

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

**June 13, 2005**

**State Capitol, Room 307  
Santa Fe, New Mexico**

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

**Present**

Sen. Linda M. Lopez, Chair  
Rep. Luciano "Lucky" Varela, Vice Chair  
Sen. Sue Wilson Beffort  
Rep. Kandy Cordova  
Rep. Nick L. Salazar  
Rep. Gloria C. Vaughn

**Absent**

Sen. Clinton D. Harden, Jr.  
Rep. Irvin Harrison  
Sen. Steven P. Neville  
Sen. Gerald Ortiz y Pino  
Sen. John Pinto  
Rep. Avon W. Wilson

**Advisory Members**

Rep. Ernest H. Chavez  
Sen. Dianna J. Duran  
Rep. Candy Spence Ezzell  
Rep. Daniel R. Foley  
Rep. Edward C. Sandoval  
Rep. Jim R. Trujillo

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

**STAFF**

Jennie Lusk  
Pamela Ray  
Carrie McGovern

**Monday, June 13, 2005**

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

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

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

### **Work Plan**

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

### **Update on TANF Reauthorization**

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

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

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

Ms. Hoffman also discussed sanctions from the federal government if the state does not meet its work participation rate of 50 percent. If the TANF job training programs do not meet the participation rate goals, the state can lose federal dollars. PRWORA was due to expire in

2002 but has been extended nine times. The LOGM executive director reviewed her handout, which compares the current senate and house versions of a reauthorization bill.

### **Workforce Planning**

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

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

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

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

The committee adjourned at 4:20 p.m.