

# Human Services Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-7104

**Title:** AN ACT CONCERNING PROGRAMS TO MITIGATE THE BENEFITS CLIFF.

**Vote Date:** 3/19/2025

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/6/2025

**File No.:** 517

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## SPONSORS OF BILL:

Human Services Committee

## REASONS FOR BILL:

Working families receiving state benefits report the challenge of acquiring jobs only to experience frustration and despair as they learn that their attempts to move toward financial stability have been interrupted by losing critical benefits. Losing benefits immediately upon landing a job or getting a promotion was not only getting in the way of their success but upending their ability to be self-sufficient and sustain their progress in moving out of the public benefits system (CWCSEO, 2025). This bill aims to mitigate 'benefits cliffs' by adjusting how public assistance programs consider an individual's additional income from participating in job training and pilot direct-cash programs. The bill would ask the Connecticut Department of Social Services to disregard such financial assistance when calculating an individual's eligibility for public assistance, as well as consult with other state agencies to develop a phase-in approach for maintaining these benefits.

## RESPONSE FROM ADMINISTRATION/AGENCY:

[Andrea Barton Reeves, Commissioner, Department of Social Services, Supports:](#) agreed with the intent of this bill to allow eligible residents to participate in direct-cash pilot programs or receive job-training stipends without forfeiting their existing benefits; given these programs will be time limited, participants will continue to receive their DSS benefits so long as they remain in compliance. Commissioner Barton Reeves anticipated no fiscal impact and urged the committee to pass this bill to prevent creating a benefits cliff.

[Commission on Women, Children, Seniors, Equity, and Opportunity \(CWCSEO\), Nutrition Policy Analyst, Christian Duborg, Supports with Recommendations:](#) a working group on the

benefits cliff views this problem as a 'critical workforce issue,' because once benefits recipients are employed, their income precludes their benefit eligibility, leaving them in a financially precarious situation. Duborg offered two language suggestions: 1) that pilot program participants are guaranteed 'stable' benefits, not simply access to any benefits, and 2) that a planning period be afforded to the administering agency considering unpredictable federal funding.

## **NATURE AND SOURCES OF SUPPORT:**

119 to Zero Collective, Sunindiya Bhalla, Supports: 119 to Zero Collective is a newly formed collective of seven CT nonprofits, working to directly address the issues facing 119K disengaged and disconnected youth and their families, work with youth across the state to encourage them to participate in job training programs. This proposed policy change would address a significant barrier to their participation: the fear of losing existing public assistance. Included in the written testimony were statements from other member organizations in the collective expressing support for the bill and sharing stories of youth they have worked with who could benefit from this legislation. See attached letters from the following member organizations:

Roca, Inc., Executive Vice President, Women & 2Gen, Sunindiya Bhalla:

FORGE City Works, Executive Director, Ben Dubow

DOMUS and DOMUSWorks, Michael Duggan: finds that some youth do not enroll in job training/coaching because their families cannot afford to lose benefits while their child participates in the program.

Our Piece of the Pie (OPP), President & CEO, Hector Rivera: this change in policy could mitigate some adverse effects of anticipated federal cuts.

COMPASS Youth Collaborative, CEO, Jacquelyn Santiago Nazario: sees the challenge of slight increases in income result in a complete loss of critical public benefits, such as SNAP and Medicaid, creating a significant barrier to growth and disincentivizes individuals from pursuing upskilling, job training, and full-time employment opportunities.

4-CT, CEO, Sarah Blanton, Supports: offering direct-cash payments to residents as other states have indicated success with these practices. Our experience and data suggest that the impact of direct cash assistance is clear: 1) people use funds responsibly—whether to cover rent, pay medical bills, buy groceries, or pursue educational and employment opportunities, 2) stability leads to economic mobility—short-term assistance helps individuals avoid cycles of crisis, allowing them to focus on longer-term goals, 3) a strong return on investment—cash assistance strengthens families and local economies as recipients spend money on their households and essential goods and services in their communities. Additionally, a robust body of peer-reviewed research demonstrates that direct cash transfers to families facing financial hardship leads to long-term improvements in health, housing, and educational outcomes.

Connecticut Citizen Action Group (CCAG), Associate Director, Liz Dupont Diehl, Supports with Recommendations: recommends to legislators they, "disregard the income of formerly dependent children living with parents or caregiver until the age of 26," to prevent families from having their benefits removed once their former dependent returns to the home.

[Connecticut Legal Services \(CLS\), Managing Attorney, James Haslam, Supports with Recommendations:](#) advocates for two solutions to the benefits cliff problem: 1) that DSS pursue waivers from all levels of government for participants of any direct-cash pilot program, and 2) that participants be educated on managing their new funds in addition to their existing benefits. Substitute language is included for the committee to consider.

Similar written testimony was submitted by:

[CLS, Public Benefits Unit, Managing Attorney, Kristen Noelle Miller Hatcher](#)

[CLS, Legislative/Policy Advocate, Sara Parker McKernan](#)

[The Connecticut Project Action Fund, Director of Economic Opportunity, Kate Reeves, Supports:](#) describes the impact of a benefits cliff on families and applauds the bill's intent to create a phase-out for recipients. Reducing the benefits cliff will enhance workforce participation, reduce public assistance dependency, and boost economic growth.

[UpTogether, East Coast Partnerships Director, Jessica Ridge, Supports:](#) explains how their organization administered over \$200 million in direct cash assistance across the country, but recognizes that assistance has placed recipients at risk of the benefits cliff. Those who receive direct-cash assistance use them for necessities, on housing, to save for the future, and to start their own businesses. Excluding this income from eligibility for state benefits will protect at-risk families and allow them to work their way out of poverty.

[Connecticut Urban Opportunity Collaborative \(CUOC\), Chris Senecal, Supports:](#) explains how they work in collaboration with other foundations (listed in the testimony) to administer direct-cash assistance to qualified recipients. These programs have been successful but exposed the potential for recipients to lose their vital government assistance. Implementation of the recommendations of the benefits cliff working group administered by CWCSEO and the phase-in proposed in this legislation is highly desired.

[She Leads Justice, Policy Director, Supports:](#) lauds the benefits of direct-cash assistance programs and the advisability of protecting eligible families from losing their state benefits.

#### **NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Arianna Tsikitas**

**Date: April 15, 2025**