be able to reach the \$7.50 mark for wages, but only 46.8% of the TANF workforce is employed. There is an increased need for translators, office space and transportation.

Welcome to NMSU

Dr. Michael Martin, president of NMSU, welcomed the committee to Las Cruces and to the state's land grant university, which he called "the people's university by law and by tradition". He said NMSU can help in many ways for the population from kindergarten through age 20, and doing so is a priority because education helps create opportunities and increase economic stability.

Return to Workforce Presentation

On questions of the committee, Ms. VanderGiesen said that the Bernalillo County TANF offices are below the 70-to-1 staffing ratio. Ms. Elmquist said that the department can lose track of TANF participants who are not seeking services (causing the drop in caseload), because the

population is mobile. Dr. Gutierrez emphasized that transportation remains a major problem, in part because most federal money goes to mass transit.

The committee discussed being more careful to insert goals for workforce improvement into the budget to ensure that the state is meeting the federal requirements for single- and two-parent working hours. David Lucero, Legislative Finance Committee analyst, explained that the state has removed clients in the Education Works Program from the TANF rolls. The discussion turned to child care and the possibility of training child care providers as part of their work requirements, and Ms. VanderGiesen said an initiative is underway to do that. Ms. Elmquist said that, though becoming a child care provider when one's children are young may be attractive, child care does not move the worker out of poverty reliably because wages remain low. Ms. VanderGiesen said that one of the most difficult challenges for the program is to get clients who have substance abuse problems to enroll in and use ValuOptions programs. For some southern rural areas, the closest ValuOptions location remains in Albuquerque and outpatient slots are limited, even if transportation is readily available.

At-Home Infant Care

Las Cruces-area women, Margie Vigil and Susan Ramirez, spoke to committee members briefly about the success of the program, though more will be presented to the committee in the coming months. The At-Home Infant Care Program encourages parents to learn more about child development and how to raise children in a loving, nurturing environment. The program pays parents who are at 100% of the federal poverty level or less to stay home with their children, using the stipend as an "extra" for family income rather than as part of the necessary budget. Children and parents bond more closely, and the parents learn to manage home life with some energy left to spare.

Low Income Home Energy Assistance Program (LIHEAP)

The committee focused on aspects of LIHEAP and suggestions for future policies and funding.

Jami Porter Lara, Community Action New Mexico, noted that 193,000 disconnect notices were sent after the moratorium on disconnecting utilities ended last winter. Energy affordability and hunger are two central problems for getting New Mexico residents out of poverty. Approximately 200,000 households in this state are eligible for LIHEAP funds, but only a fraction receives assistance. Approximately one in four households pays approximately 20% of household income toward utility bills. LIHEAP funding is an emergency response to a utility crisis, not a comprehensive solution, she said.

New Mexico legislators should tell the Public Regulation Commission (PRC) through legislation that the PRC is within its authority if it begins taking on "social ratemaking", i.e., discounting rates for certain individuals or classes of individuals as it does for businesses and the telephone company. Ms. Porter Lara outlined several strategies in use in different states to provide support for low-income individuals: (1) discounting a fixed percentage of a bill; (2) allowing some customers not to pay a customer charge; (3) establishing "lifeline" rates for

people earning only a certain amount; (4) fixing costs at a percent of annual income; (5) banning late fees; (6) weatherization; and (7) requiring that affordable housing made available for low-income people through the state be built to energy-efficient standards.

Lionel Holguin, New Mexico Mortgage Finance Authority, reported that 8,800 homes had been weatherized in the past two years through his organization. It is under a two-year contract with the Public Service Company of New Mexico (PNM) to weatherize homes for low-income people who are gas customers of PNM. Thus far, 1,120 homes have been weatherized under the PNM program, but Mr. Holguin said such a program barely "scrapes the surface", as some 126,000 homes could be eligible and only 1.3% of those eligible homes are being weatherized. If the state makes a permanent source available for weatherization, there would be a benefit in the vitality, number of jobs and income available for other services and goods diverted from home heating.

Cathy Sisneros, HSD, reviewed the numbers for LIHEAP benefits for clients in New Mexico over recent years and noted that the \$188 million affordability gap for New Mexicans is an important number to remember. The department provided 15% of LIHEAP funds for weatherization.

Roy Stephenson, director, Public Utility Division, PRC, cited Section 62-8-6 NMSA 1978, stating that "No public utility shall, as to rates or services, make or grant any unreasonable preference or advantage to any corporation or person within any classification or subject any corporation or person within any classification to any unreasonable prejudice or disadvantage. No public utility shall establish and maintain any unreasonable differences as to rates of service either as between localities or as between classes of service. Nothing shall prohibit, however, the commission from approving economic development rates and rates designed to retain load". He emphasized that the statute includes the word "unreasonable" in describing differences in rates. The PRC would need express authorization from the legislature to set rates lower for low-income customers or set other ways to keep the poorest people from falling between the cracks. He noted that the commission has less authority over rural electric cooperatives. However, energy efficiency is part of the charge of the commission. The commission seeks to balance the interests of all the parties.

He suggested creating incentives to conserve as a means of delivering a lower rate and said that a person who causes an increase in utility consumption should pay, i.e., the person with the plasma television versus the person heating a modest home. An escalating rate for increased use could encourage efficiency and conservation.

Discussion centered on legislative strategy for future sessions, the merits of Representative Miguel P. Garcia's bill and Speaker Ben Lujan's bill for LIHEAP permanent funding and the possibility of devoting one-half of any funding to weatherization. The committee considered increasing general fund money for weatherization versus taking on a comprehensive, preventive strategy. Spending money for weatherization would return money to the state, as utility customers would owe less for heating and have funds to spend elsewhere.

The fact that the baby boomers are still not reflected in the numbers of senior citizens causes a bit more urgency for a permanent solution to the weatherization problem, according to Senator Lopez.

Sayuri Yamada, PNM, was in the audience, though PNM had expressed an interest in participating on a separate agenda. She said the utility company is proud of its work with low-income advocates and has been involved in community action plans for a LIHEAP workshop at the PRC.

Representative Garcia opined that the only way to make headway in the LIHEAP discussion is for the legislature to call itself into extraordinary session to hash out the fundamental differences in approach. He suggested that advocates sell the leadership on the need for an extraordinary session and that the committee share with leadership in November the need to bring all parties to the table and move reforms forward.

Thursday, August 2

Representative Vaughn welcomed the committee to Alamogordo when it reconvened at 9:20 a.m. She announced that the New Mexico Space Museum planned a VIP tour at 1:30 p.m. with a showing at 3:00 p.m. of an IMAC show. The government relations departments of the Alamogordo Chamber of Commerce, New Mexico Space Museum, University of New Mexico Literacy Project, NMSU-Alamogordo, the Otero Community Literacy Council and adult basic education have been involved in making the meeting special and providing lunch and refreshments for the committee.

Integrated Approaches to Workforce Training

Jimmie Shearer, chair of the Eastern Area Workforce Board, thanked the committee for appropriating money for a model one-stop shop for TANF and other workforce clients, noting that the agencies will save \$30,000 per year in overhead expenses by pooling and cross-training the 27 staff members from several agencies in one building. The board serves 12,000 square miles and hopes to open one-stop shops in Roswell, Alamogordo, Hobbs and Tucumcari, as well as a mobile one-stop shop to travel to smaller communities.

Lee Tillman, administrator for the Eastern Workforce Development Board, emphasized how difficult it is for clients with even one barrier to work. Transportation and child care remain the most significant obstacles. The board is doing outreach to college providers. He said that transportation services are passable where there is Department of Transportation money, but of 45 incorporated communities on the east side of the state, only five have an ongoing transportation program.

Ed Carr, executive director of the Otero County Economic Development Council, introduced the concept of the advanced business center, where private and public partners work together to incubate new jobs. In Alamogordo, the center will include the Alamogordo Chamber of Commerce, the Otero Economic Development Department, the one-stop shop, the Workforce

Solutions Department and the NMSU Cooperative Extension Service, among others. Private industry can lease facilities to use the conference and training rooms, copiers, marquees and kitchens. The consolidation of efforts creates a synergy and decreases costs for all of the participants. Ultimately, educational institutions, workforce development programs, business assistance and business expansion programs will participate in one location with state, local and federal agencies.

Tom French, a local developer and construction company owner, spoke to say that there are not enough construction workers, in part because children have been taught that construction is not a respectable trade. Vocational and other trade training is essential, however, because new workers are needed to build the economic future of the area.

Cheri Jimeno said that the same problems experienced in Alamogordo persist nationwide: there is a need for technical training, yet governments have "guttled" vocational-technical programs. She emphasized that electrical, plumbing and auto mechanical skills cannot be outsourced, unlike other trades, because they are used locally. She asked for legislators' continued support.

Dwight Harp of the Small Business Development Center talked about the center and its mission to help clients make informed business decisions.

Lois Johnson, division director, Workforce Transition Services, Workforce Solutions Department, expressed approval for all the activities and spoke on behalf of the department to ensure legislators and the public that services are not being shuffled without ultimate purpose. Instead, she said, there is a new strategic focus to create "less talk and more action". The new department, formerly the Labor Department, wants services to be seamless across agencies. The one-stop shop concept, while good and productive, is not the only model. Instead, "service integration" is possible even for agencies that are not co-located. Staff needs to be cross-trained so that any staff member can help any kind of job seeker.

On questions from committee members, presenters said that potential employees who have drug problems can be referred for substance abuse treatment, but there are rarely any openings; that people still need face-to-face help, even though there are better web sites; that several sites have a "get up, suit up and show up" program to make applicants more presentable to potential employers; and that the number of "hits" on departmental web sites is not currently known, though that can be made available to legislators. Mr. Tillman opined that the state has ValuOptions for substance abuse treatment and behavioral health counseling, but the state needs a closer partnership with health care for the homeless. Right now, there are referrals to such health care, but they will be ineffective without proper follow-up.

Discussion followed on the problem that employees can undergo a good deal of training, only to discover that they are unsuited to the job for which they trained. That is why on-the-job training is more helpful. John Hemphill, Ruidoso Area Workforce Board, said that adult basic education is a key to success, and approximately 65% of those who begin also finish adult basic

education programs. The same is not true for graduation equivalency programs.

Zia Therapy

Zia Therapy Services Chief Operating Officer Sherill Bodwell reviewed the complex of services offered by the nonprofit group in Alamogordo. Because transportation is a big problem for a service area of 1,500 to 2,000 square miles, Zia set up a transportation program that runs a loop that includes Holloman Air Force Base, Alamogordo and the Mescalero Apache Reservation. The majority of riders are low-income people. Public and TANF transportation services are provided together because of "6311" federal block grant funding, in which the federal government provides 80% and local government matches the remaining 20%. If the organization had the money to reach all the riders who want to use the service, Zia estimated two to three times the ridership. Legislators received the information on the transportation solution particularly enthusiastically and requested more information to be presented on a later agenda.

Adjournment

The committee adjourned at 12:45 p.m.