OLR Bill Analysis

sHB 7104

AN ACT CONCERNING PROGRAMS TO MITIGATE THE BENEFITS CLIFF.

SUMMARY

This bill requires the Department of Social Services (DSS) commissioner, when determining Temporary Family Assistance (TFA) eligibility, to disregard any financial assistance a family member receives from participating in a DSS-approved pilot program that has a developed plan to study and evaluate the impact of direct cash transfers. Under the bill, this disregard applies for as long as the family member participates in the pilot program, up to 60 months, but is subject to DSS reauthorization every 24 months. The bill establishes the conditions under which DSS may approve these pilot programs.

The bill also requires the DSS commissioner, when determining TFA eligibility, to disregard from income any stipend a family member receives from participating in a DSS-approved job training program, such as those offered by the Office of Workforce Strategy (OWS), the Department of Aging and Disability Services' Bureau of Rehabilitative Services, or a tax-exempt nonprofit. Under the bill, this disregard applies for as long as the family member participates in the training program, up to 36 months.

Lastly, legislation passed last session directed the Two-Generational Initiative, in consultation with DSS, the Department of Housing (DOH), and OWS, to study and recommend strategies to mitigate "benefits cliffs" (beneficiaries losing or receiving less in public assistance program benefits when their income exceeds eligibility thresholds) and support public assistance program beneficiaries' economic mobility. This bill requires the DSS and Office of Early Childhood (OEC) commissioners, within available appropriations, to establish a pilot program implementing the study's benefits cliff recommendations and annually

report on the program's development to the General Assembly.

EFFECTIVE DATE: July 1, 2025, except the pilot program provision is effective upon passage.

INCOME DISREGARD FOR DSS-APPROVED PILOT PROGRAMS

The bill limits the pilot programs DSS may approve for the income disregard to those for which it can receive required waivers authorizing the disregard for federal and state benefits programs. Under the bill, DSS must request these waivers from all necessary federal, state, and local agencies and keep a publicly available list of approved programs.

Before approving a program, DSS must review the pilot program's long-term sustainability and its ability to meet programmatic and fiscal goals. It must require approved pilot programs to (1) inform potential participants in writing about how participating may impact their federal and state benefit eligibility now and in the future and (2) include contact information for participants to get additional information or guidance on those impacts.

BENEFITS CLIFF PILOT PROGRAM

When developing the pilot program implementing the Two-Generational Initiative's report recommendations, the bill requires the DSS and OEC commissioners to (1) consult with the labor department, DOH, and OWS, and (2) get input from professionals with expertise in universal basic income. This includes those (1) from other areas who have worked on implementing similar pilot programs and (2) with expertise in economics, housing, child welfare, labor, workforce development, social services administration, or legal representation for low-income state and federal benefits recipients.

The commissioners may seek any waivers needed to implement the pilot program and pursue public or private funding for the program. Beginning by December 1, 2025, they must report annually on the program's development for as long as it is running to the Appropriations, Education, Housing, Human Services, and Labor and Public Employees committees.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea	17	Nay	5	(03/18/2025)