

TESTIMONY OF MICHAEL J. WIDMER  
JOINT COMMITTEE ON HUMAN SERVICES AND ELDERLY AFFAIRS  
OCTOBER 22, 2001

Senator Tucker, Representative Cabral, members of the Human Services Committee. I am Michael Widmer, President of the Massachusetts Taxpayers Foundation, and I appreciate the opportunity to testify on House 4141. Six months ago the Foundation joined with the United Way of Massachusetts Bay in producing a detailed study of the state's welfare program. We are pleased that House 4141 picks up on the key theme of our report, namely, the inclusion of education and training as part of the work requirement. However, based on our analysis, we believe that the Commonwealth should move beyond the Governor's recommendations.

One overriding principal emerged from the study: the goal of the state's welfare program should be to help recipients achieve long-term economic independence and self-sufficiency. Let me emphasize that this goal -- independence and self-sufficiency -- not only serves the interests of welfare families, but also employers and taxpayers. Families, of course, realize the economic and social advantages of moving out of poverty and earning a reasonable income. Employers have a greater need than ever for skilled employees who can help compete in the global economy. And taxpayers benefit when former recipients no longer rely upon state benefits and instead become contributing taxpayers themselves.

It is clear that the education and training of welfare recipients is the critical factor in their ability to achieve long-term economic independence. Almost 50 percent of welfare recipients in Massachusetts lack a high school diploma or GED, and study after study documents the close correlation between the level of education and an individual's lifetime earnings.

Strikingly, among the 50 states, Massachusetts stands alone in not allowing any education or training to count toward the work requirement. The state's narrow work requirement effectively denies welfare recipients the chance to pursue the kinds of education and training opportunities that are available in most other states and allowed by federal law.

The key recommendation of our study is to allow education and training to count toward the work requirement. While H.4141 takes a step in that direction, it is unnecessarily restrictive. If economic self-sufficiency is the long-term goal, then we should encourage recipients to pursue education and training while they are receiving state assistance. Most training programs cannot be accommodated within the time limits set by H.4141, to say nothing of the logistical problems for welfare mothers of combining work and education.

As the Governor proposes, we do support extending the work requirement from 20 to 30 hours and establishing a 20-hour requirement for mothers of children age two to six. However, we feel strongly that expanding the work requirement only makes sense if we allow education and training to count for all of those hours.

With the economy falling into a recession, the importance of education and training as a means of achieving self-sufficiency becomes ever more apparent. Unskilled workers are traditionally the first to be laid off in a recession, and it is no surprise that the welfare rolls have recently begun to rise.

We also believe that both the current welfare policy as well as H.4141 are too restrictive in providing extensions to recipients who are fully complying with program requirements. As Connecticut does, Massachusetts should provide uniform and consistent six-month extensions based on definitive criteria, certainly including the completion of education and training programs.

Finally, H.4141 is silent on one of the critical recommendations in our report, the importance of comprehensive early assessments and appropriate referrals to education or other programs for recipients who have become eligible for welfare. We recommend that the state utilize trained professionals to conduct comprehensive assessments of all recipients subject to the time limit within 90 days after they apply for benefits.

How do these policies benefit taxpayers? In Massachusetts, a family of three no longer qualifies for welfare when its annual income exceeds \$12,540, yet that family remains eligible for a host of benefits such as Medicaid, food stamps, child care and housing at higher income levels. As former welfare recipients reach economic independence, not only do they no longer rely on the state for benefits, but they contribute as taxpayers themselves. That is in the interests of everyone.

In conclusion, we believe that the goal of welfare reform should be to help recipients achieve long-term economic independence and we urge the Committee to adopt policies which help achieve this goal.

Thank you.