

**SENATE . . . . . No. 79**

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**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

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

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

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

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

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

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

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

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

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

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

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

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

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

69           (g) The department of transitional assistance shall ensure that 2 intensive case managers  
70 will be hired, located, and assigned for the sole purpose of overseeing participants' progress in  
71 the Working Cities Cliff Effects Program. The department of transitional assistance shall  
72 coordinate with the Boston Federal Reserve Working Cities Grant and the Massachusetts  
73 Economic Development Council during the hiring process and to ensure that the intensive case  
74 managers will be located where they can best provide services to participants. The department of  
75 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.