

**SENATE . . . . . No. 57**

**The Commonwealth of Massachusetts**

PRESENTED BY:

*Eric P. Lesser*

*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 concerning public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	
<i>James T. Welch</i>	<i>Hampden</i>	<i>1/25/2019</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>1/30/2019</i>
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>2/1/2019</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/12/2019</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>1/25/2019</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	<i>1/30/2019</i>
<i>John C. Velis</i>	<i>4th Hampden</i>	<i>2/1/2019</i>

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By Mr. Lesser, a petition (accompanied by bill, Senate, No. 57) of Eric P. Lesser, James T. Welch, Adam G. Hinds, Joanne M. Comerford and other members of the General Court 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.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
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An Act concerning 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. Chapter 18 of the general laws, as so appearing in the 2016 official edition,  
2 is hereby amended by inserting, after section 39, the following section:-

3           Section 40. (a) There shall be established a pilot program to mitigate cliff effects for low-  
4 income individuals/families that are working and receiving public assistance. Beginning on July  
5 1, 2020, the EDC and Working Cities Group, in collaboration with the Department of  
6 Transitional Assistance (the Department), is authorized to develop and oversee a pilot program  
7 (hereby called the “Pilot Program”) in which the Massachusetts Earned Income Tax Credit  
8 and/or all assistance programs that the Department administers or are administered by any other  
9 agency, department or Secretariat of the Commonwealth, are modified to mitigate the cliff effect  
10 for low-income individuals/families that are working and receiving any form of public  
11 assistance, including but not limited to cash assistance, SNAP, child care benefits, transportation

12 assistance, housing assistance/voucher, and health care subsidy/benefits; understanding this  
13 legislation cannot change existing federal programs and regulations. The EDC will authorize and  
14 coordinate with the Department the assignment of Department case managers to oversee and  
15 assist families/individuals who apply or are already receiving public assistance to maximize their  
16 benefits and plan for the gradual lessening of benefits as their employment income increases.  
17 Working Cities Group will leverage existing resources to provide coaching and mentoring,  
18 financial wellness, cliff effect planning training, and other services as needed to achieve the  
19 goals of the program.

20 (b) The EDC in partnership with the Department is required to collaborate with all  
21 appropriate State agencies, departments, and Secretariats of the Commonwealth in developing  
22 the Pilot Program.

23 (c) The Pilot Program shall serve 50 Western Mass families/individuals who have been  
24 receiving public benefits for less than twelve (12) consecutive months at the time of application  
25 into the Pilot Program. Participants in the Pilot Program must be eligible for the Work  
26 Opportunity Tax Credit.

27 (d) The Pilot Program shall run for three (3) years, ending December 31, 2023, unless  
28 extended by an act of the legislature.

29 (e) The Pilot Program's primary goal is to facilitate, encourage and support  
30 families/individuals to enter/reenter the workforce.

31 (f)(1) A family/individual may be eligible to participate in the Pilot Program, once in a  
32 five year period, for three (3) consecutive years. The Pilot Program shall continue to pay an  
33 amount not less than the participants' base year (as defined in Section 1.6(a), for the duration of

34 the family/individual's participation in the Pilot Program. In addition the Participant shall be  
35 allowed to keep all income generated, (subject to conditions stated below) net of payroll and all  
36 applicable State and Federal income or other applicable taxes/fees.

37 (2) The Department shall determine the dollar value of all benefits that a participant is  
38 receiving at the time that he/she enters the Pilot Program (hereby called the base) and becomes  
39 fully employed with a minimum of 37.5 hours/week.

40 (3) In the first year that a family/individual is participating in the Pilot Program it is the  
41 intent of the Pilot Program that a participant be allowed to retain an amount equal to 100% of  
42 their public benefits plus keep an additional 20% of the income earned as a result of fulltime  
43 employment.

44 (4) In the first year that a family/individual is participating in the Pilot Program he/she  
45 shall be required to deposit 80% of after-tax income earned as a result of full-time employment  
46 into a savings account dedicated for the participant's future use (after he/she exits the Pilot  
47 Program) or for an emergency during participation in the Pilot Program. The Department shall  
48 determine what defines an emergency. The savings account shall be excluded from the so-called  
49 "asset test" in determining benefit eligibility for the duration of the family/individual pilot  
50 participation. If the Department determines that a participant has successfully moved into the  
51 workforce during or at the end of the Pilot Program, then the Commonwealth shall award a  
52 match equal to 10% of the balance of the participant's savings.

53 (5) In the second and third year that a family/individual is participating in the Pilot  
54 Program he/she shall be allowed to keep all earned income plus be awarded an increase in the  
55 Mass Earned Income Tax Credit, whose dollar value, allows the participant to continue to earn

56 an amount that is not less than the base. There shall be no required savings in year two or three  
57 of the Pilot Program. If the participant successfully transitions off of public assistance, during the  
58 Pilot Program, the participant shall still receive counselling services, technical support services  
59 and be monitored for data collection purposes.

60 (g)(1) For the duration of the Pilot Program, the Department shall coordinate with the  
61 EDC to provide two (2) intensive case managers that are assigned to the Pilot Program, with the  
62 primary responsibility of overseeing participants' progress. The Department shall coordinate the  
63 hiring process with the EDC.

64 (g)(2) The EDC, the Department and the intensive case managers shall utilize shared  
65 resources of the Working Cities Group employer partners, staff members, mentors and  
66 volunteers in order to maximize the effectiveness of the Pilot Program, but shall not require any  
67 financial contribution from the parties.

68 (h) The EDC and the Department shall provide the Legislature with a yearly report on the  
69 Pilot Program, on or before February 15 of each year of the Pilot Program beginning in 2021.  
70 The report shall include but not be limited to the number of participants, the number of  
71 participants who entered the workforce, the amount of yearly income each participant earned, the  
72 hourly wage rate of each participant including a record of all salary increases over the year's  
73 period of time, the amount of dedicated saving of each participant in year one, the dollar amount  
74 of all monies that inured to the State in years two and three, and all records of participants  
75 entering or exiting the workforce with all reasons for any exiting. The legislature will give due  
76 weight to the report in all decisions of extending or sun setting the Pilot Program and  
77 determining its effectiveness.