



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance

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Testimony of Michael Cole
Commissioner of the Department of Transitional Assistance
Joint Committee on Ways and Means
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Good morning, Chair Holmes, Chair Edwards, and members of the Joint Committee on Ways and Means. My name is Michael Cole, and I am honored to serve as the newly appointed Commissioner of the Department of Transitional Assistance. Thank you for the opportunity to appear before you today to discuss DTA's work and Governor Healey's FY27 budget proposal.

I have had the honor of working at the Department of Transitional Assistance for more than a decade, beginning my career as a data analyst, then moving into roles overseeing the Department's budget, project management, program integrity, policy, and programs, and most recently serving as Chief Operating Officer. This experience has provided me with a comprehensive understanding of the full scope of DTA's operations, from how complex federal eligibility rules are translated into policy and systems, to how budgets are constructed and managed, to our mechanisms to prevent fraud and promote program integrity, to how frontline staff serve residents every day. As you will hear in my testimony, the Department faces significant challenges stemming from recent federal policy changes and fiscal pressures.

Even in this environment, our staff continue to meet these challenges with professionalism and unwavering commitment to the individuals and families we serve. I could not be more confident in the skill, integrity and dedication this team brings to this work. DTA's mission is to assist and empower low-income individuals and families to meet their basic needs, improve their quality of life, and support long-term economic stability. The Department serves approximately one in six Massachusetts residents through programs that provide nutrition assistance, modest cash supports, and employment and training services. These programs are essential to individuals and households, and to the economic health of every community throughout the Commonwealth. The economic impact of this work is substantial: for every dollar of SNAP benefits spent, we see approximately \$1.50 in economic activity. Our programs work; we lift families out of poverty and spur economic activity. Both directly and indirectly, there is not a resident of Massachusetts who does not benefit from the impact of DTA.

As we enter FY27, the Department's work is shaped by both ongoing demand for assistance and significant federal actions affecting the Supplemental Nutrition Assistance Program. In the coming year, DTA is focused on three core priorities:

1. Ensuring equitable access to benefits for those who are eligible;
2. Administering programs with the highest standards of integrity and accuracy; and

3. Strengthening the workforce, technology, and partnerships needed to manage increased federal complexity while continuing to serve residents effectively.

I am grateful to the Healey-Driscoll Administration for its continued support of DTA's mission, and to the Legislature for its longstanding partnership. This partnership is especially critical at this moment when the fiscal and operational stakes of SNAP administration have increased considerably and there is intense public scrutiny.

About the Department of Transitional Assistance

DTA administers several programs: the Supplemental Nutrition Assistance Program (SNAP), the Healthy Incentives Program (HIP), the SUN Bucks (Summer EBT) program, Transitional Aid to Families with Dependent Children (TAFDC), Emergency Aid to the Elderly, Disabled and Children (EAEDC), the SSI State Supplement Program, and employment and training initiatives that support participants in achieving greater economic stability. Together, these programs allow DTA to provide a foundation of support that helps people weather periods of hardship while remaining connected to work, education, and community resources.

Over the past several years, the Department experienced historic caseload growth driven by economic volatility, rising housing and food costs, and need during the COVID-19 pandemic. While the SNAP caseload has recently begun to stabilize, the overall demand on DTA services remains close to an all-time high. At the same time, federal policy changes have significantly restricted SNAP eligibility and increased program complexity for both residents and staff. Compounding these challenges, the federal government imposed stricter payment error rate standards with draconian financial penalties, while simultaneously reducing federal administrative funding to support SNAP operations.

More than 1,900 DTA employees serve residents in 21 different locations across the Commonwealth. Every day, these staff members process applications, conduct interviews and eligibility reviews, support employment and training participation, and respond to client needs. Each month, DTA staff manage extraordinary operational volume, including tens of thousands of office visits, over 41,000 calls connected to workers, and nearly 58,000 households due for recertification or reevaluation in a single month. Their experience and professionalism are essential to the Department's ability to adapt to new federal requirements while maintaining service quality and timeliness. The \$147.7M that Governor Healey has requested in our caseworker line item directly allows us to maintain this critical staffing level. Without this funding, we cannot sustain the workforce that drives our success and keeps food on the table for households in every corner of the Commonwealth.

Programs and Services

The Supplemental Nutrition Assistance Program (SNAP) remains the Department's largest program, serving more than one million Massachusetts residents each month, or approximately one in six individuals. About 31 percent are children, 26 percent are adults aged 60 or older, and 30 percent are individuals with disabilities. The average SNAP benefit is \$332 per household per month, which amounts to just around \$11 a day. SNAP not only directly helps individuals and families, but brings more than \$2.5B into the Commonwealth annually, bolstering local grocery stores, farmers, and food retailers in every region of the state while reducing food insecurity. Each SNAP dollar spent generates approximately \$1.50 in economic activity, SNAP not only helps families put food on the table but also strengthens local economies and supports jobs throughout the food system.

DTA also administers programs that enhance the impact of SNAP and promote economic mobility and growth. The Massachusetts Healthy Incentives Program (HIP) increases low-income residents' access to

healthy produce by adding state funds to SNAP purchases of fruits and vegetables at over 250 participating local farms. HIP advances equity by improving both the nutrition outcomes for low-income families and their purchasing power while investing in the Commonwealth's agricultural economy, resulting in a triple win of food security, public health, and local economic development. Governor Healey's request of \$29.7M will allow us to maintain uninterrupted program services supporting healthier families and farms this coming fiscal year.

Beginning in Summer 2024, DTA started the SUN Bucks (formerly known as Summer EBT) program in collaboration with the Department of Elementary and Secondary Education (DESE). SUN Bucks was established in the Federal Consolidated Appropriations Act of 2023 which called for the establishment of a permanent nationwide program to offer food benefits that helps low-income families with school-aged children buy groceries when schools are closed for the summer. For Summer 2025, the state issued benefits to 348,427 families (524,000 children) providing a benefit amount of \$120 for each eligible child for the summer period. The total amount issued in benefits was \$62,882,229.

DTA also administers two cash assistance programs that provide modest but essential financial support to households facing significant hardship. Transitional Aid to Families with Dependent Children (TAFDC) serves just under 40,000 families with children and pregnant individuals with little or no income, providing on average \$761 a month in basic cash assistance alongside access to employment and training services, childcare, and other supports designed to stabilize children and promote economic mobility. Emergency Aid to the Elderly, Disabled and Children (EAEDC) serves over 33,000 older adults and individuals with disabilities who are unable to work and have little or no income, helping them meet basic needs, the average EAEDC benefit is \$492 a month.

Direct economic assistance programs play a critical stabilizing role for parents, children, older adults and individuals with a disability. By pairing financial assistance with employment services, case management, and referrals to community-based resources, these programs help address immediate needs while supporting pathways toward greater independence and long-term economic stability where possible.

Employment and Training programs are another critical component of the Department's work. Regardless of which program a person participates in, DTA connects clients who receive SNAP and cash assistance to education, job training, and employment supports. These services help individuals meet federal work requirements and build pathways toward stable employment. Services are also designed to be responsive to individual needs and address common barriers such as limited work history, language access needs, transportation challenges, and childcare responsibilities. By pairing benefit support with workforce development programs, DTA helps participants increase earnings, reduce reliance on federal assistance over time, and meaningfully contribute to the Commonwealth's workforce.

Empowering to Employ is a collaborative initiative between DTA and MassAbility that expands employment opportunities for TAFDC clients with disabilities through individualized vocational supports and intensive co-case management. The program shifts the focus from disability-based exemptions to meaningful workforce engagement that leads to jobs in high-demand industries. Using a jointly funded, hands-on service model, the initiative supports participants on a clear path toward employment and economic stability. To date, over 1,000 clients have participated, demonstrating both impact and scalability.

To reduce administrative burden and strengthen the integrity of our programs and services, the FY27 budget includes several targeted updates to modernize and streamline the administration of DTA programs.

The budget proposes the Employment Bridge Payment, a reform that builds on the success and lessons of the Earned Income Disregard, to better support families as they transition into work while still maintaining their access to critical food assistance. The 100% Earned Income Disregard was designed to allow families who start working to temporarily keep more of their cash assistance, but due to federal rules this work incentive resulted in many families losing SNAP benefits before their earnings were high enough to make up the difference, a problem known as the cliff effect.

The Employment Bridge Payment improves the Earned Income Disregard by restructuring how support is delivered. Instead of delaying benefit loss, it provides increased support after cash assistance ends due to employment through four Employment Bridge Payments equal to the cash received under the 100% Earned Income Disregard.

The FY27 budget includes an asset limit for EAEDC to better align the program with its intended role as temporary assistance for individuals with limited resources. The proposed asset limit is significantly higher than the program's previous asset limit and is aligned with both the SSI and MassHealth asset limits.

Through SNAP, employment services, and targeted cash assistance, DTA plays a central role in supporting Massachusetts families while strengthening local economies and promoting economic mobility pathways. The FY27 budget builds on this foundation with thoughtful updates that reduce administrative burden, support residents' smoother transitions to employment, and ensure resources reach those with the greatest need. These changes reflect DTA's commitment to maintaining a strong, effective safety net that helps families meet immediate needs while building toward long-term stability and economic independence.

Federal Actions Affecting SNAP

In July 2025, the federal government enacted sweeping changes that have reshaped the administration of SNAP that all states are legally required to implement. These changes create real challenges for the families we serve. They represent some of the most substantial programmatic shifts to SNAP in decades and introduce new eligibility restrictions, work requirements, and documentation burdens for many households.

As these changes are implemented, a broad range of our shared constituents will face stricter work rules and additional administrative requirements as they are recertified over the next year. This includes working parents, older adults, veterans, and individuals experiencing housing instability. These increased administrative burdens further complicate an already complex program at a time when the cost of living remains high across the country. Many lawfully present immigrants who have long been eligible for SNAP under federal law will lose access to food assistance over the coming year due to these federal changes.

We were required to enact out these changes simultaneously with one of the most significant federal disruptions in the history of SNAP, the unprecedented decision by the federal government to suspend SNAP benefits during a federal government shutdown. This period tested the resilience of both the program and the communities that rely on it. Throughout the shutdown, DTA staff remained in close contact with clients, continued processing applications and recertifications so they could be submitted immediately upon the federal government's reopening, and worked closely with local food banks, advocates, and community organizations to support residents and maintain continuity of services.

Recognizing the scale and potential impact of these federal actions, the Healey-Driscoll Administration took a proactive approach and convened an Anti-Hunger Task Force in July 2025 and organized a

partnership with the United Way to create the United Way Response Fund which raised close to \$6M for families impacted by the suspension of SNAP. The aim of this task force is to develop targeted strategies to maintain food security and support residents most affected by these changes. This work is ongoing and brings together public, private, and nonprofit partners to identify immediate mitigation strategies as well as longer-term solutions to strengthen food access across the Commonwealth.

While the Department must implement federal law, our commitment remains unchanged: to administer SNAP with integrity, to communicate clearly and transparently with households, and to work in partnership with the Legislature and community stakeholders. Regardless of federal policy shifts, DTA remains steadfast in its responsibility to effectively and equitably administer the core assistance programs entrusted to the Commonwealth, including SNAP, cash assistance, and employment and training services, that help residents meet basic needs and maintain stability during periods of transition and uncertainty.

Program Integrity, Fraud Prevention, and Benefit Security

DTA administers more than \$3B in combined federal and state benefits each year, and safeguarding these resources is a core responsibility. The Department is committed to administering programs with the utmost integrity while ensuring that eligible households can access benefits without unnecessary barriers. Safeguarding program integrity requires a clear understanding of the difference between criminal actions of fraud to steal client benefits and payment errors.

Fraud involves intentional criminal activity, often carried out by organized actors seeking to exploit benefit systems. Payment errors are most often a result of a client misunderstanding the complex program rules, changing household circumstances, or an internal administrative oversight. The vast majority of SNAP payment errors are driven by a client unintentionally misreporting household information, not deliberate wrongdoing.

Massachusetts has experienced an increasingly complex threat landscape as sophisticated criminal enterprises target SNAP benefits through theft, trafficking, and other fraudulent schemes. While the recent media reports on incidents that have involved skimming and phishing efforts that victimize clients, DTA actively and consistently works with State and Federal partners to combat benefit trafficking and retailer fraud through robust detection, investigation, and enforcement systems.

To safeguard client benefits and maintain program integrity, DTA employs a multi-layered strategy that integrates technological safeguards, enhanced transaction monitoring, direct client communication, and close coordination with federal agencies, state oversight bodies including the Office of the State Auditor, law enforcement partners, and the Department's EBT vendor. Through data analysis, transaction monitoring, and coordinated enforcement efforts, DTA detects emerging threats, identifies patterns of theft, trafficking, and fraud, and refers cases for investigation to support accountability and recovery actions.

Despite high-profile cases that draw public attention, confirmed fraud represents less than 1% total program spending. The overwhelming majority of benefits issued through DTA programs go to eligible households and are used appropriately to meet basic needs. Importantly, significant fraud cases are identified and pursued because of the Commonwealth's strong program integrity framework, demonstrating the effectiveness of DTA's prevention, detection, and enforcement systems.

The Department is committed to enhancements that result in expanded transaction monitoring, improved client education on benefit security, and rapid response protocols to freeze compromised accounts. In late 2024, DTA launched card-locking functionality through DTA Connect, allowing clients to lock and unlock their EBT cards in real time to prevent unauthorized use. In 2025, we added the ability to lock and

unlock EBT cards to our phone system so clients without access to the DTA Connect app can be equally protected. The card locking feature has been a meaningful tool in empowering clients to protect their benefits.

Looking ahead, the Department is actively working on becoming one of the first states in the country to make the transition to chip-enabled EBT cards, which will substantially reduce vulnerability to skimming and are a critical component of DTA's layered approach to program integrity and client protection. Chip technology represents a significant advancement in benefit security and aligns SNAP with modern payment standards used across the financial industry.

SNAP Payment Error Rate (PER)

The SNAP Payment Error Rate, or PER, is a federally defined measure of how accurately states adhere to federal rules when determining eligibility and calculating benefit amounts for SNAP households. Errors captured in the PER include both overpayments and underpayments that exceed a defined threshold and are identified through a highly technical state case review and federal rereview process. Payment errors are, in large part, accidental misreporting by our clients due to the complex nature of the SNAP rules and regulations. If states do not meet the strict Payment Error Rate limits, then they will be subject to a financial penalty. For Massachusetts, the maximum penalty could be up to \$400M.

SNAP is complex, and eligibility and benefit amounts depend on a wide range of factors, including household composition, fluctuating wages, changes in shelter and utility expenses, deductions, and reporting requirements that can vary over time. In Massachusetts, as in other states, the majority of payment errors stem from changes in income or household circumstances that are difficult to capture in real time, particularly in a high-volume program serving more than one million residents.

Prior to the pandemic, Massachusetts maintained a relatively low PER, generally between 4-6%, which was under federal tolerance levels and well below the national average. During the public health emergency, federal policy choices dramatically altered SNAP administration nationwide. States were directed to prioritize access to benefits, implement broad waivers, and reduce administrative burden. As a result, caseloads grew rapidly in Massachusetts and throughout the country. These changes were necessary to prevent hunger and stabilize households during an unprecedented crisis.

As temporary flexibilities ended and normal verification and reporting requirements resumed, payment error rates increased across the country, including in Massachusetts.

Recent federal policy changes have significantly raised the fiscal stakes associated with the PER, fundamentally changing the playing field by shifting financial risk and responsibility from the federal government onto states. Beginning in the federal fiscal year that started in October 2025, states with elevated error rates will be required to assume a share of SNAP benefit costs using state funds. For Massachusetts, which brings billions of federal SNAP dollars into the Commonwealth each year, these potential penalties represent a serious fiscal risk if not addressed proactively and thoroughly.

The Department of Transitional Assistance has approached this challenge with clarity, confidence, and a commitment to continuous improvement. DTA has launched a comprehensive, agency-wide strategy to reduce the PER while maintaining access to benefits for eligible households. This work is grounded in the expertise of our highly trained staff and supported by strong, ongoing partnerships with oversight and auditing entities.

Key initiatives underway include the reinstatement of interviews and verification steps at recertification, enhanced staff training focused on high-risk areas such as income, shelter, and utility expense

calculations, and improvements to data matching with other entities including other state agencies to ensure staff have access to more accurate and timely information. The Department has established a dedicated Quality Assurance team composed of experienced caseworkers whose sole focus is identifying and correcting errors early, before they affect benefit accuracy.

In addition, DTA is investing in its workforce to support accuracy. The Department is hiring additional caseworkers to reduce caseload pressure and provide staff with the time and capacity needed to conduct thorough reviews. Ongoing professional development and targeted coaching reinforce consistent application of policy and strengthen staff confidence in navigating complex eligibility rules.

Technology improvements also play a critical role in PER reduction. Investments in system enhancements and workflow improvements help streamline processes while reinforcing accuracy. We are integrating a predictive model into our systems to help identify cases that show signs of having a high likelihood of inaccurate information and dedicating additional resources to investigate those cases and rectify potential areas of information mismatch. These tools support staff in identifying discrepancies, verifying information, and documenting decisions clearly and consistently.

The PER reflects a narrow slice of a large, complex program. With the experienced workforce, systems, and partnerships in place, the Department is confident in its ability to improve accuracy, mitigate fiscal risk, and meet evolving federal expectations while continuing to serve residents effectively and compassionately.

Conclusion

The Department of Transitional Assistance plays a vital role in supporting food security, economic stability, and opportunity across the Commonwealth. In FY27, the Department faces a challenging landscape shaped by heightened federal requirements, increased fiscal risk, and growing operational complexity. With the support of the Governor and the Legislature, DTA is meeting these challenges with a skilled workforce, strong partnerships, and a clear focus on both program integrity and access.

The investments proposed in the FY27 budget are essential to sustaining that work. They will allow the Department to maintain timely access to benefits for eligible households, strengthen accuracy and oversight in an increasingly complex federal environment, protect the Commonwealth from significant financial penalties, and continue modernizing the systems and workforce that residents rely on every day. Most importantly, this funding ensures that families, older adults, and individuals facing hardship can meet their basic needs while working toward long-term stability.

I respectfully ask for your support of the FY27 budget proposal so that DTA can continue delivering critical assistance with integrity, efficiency, and compassion, and so that Massachusetts remains a national leader in protecting food security and economic opportunity for its residents. I look forward to continuing our work together on behalf of the people of the Commonwealth.

Thank you.