



Above, Brian Kelly

Company finds getting people off welfare good for business

By Dave Lepore, Bristol Press Correspondent

Efforts to get people off of welfare and into meaningful jobs have been predominantly organized by social service organizations, non-profit agencies and government bureaus.

Cost Management Services, a Farmington-based company, takes a more pragmatic, bottom-line approach and has made it part of its business to help companies hire former welfare recipients.

"It makes sense to hire these folks," said Brian Kelly, a Bristol resident and president of CMS. And he means economic sense.

Both state and federal governments offer attractive incentives for companies to hire people coming off welfare, he said. CMS serves as a facilitator in the process, keeping clients apprised of the incentives and handling the sometimes onerous task of completing the necessary paperwork.

Savings to employers can be significant. For example, the state of Connecticut will pay health insurance benefits for the first two years of employment for anyone hired off the state's welfare rolls, Kelly said.

The state will also provide funding for day care and will pay for transportation for the first two weeks of employment, he said. Federal programs also kick in for transportation.

These incentives address specific concerns surrounding the hiring of former welfare recipients, Kelly said. The issue is not just finding people a job, he said, but how will they get to work, who's going to watch their children and who will take care of their medical benefits?

In many cases public and non-profit agencies address these concerns but Kelly said both the public sector and private businesses "are trying to sponsor welfare to work initiatives."

That was one of the themes at a recent White House conference chaired by vice-president Al Gore and attended by Kelly and about 800 people from across the country.

CMS is part of the national Alliance Welfare to Work Partnership which participated in the Community Empowerment Conference in Washington.

Cabinet secretaries and other high-level executive branch officials led various portions of the conference, Kelly said. He concentrated on those segments dealing with tax incentives for companies hiring former welfare recipients.

The Alliance's goal is to increase tax credits to these companies as well as get Congress to understand the importance of the tax credits in the overall mission of reducing the welfare rolls, Kelly said.

"We want to make sure enough funding is coming out of Congress and that Congress approves the appropriate tax credits so the incentives stay in place," he said.

Currently companies can receive a \$3,500 federal tax credit for the first \$10,000 of wages paid during the first year of employment to each employee who is considered a long-term welfare recipient.

During the second year of employment companies can get a \$5,000 tax credit for each employee that meets the criteria.

There are additional incentives for retaining and retraining these employees, Kelly said.

These incentives apply only to new hires because the goal is to reduce existing welfare rolls, he said.

Kelly also gathered information pertaining to tax incentives for hiring "high-risk youths" who participate in summer job programs. He said the government will pay up to 25 percent of the wages for employees earning \$3,000 for jobs that are held between May and September.

Advocates of reducing the number of people on welfare by finding them jobs often come at the issue from a social perspective, Kelly said. CMS is one of a handful of companies that approaches the issue because of its "bottom line impact" he said.

During the course of its work of selling and implementing payroll and human resource software systems, CMS recognized the niche market of facilitating welfare-to-work.

Kelly said he noticed that many of his clients were looking to hire for entry level positions and finding it difficult because of the current tight labor market.

He also found that many of these companies shied away from participating in welfare-to-work programs because of the burdensome red-tape involved.

Currently, CMS works with about 50 businesses that have a total of 30,000 employees in 27 states.