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Full report Page 67

GRADE: 2 CLOW

N.H. eyes plan to limit, alter welfare

Governor calls for 26-week cap on benefits, stress on training

By John Stone
GLASSBORO

CONCORD, N.H. — Gov. Stephen E. Merrill yesterday proposed transforming the New Hampshire welfare system into an employment program that would provide benefits for just 26 weeks before requiring the state's poorest residents to go to work.

The proposal would make New Hampshire's welfare rules stricter than existing programs in any other state, according to a spokesman for the Department of Health and Human Services in Washington.

But other states, including Massachusetts, have made welfare reforms in private business or given public assistance with rules that are even more restrictive than New Hampshire's. The spokesman said that "what we are doing is to make sure that we are not going to be out of the state with a welfare system that is not going to be able to pay for itself."

Under his proposal, Merrill said, the current welfare expenditure of about \$70 million a year would be cut by 30 percent next year and by half within three years. WELFARE, Page 21

job training, health care and child care grants. The plan would shift as much as \$10 million from the state's welfare department to the unemployment and job training departments.

Instead of AFDC, which is provided as child support directly to any unemployed mother, government help would be provided to a special unemployment program that would last just 26 weeks.

"I do not propose to reform our welfare system," Merrill said. "I propose to reform the way we pay for it."

However, Merrill's plan would mean a salary not for many jobs. Those who do not find jobs would be given assisted employment in private business or given public assistance. Payments for food stamps, medical care and child care assistance would be turned into a single cash grant that would be distributed through the labor agency.

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Merrill plan would transform the welfare system in N.H.

Continued from Page 1

The welfare proposal will require the approval of the federal government as well as legislators. Merrill outlined his plan earlier this month to Donna Shalala, secretary of health and human services, who expressed "enthusiasm," said Steve Etkowitz, the governor's chief of staff.

The Legislature will probably debate the welfare plan extensively, but it could pass if Merrill pushes forcefully enough, said state Senate President Joseph DeLuca.

But the proposal drew immediate criticism from advocates of the poor. Sam DeLoach, president of Future's for Justice and a former welfare recipient, said yesterday that "36 weeks is not enough time for mothers to find suitable jobs."

"I doubt there are enough suitable jobs out there paying enough to help them," DeLoach said.

In his message, which proposed a \$2.1 billion budget for the next two years, Merrill also proposed spending over to private business the Youth Development Center, the state's juvenile correctional facility. Merrill said without that cut, the state will face a \$200 million budget deficit over the two-year period.

If approved, Merrill said, AFDC cash benefits will no longer exist for able-bodied adults. Instead an unemployment payment will be made available for 26 weeks. State government will assist these individuals in job skills, training, interviewing and the placement necessary to find a job.

If a job is not found after 26 weeks, the recipient will be referred to a participating private employer who will pay a portion of the individual's wages, or they will be assigned to community work, the governor said.

While a 1991 welfare study said a clear majority of New Hampshire's welfare recipients receive aid for a relatively short time — one to 1 1/2 years — Merrill stressed the need to change the system to defuse the public's anger.

"The average length of stay on public assistance in New Hampshire is now over three years," Merrill said. "For employed workers in New Hampshire who have been laid off or who have lost their jobs for reasons beyond their control, either unemployment benefits or an average of 11 weeks."

"Given the enormity of this dilemma, is it any wonder that so many citizens complain about the welfare system?" he asked.

And Merrill said that recipients themselves would like to see changes, saying 81 percent felt officials "they would like to find private employment."

Merrill released his proposal last as national attention will be focused on New Hampshire. Several Republican presidential candidates will be in the state this weekend for a Public Party fund-raiser to formally kick off the campaigning for the 1996 New Hampshire primary.

House Democratic Leader Rick Trimby said the governor's proposal was clearly crafted to narrow attention of Republican presidential primary hopefuls streaming into the state during the next few days. "This is political budget, not a spending plan. He is trying to outdo Gov. Wolf," Trimby said.

Wolf and several other governors have offered broad welfare reform proposals.

Merrill's press secretary, Jim Roberts, said "People on welfare will still get child subsidies and food stamps. We're waging war all right, but it's on the access and spenders but it's on the access and spenders in the Legislature who don't want to eliminate welfare."

THE BOSTON GLOBE • THURSDAY, APRIL 27, 1989

cc: Reed
JB-A

NH

THE WHITE HOUSE
WASHINGTON

September 23, 1996

MEMORANDUM FOR THE PRESIDENT
THE FIRST LADY

FROM: KITTY HIGGINS *Kitty*
SUBJECT: NH Welfare to Work Program

The September 16th Boston Globe reported on this interesting NH welfare to work program.

cc: Carol Rasco
Alexis Herman

Awash in dreams of success

N.H. women hope soap business aids climb off welfare



At left, Ginny Cousens, a founder of Mountain Women Soap, sniffs the new coconut scent. At right, the women who started the company and some of their backers proudly display the product. They are: (front row from left)



Linda Smith, Cousens, Norma Edwards (back row from left) Alberta Gothreau, Paula Raymond, Joyce Jackson and Alex Levin. The soap made by the women is all-natural and comes in a variety of shapes and scents.

GLOBE STAFF PHOTOS / JANET KNOTT

By Judith Gaines
GLOBE STAFF

CONWAY, N.H. — There were times in their lives when each of the four women thought she would never succeed at anything. They were slow learners who had dropped out of school by the 9th or 10th grades. They were single mothers whose relationships with men had often been abusive. All had former partners or parents who were alcoholics. Two had committed petty crimes. All had tried to find work, but saw none of the jobs ever lasted long. The four — Paula Raymond, 39, Norma Edwards, 43, and Linda Smith, 37 — were welfare moms, with no real hope for change. After roughly 20 years of depending on state aid, the women saw they found a way to make a clean

break. They formed their own company, Mountain Women Soap and are about to draw their first paychecks. To date, profits have been plowed back into the business, in hopes of creating a self-sufficient firm. So the women have continued to receive welfare benefits. But this year Mountain Women Soap will gross about \$50,000, Levin said, and the women are hoping to begin receiving regular paychecks in December. If the effort succeeds, says Alex Levin, director of the jobs program for Carroll County, then their story offers hope for thousands of others struggling to escape welfare's debilitating pull. The women met four years ago in a course for high school equivalency diplomas. "We were all sick of being broke, sick of wondering when the next check was coming," Raymond recalled. "I felt bad about being in the



GLOBE STAFF PHOTO / JANET KNOTT

Norma Edwards, who started a company with other women on welfare, shapes bars of soap to sell.

system to buy. But I didn't know what else to do."

For years, Raymond had experimented with crafts, making ornaments and wall hangings and other artsy gifts just for friends. Then one spring day in 1993, she showed her classmates a bar of soap she had made from an old family recipe.

She was always bringing in stuff she had made. But this time some kind of lightbulb went on in people's heads, remembered Levin, who was teaching the class.

Her conventional wisdom was that the women should pass their high school equivalency tests first, then start with the work force. But I was teaching that bunch of their world never get their GEDs, because they were severely learning disabled, Levin said. And in rural Carroll County, there weren't many suitable jobs for people who had not finished high school.

With welfare changes looming, Levin and other social workers also worried that the women would lose their incomes.

Suddenly the whole class saw the possibility for a business that would reflect the women's skills, not cost too much money to start, and create a niche that could provide permanent employment.

In the spring the women started experimenting with small batches of soap, trying different recipes and soap-making techniques. "We were dreaming over pans of soap, thinking what it would be like to have our own business," Raymond said. "And we've stuck with it, and stuck with it."

and stuck with it.

is border of their rural roots and the White Mountains where they live, the four named their company Mountain Women Soap. They decided to produce all-natural, animal-free soaps (meaning they are made without lard, unlike most commercial soaps) in assorted shapes, scents and sizes. Raymond, Edwards and Levin share ownership of the company, and Levin, 40, became its acting chief executive.

The State of New Hampshire designated the fledgling company as a job training site, which allowed it to receive grants from the Kenball and Alma Hall Foundation, a non-profit organization in Jackson, N.H., donated \$1,200 for materials and packaging. "That's when we really got excited," Raymond said. "None of us had ever seen a \$1,200 check."

Each of the women also invested in the company the \$1,650 allowed by the state for her annual educational tuition. The New Hampshire Charitable Trust gave them \$10,000. A few local individuals volunteered small donations.

Always hanging on by a shoestring, the company has been housed in an alternative bookstore, a church parlor, the back of a karate school, a learning center, and even in Smith's apartment. A hand-lettered scrap of paper taped to the door of an old cabinet maker's shop in Conway marks its current headquarters.

Inside, the women make the soap in large baking pans, shape it in handmade wooden molds that have to sit for three days, and then package it themselves. Hearts, balls, and bars of soap sit atop tables, racks, counters and bookshelves, as coco-



Joy Rowe (left), an Alton Corcoran alum, who helps out the fledgling company, does detail work on a heart-shaped bar of soap while Paula Raymond checks other bars for any irregularities.

nut, jasmine, vanilla, lavender and other fragrances vary from room to room.

State officials have given the women a deadline of next February, when they must draw a paycheck or begin searching for another full-time job. That would make continuing the soap company extremely difficult, Levin said.

To meet their deadline, the soap makers have committed themselves to a demanding schedule of retail craft shows, including one in Danvers Nov. 11, where they hope to market their products. Already they have orders from 13 customers in 18 states.

But success isn't all Levin observed, takes some getting used to.

Raymond, who never felt at ease in school and cried in fear when she learned she had to attend high school equivalency class, still feels uneasy about all the schedules and expectations.

Edwards' parents lost their home to a fire and later divorced. Both Edwards and Cousens spent much of their childhood bouncing from one foster home to the next, and never felt like they fit in anywhere.

For the reclusive Edwards, who until recently was afraid to go beyond Route 16, barely a block from her home, all the travel is daunting. Only two of the women have driver's licenses.

Cousens said she was scared and shy when she first met the other

women, and self-conscious about her teeth. Because New Hampshire Medicaid pays only for extractions Cousens couldn't afford the dental work she needed. So she kept to herself and rarely smiled.

"This job has opened me up a lot," she said.

They all say that what makes the job different from others they've tried - and failed - in the past, is their pride in a business they've started themselves, and the commitment they feel to each other.

"I'm tickled to death. The job want, I got," said Edwards, plugging her tattooed arms into pans of soap. "And it's mine."

"We're a team," Smith said. "I stay with it forever."



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

6 HAZEN DRIVE, CONCORD, NH 03301-6605
603-271-4638

RECEIVED
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WR - New Hampshire

Terry L. Morson
Commissioner

May 17, 1996

Mary Jo Bane, Assistant Secretary
Administration for Children and Families
Aerospace Building, Suite 600
370 L'Enfant Promenade, S.W.
Washington, DC 20447

Dear Assistant Secretary Bane:

I want to thank you and your staff for meeting with us this past Monday to discuss the status of our Welfare Reform Waiver and our plans to develop and implement a FAMIS system.

I especially want to express my appreciation to your staff for the countless hours they have worked with our staff to assist us in our efforts to develop a Welfare Waiver that will truly meet the needs of New Hampshire citizens and maintain cost effective and quality services.

I have instructed our staff to immediately begin working to finalize the terms and conditions of our Welfare Reform proposal so that we can achieve final agreement and begin implementation.

I will be enthusiastically recommending to Governor Merrill that he approve the terms and conditions of the Welfare Reform Waiver.

Again, my thanks for your accessibility and support throughout the waiver process and for your responsiveness to the State's systems issues. I look forward to our continued partnership on behalf of the people we serve.

Sincerely,

TLM:sr

TDD Access: Relay NH 1-800-735-2964
(Agency Tel. No.) 603-271-4638



State of New Hampshire
House of Representatives
State House, Concord

TDD Access: Relay NH
1-800-735-2964

*Bridge -
FV -
Wendy
WR - N. Hampshire*

RICK A. TROMBLY
Democratic Leader

TELEPHONE
271-2138

FOR IMMEDIATE RELEASE
Tuesday September 5, 1995

Contact: Rep. Trombly
Todd Quinn

TROMBLY UNVEILS DEMOCRATIC WELFARE REFORM PLAN

CONCORD - House Democratic Leader Rick Trombly (D-Boscawen) today unveiled a Democratic welfare reform plan and urged bipartisan support for what he called "a flexible, fair, and comprehensive approach to welfare reform."

"The Democratic welfare reform plan recognizes that employment, health, education, and individual responsibility are the cornerstones of helping families achieve self-sufficiency," said Trombly. "Rather than punishing welfare families, we should concentrate on ending the cycle of dependency created by the current system."

Called HIRE (Health, Individual Responsibility, and Employment), Trombly's welfare reform plan would:

- * establish a two-year limit on benefits for able-bodied adults over age 19. Exceptions would be provided for families with disabled adults or children, and in other circumstances.
- * require a "Plan for Family Independence," a self-sufficiency contract between the state and the welfare parent encompassing mandatory job-search activities, standard childhood immunizations, and school attendance.
- * require "deadbeat dads" of children on AFDC to participate in job search activities and provide child support.
- * require, if possible, that teenage mothers on AFDC live in an adult-supervised setting and attend school.
- * provide transitional Medicaid and child care benefits for AFDC parents who get off welfare and go to work.

"Our welfare reform plan takes the best parts of Democratic and Republican plans from around the country puts them to work in New Hampshire. This is not about scoring political points, it's about ending welfare as we know it," said Trombly.

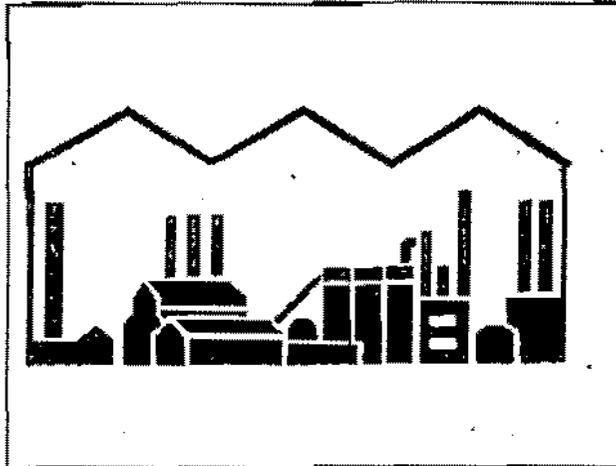
"In February, Steve Merrill said he would put a six-month limit on welfare benefits. If we held the governor to that same standard, he'd be out on the street by now. He still has not sent a bill to the Legislature," Trombly said.

"The biggest difference between the Democratic plan and what Steve Merrill has in mind is that we give families the tools to get off welfare for good," said Trombly. "Steve Merrill's plan is pure politics, a catchy slogan on a bumper sticker and nothing more."

Trombly said that initially the plan would be cost-neutral, but predicted there would be significant long-term savings. He also said he has already completed the application for federal waivers that are required for state welfare reform plans.

"President Clinton has put the waivers process on a thirty-day fast track for approval. We could have this plan up and running in a matter of weeks. All we need is the governor's signature," Trombly concluded.

The New Hampshire HIRE Program



Health, Individual Responsibility, Employment

Democratic Welfare Reform Plan

House Democratic Caucus

Rep. Rick Trombly
House Democratic Leader

September 1995

**New Hampshire Democratic Welfare Reform Plan:
Health, Individual Responsibility, Employment (HIRE)**

Welfare reform may be the one issue in America where there is the greatest consensus among people of all ideological persuasions. Almost everyone agrees that the current welfare system needs to be reformed. Yet months after President Clinton called for a welfare reform bill in his state of the union address, the Congress is still arguing, debating, and making speeches. In the Senate, welfare reform has become a political football in the race between Bob Dole and Phil Gramm for the Republican presidential nomination.

But welfare reform is not dead. Far from it. All across America, states are finding exciting and innovative approaches to ending the cycle of dependency created by the welfare system. Altogether, 29 states have taken bold steps to radically transform welfare.

In New Hampshire, the Merrill Administration is only slowly waking up to the need for reform. Governor Merrill gave us the broad outlines of a welfare reform plan in February, but it seems to be designed more for catchy campaign slogans than for helping welfare families achieve self-sufficiency. More than six months have passed since then, and the governor has yet to present a bill to the Legislature.

In a speech to the National Governor's Conference on July 31 in Burlington, Vermont, President Clinton announced that his administration would put state welfare reform plans like ours on a thirty-day fast track to federal approval. Clearly the time for action is now. We cannot wait another six months to see if the Merrill Administration ever intends to follow through on its promises.

The HIRE Program: Health, Individual Responsibility, Employment

The House Democrats have prepared an alternative welfare reform plan, one that takes a more comprehensive approach to the problems of the welfare system. Each of the elements of the HIRE Program have already received federal approval as part of reform projects in other states and thus could be enacted in a matter of weeks. Most importantly, the HIRE program will save taxpayer money. It requires no additional funding.

Unlike the governor's plan, with its emphasis on punishing welfare families, the HIRE program will give parents and children the tools they need to get back on the road to self-sufficiency. Highlights include:

- * A two-year limit on AFDC cash benefits for families headed by able-bodied adults over 19 years of age.
- * Non-time-limited benefits for unemployable cases, families headed by a parent under age 19, or child-only cases, including families in which:
 - The parent is needed at home to care for a disabled child, or the parent is disabled.
 - A non-needy non-parent is caring for a needy child.

- A parent or child experiences short-term catastrophic illness.
- A claim for SSI or SSDI is being filed or adjudicated.
- * Requires a "Plan for Family Independence," a self-sufficiency contract between AFDC recipients and the state, encompassing work search requirements, parental responsibility for children's school attendance, and standard childhood immunizations.
- * Unemployed or under-employed non-custodial parents of AFDC children required to participate in job search, work experience, job training, or education activities up to 40 hours per week.
- * Continues child care, job training, education, and transportation benefits.
- * Option of receiving child care services during employment in lieu of AFDC, provided income does not exceed 185 percent of the federal poverty level.
- * Option of "cashing out" food stamp benefits.
- * Transitional Medicaid coverage for an additional 12 months following employment, provided family income does not exceed 185 percent of federal poverty level.
- * Elimination of the automobile resource limit for one vehicle per family.
- * A one-time \$100 cash bonus to teen AFDC parents and dependent children who graduate from high school.

New Hampshire welfare statistics support this approach. According to a study conducted by the New Hampshire Department of Health and Human Services last year, "one size fits all" welfare reform plans are not likely to be successful:

Understanding lifespan psychology is the first step in identifying how to help families achieve self-sufficiency. A program that focuses on post-secondary education may be ideal for the 30 year old, whereas a program focusing on the balance between independence and familial responsibility may be more appropriate for the 20 year old. The key is not only to identify the characteristics that make up the AFDC families, but to understand the relationship between these characteristics and the individual's ability to succeed in self-sufficiency programs.

The HIRE program provides the welfare family and the state with a degree of flexibility that is lacking in the current system. By taking into account individual family circumstances and tailoring a self-sufficiency plan to the needs of the welfare parent, we believe the HIRE program represents a better way to move families off the welfare rolls and ending the cycle of dependency.

New Hampshire Welfare Facts

In the 1994 study, 44% of welfare parents in New Hampshire were under 22 years of age when they first enrolled in the AFDC program.

Average time on AFDC for teen parents is 37 months (1995).

More than 74% of caseheads who were on AFDC as a child became teenage parents themselves (1995).

37% of AFDC parents have received assistance for more than 36 months (1995).

31% of welfare parents in the 1994 study had not graduated from high school.

57% of welfare parents in the 1994 study had no employment history.

39% of AFDC recipients became parents as teenagers (1995).

55% of welfare families have at least one pre-school child (1994).

18% of welfare mothers had an additional child while receiving AFDC. Average length of time on assistance for this group is 70.8 months (1995).

89% of welfare parents have always been single, are divorced, or are separated from their spouses (1995).

On average, New Hampshire AFDC families use 71% of family assistance payments for rent and have \$136 per month remaining for expenses (1994).

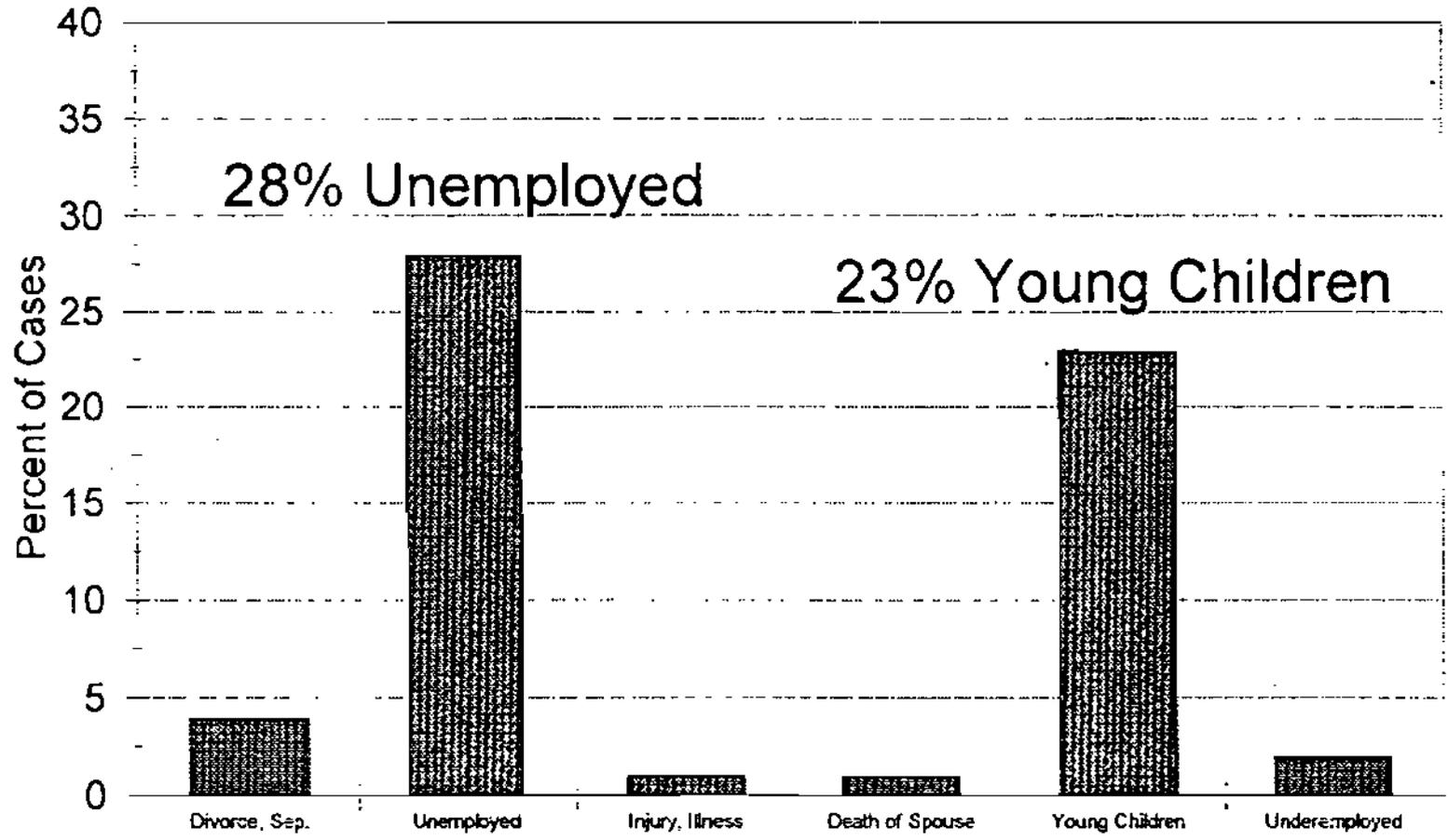
Source: Department of Health and Human Services, Division of Human Services, Office of Economic Services, "Profile of New Hampshire's AFDC Caseload: National, New Hampshire, and Stereotypical Characteristics Compared," 1994; and "Profile of New Hampshire's AFDC Caseload - 1995: Individual Characteristics Impacting Length of Time on Assistance and Recidivism," 1995.

DEMOCRATIC WELFARE REFORM PLAN

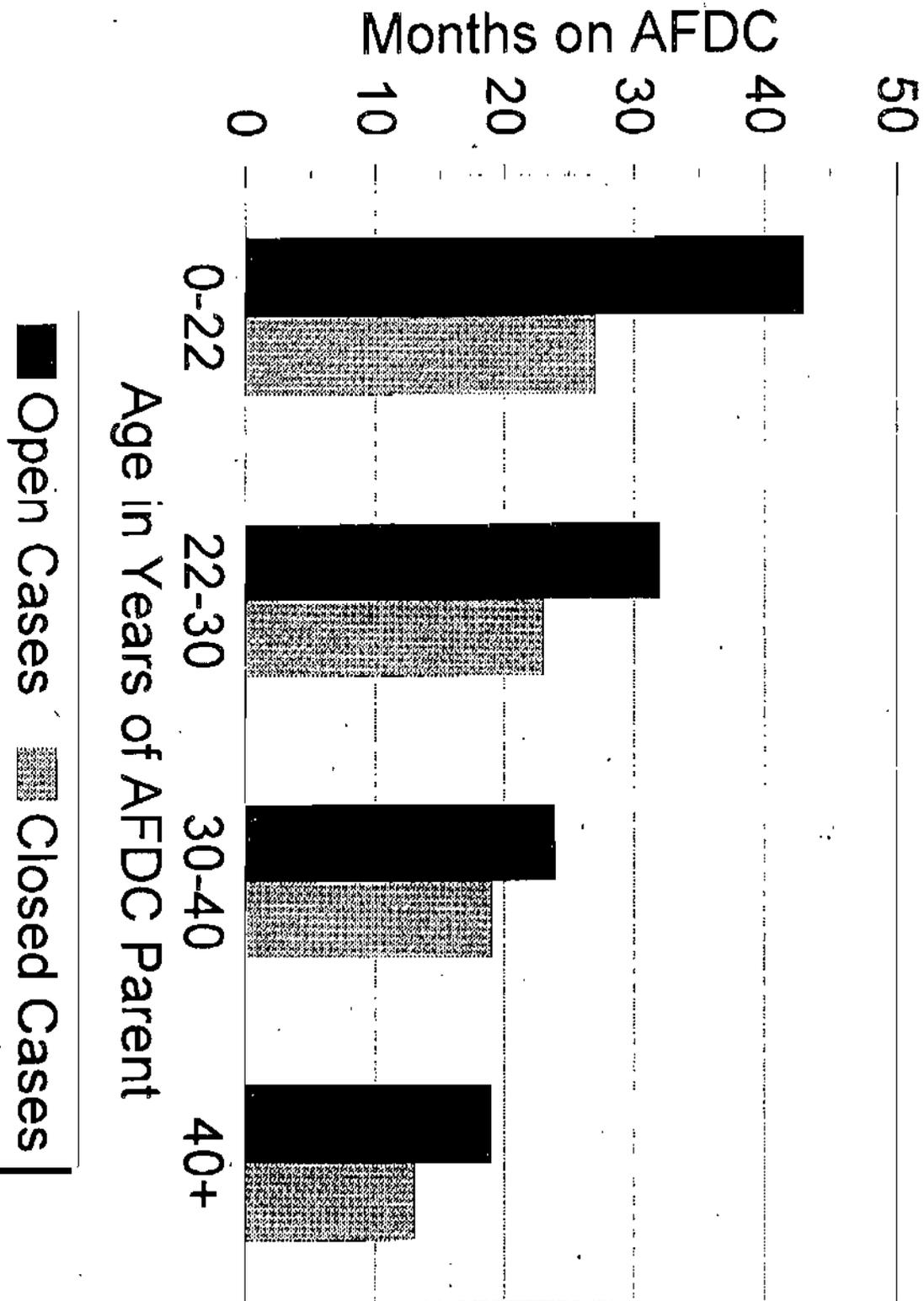
| | DEMOCRATIC 'HIRE' PLAN | STATUS QUO | MERRILL PROPOSAL |
|-------------------------------------|---------------------------|---------------|---------------------|
| TIME-LIMITED BENEFITS | YES | No | Yes |
| MANDATORY JOB SEARCH | YES | No | Yes |
| NON-LIMITED BENEFITS FOR DISABLED | YES | Yes | No |
| TEEN MOTHERS REQ'D TO LIVE W/ ADULT | YES | No | No |
| EXPANDED CHILD CARE SERVICES | YES | No | No |
| MANDATORY CHILD IMMUNIZATIONS | YES | No | No |
| TRANSITIONAL MEDICAID SERVICES | YES | No | No |
| MANDATORY SCHOOL ATTENDANCE | YES | No | No |
| INCENTIVES FOR HS GRADUATION | YES | No | No |
| ELIMINATE AUTO RESOURCE LIMIT | YES | No | No |

Reasons for Enrolling in AFDC

Cases Open 3 Years or More



Age of Parent v. Months on AFDC



AFDC Family Living Arrangement

Cases Open 3 Years or More

