



**FOR IMMEDIATE RELEASE**  
June 27, 2019

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### **The New “Making Work Pay” Bill May Mean the End of the Benefits Cliff**

On Monday, May 27<sup>th</sup>, Governor Greg Abbott signed House Bill 1483, more commonly referred to as “Making Work Pay,” into law. This new bipartisan Texas law holds the potential to fundamentally transform the way poverty is addressed statewide through a change in the way public welfare benefits are administered.

The legislation will address the fundamental problem in two key welfare programs, Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance to Needy Families (TANF): the benefits cliff. This “cliff” is the immediate, disproportionate drop off of public benefits that occurs when a wage earner from a family begins working or takes an incremental raise. The increased income is not enough to move them to self-sufficiency but *immediately disqualifies* them from receiving public benefits. That lack of immediate financial gain and decrease in financial assistance results in families remaining in or re-entering poverty.

“We see clients turning down higher-paying jobs because the increased income would disqualify them from benefits that they still need to meet immediate and necessary expenses. Recipients then remain in public benefit programs long-term because of this gap,” says Shannon Rosedale, Project Coordinator at Catholic Charities Fort Worth. “Like our client Sarah who has four kids, one with severe autism who requires in-home therapy. Sarah began a part-time cleaning job for less than \$10 an hour — immediately losing more than \$500 in public assistance as a result. Five hundred dollars that meant groceries for her children, a roof over their heads, and gas to get to work. In the end, Sarah quit her job because *she could not afford to go to work*. She just could not survive on her own yet.

The Making Work Pay legislation creates a pilot program that tests whether a slow reduction of benefits, paired with wrap-around case management aimed at securing a sufficient-wage job; emergency savings; and debt management plan, will help clients reach long-term self-sufficiency independent of public benefits. The pilot also includes an external program evaluation, so the true effectiveness of the pilot can be tested.

“Working more hours or working for higher pay should never leave people worse off than they were before,” says Representative James Frank, Wichita Falls. “This is why we need real reform. We must realign current government programs in a way that gives meaningful help to those who want to get out of poverty once and for all.”

The pilot will serve up to 500 recipients of TANF or SNAP for 24 to 60 months. There is also room to expand the program by 20 percent once the pilot is operational. Catholic Charities Fort Worth (CCFW) has been actively running a pilot to test some of these case management strategies for over 4 years. CCFW defines out of poverty by four metrics —

earning a living wage, having savings in the bank and demonstrating savings behavior, having no inappropriate debt, and living free of government subsidies. It's a high bar, but it is included among the definition of success in the "Making Work Pay" bill.

For more information about the bill, visit [Catholiccharitiesfortworth.org/endthecliff](http://Catholiccharitiesfortworth.org/endthecliff)

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#### About Catholic Charities Fort Worth

Catholic Charities Fort Worth (CCFW) is a learning-focused nonprofit with a belief that ending poverty is possible. Our diverse services, poverty solutions, and income-generating social enterprises help tens of thousands in our 28 county diocese each year, most of whom are the working poor. We strategically challenge the way poverty is addressed nationwide by scrupulously testing our own case management methods through research partnerships, exporting our known-solutions to other non-profits, and serving as a resource for what works on Capitol Hill. We invite you to come and be a part of the conversation. For more information, please visit us at [catholiccharitiesfortworth.org](http://catholiccharitiesfortworth.org)