

SENATE No. 79

The Commonwealth of Massachusetts

PRESENTED BY:

James T. Welch

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect.

PETITION OF:

NAME:

James T. Welch

DISTRICT/ADDRESS:

Hampden

SENATE No. 79

By Mr. Welch, a petition (accompanied by bill, Senate, No. 79) of James T. Welch for legislation relative to public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect. Children, Families and Persons with Disabilities.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act relative to public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Whereas: The Boston Federal Reserve Bank has awarded the City of
2 Springfield a Working Cities Grant the goal of which is to increase the number of individuals,
3 currently living in conditions below the federal definition of poverty, participating in the
4 workforce; and

5 Whereas: Springfield’s Working Cities Group is led by the Economic Development
6 Council of Western Mass (EDC) in partnership with a significant number of private employers,
7 not-for-profit organizations, and municipal departments, including the Springfield Public
8 Schools and the Community Development Department; and

9 Whereas: There is substantial data and research on the Cliff Effect, including a study by
10 UMass Boston’s Center for Social Policy, entitled: “Between a Rock and a Hard Place: A Closer
11 Look at Cliff Effects in Massachusetts.” The study details that Cliff Effects occur when public

program beneficiaries' incomes go up and they suffer a reduction or loss of those public supports. The net effect is that their overall income and benefits decline or remain stagnant compared to their cost of living, resulting in little or no incentive to work or earn better wages; and

Whereas: Other States, including Minnesota, Colorado and Connecticut have developed pilot and or tiered benefit programs to bridge the Cliff Effects that occur as an individual or family moves from public assistance to a livable wage; and

Wherefore: It is the desire of the Commonwealth to create a Pilot Program to mitigate Cliff Effects Cliff Effect for low-income individuals and families, in the City of Springfield, who are receiving public assistance and to do so in partnership with the Boston Federal Reserve's Working Cities Grant, to increase participation in the workforce and in the long term, reduce the amount of dollars needed for public assistance programs; so

SECTION 2. Chapter 18 of the General Laws as appearing in the 2014 Official Edition is hereby amended by inserting after section 2B the following section:-

Section 2C. (a) Beginning on July 1, 2017, the department of transitional assistance is authorized to develop and oversee a pilot program known as the Working Cities Cliff Effects Program in which all assistance programs that the department administers or are administered by any other agency, department or Secretariat of the Commonwealth are modified to mitigate the Cliff Effect for low-income individuals and families that are working and receiving any form of public assistance, including but not limited to cash assistance, child care benefits, transportation assistance, housing assistance/voucher, and health care subsidy/benefits. The program's primary goal shall be to facilitate, encourage and support the ability of these individuals and families to

enter or reenter the workforce and to reduce the need for and costs of the public benefits programs in the long term.

(b) The department of transitional assistance shall develop the Working Cities Cliff Effects Program in collaboration with the Massachusetts Economic Development Council, and all state agencies, departments, and Secretariats of the Commonwealth that administer assistance programs as described in subsection (a).

(c) The Working Cities Cliff Effects Program shall be limited serve up to 100 Springfield individuals and families who: (i) have received public benefits, as described in subsection (a), for less than twelve (12) consecutive months at the time of application to the Working Cities Cliff Effects Program; and (ii) must be eligible for the Work Opportunity Tax Credit.

(d) The Working Cities Cliff Effects Program shall, at a minimum, operate concurrently with the 3 year, Boston Federal Reserve's Working Cities Grant for the City of Springfield, and any extensions thereof.

(e) Individuals and families participating in the Working Cities Cliff Effects Program shall continue to receive all benefits at the same level that they had received immediately prior to enrollment. Participant shall also be allowed to keep income retained after applicable state and federal taxes, and consistent with subsection (h).

(f) The department of transitional assistance shall determine the dollar value of all benefits that a participant is receiving at the time of enrollment in the Working Cities Cliff Effects Program.

During the first year of enrollment in the Working Cities Cliff Effects Program a participant shall retain 100% of the public benefits the department of transitional assistance calculated at the time of their enrollment plus an additional 20% of the income earned, after applicable state and federal taxes, from fulltime employment. A participant shall be required to deposit the remaining 80% of income earned into a savings account that the participant can access only upon disenrollment from the Working Cities Cliff Effects Program or for an emergency. If the department of transitional assistance determines that a participant has successfully moved into the workforce during the course of their enrollment or upon the conclusion of the Working Cities Cliff Effects Program the Commonwealth shall deposit into the match the balance of the participant's savings by 10%.

During the second, third, or any subsequent years of enrollment a participant shall be allowed to keep all earned income plus be awarded public benefits such that the dollar value of those benefits combined with their earned income would equal 120% of the dollar value of all benefits received by that participant at the time of enrollment in the Working Cities Cliff Effects Program as determined by the department of transitional assistance.

(g) The department of transitional assistance shall ensure that 2 intensive case managers will be hired, located, and assigned for the sole purpose of overseeing participants' progress in the Working Cities Cliff Effects Program. The department of transitional assistance shall coordinate with the Boston Federal Reserve Working Cities Grant and the Massachusetts Economic Development Council during the hiring process and to ensure that the intensive case managers will be located where they can best provide services to participants. The department of transitional assistance is encouraged to utilize the Economic Development Council and the

76 Springfield Work Committee in seeking shared resources to support the Working Cities Cliff
77 Effects Program.

78 The department of transitional assistance and the intensive case managers shall coordinate
79 with the Boston Federal Reserve's Working Cities Grant, the Massachusetts Economic
80 Development Council, and Springfield Works' staff members, mentors and volunteers to
81 maximize the effectiveness of the Working Cities Cliff Effects Program. If a participant
82 successfully transitions off of public assistance while enrolled they shall remain eligible for
83 counseling services, technical support services and shall be monitored for data collection
84 purposes.

85 (h) Beginning in 2018 the department of transitional assistance shall annually on or
86 before February 1, report on the progress of the Working Cities Cliff Effects Program to the
87 chairpersons of the house and senate committees on ways and means and the joint committee on
88 labor and workforce development. The report shall include but not be limited to: (i) the number
89 of participants; (ii) the number of participants who entered the workforce; (iii) the amount of
90 yearly income each participant earned; (iv) the hourly wage rate of each participant including a
91 record of all salary increases over the year's period of time; (v) the amount of dedicated saving
92 of each participant in year one; (vi) the dollar amount of all monies that inured to the
93 Commonwealth in years two and three; and (vii) all records of participants entering or exiting the
94 workforce with all reasons for any exiting.