



General Assembly

February Session, 2020

Raised Bill No. 397

LCO No. 2653



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

AN ACT PROMOTING EMPLOYMENT ADVANCEMENT AND THE ECONOMY BY ADDRESSING THE BENEFITS CLIFF.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) For purposes of this section, (1)
2 "benefits cliff" means the reduction or loss of public assistance benefits
3 when an employed beneficiary's income surpasses an eligibility
4 threshold but does not offset the loss of such benefits, (2) "beneficiary"
5 or "beneficiaries" means a beneficiary of a public assistance program,
6 and (3) "public assistance" means temporary family assistance, child
7 care assistance, state-administered general assistance, supplemental
8 nutrition assistance, medical assistance or housing assistance.

9 (b) The Secretary of the Office of Policy and Management, in
10 collaboration with the Department of Social Services, the Labor
11 Department, the Office of Early Childhood and the Two-Generational
12 Advisory Board established pursuant to section 17b-112l of the general
13 statutes, shall (1) study the effects of the benefits cliff on the state's
14 economy, and (2) in consultation with beneficiaries and employers,
15 methods to address the benefits cliff to promote the full participation of

16 the state workforce in the labor market and strengthen the ability of
17 businesses to hire, retain and promote employees. The study shall
18 include: (A) An analysis of state and federal rules, regulations and laws
19 for each public assistance program that may prevent or impede full
20 workforce participation, (B) the effect of the benefits cliff on
21 beneficiaries, their family members and their participation in the labor
22 market, (C) strategies for increasing the economic independence of
23 beneficiaries through skills development and employment, and (D)
24 adjustments in eligibility criteria for public assistance programs that are
25 permissible under federal law to reduce or eliminate the benefits cliff.

26 (c) Not later than September 1, 2020, the Secretary of the Office of
27 Policy and Management, in collaboration with the Department of Social
28 Services, the Labor Department, the Office of Early Childhood and the
29 Two-Generational Advisory Board shall report on the results of the
30 study, in accordance with the provisions of section 11-4a of the general
31 statutes, to the joint standing committees of the General Assembly
32 having cognizance of matters relating to appropriations and the budgets
33 of state agencies, children, housing, human services and labor.

34 Sec. 2. (NEW) (*Effective from passage*) (a) For purposes of this section,
35 (1) "benefits cliff" means the reduction or loss of public assistance
36 benefits when an employed beneficiary's income surpasses an eligibility
37 threshold but does not offset the loss of such benefits, (2) "beneficiary"
38 or "beneficiaries" means a beneficiary of a public assistance program, (3)
39 "family cap" means the reduced allocation of temporary family
40 assistance benefits for a child born to a beneficiary ten or more months
41 after the beneficiary has started receiving temporary family assistance,
42 and (4) "public assistance" means temporary family assistance, child
43 care assistance, state-administered general assistance, supplemental
44 nutrition assistance, medical assistance or housing assistance.

45 (b) Not later than January 1, 2021, the Secretary of the Office of Policy
46 and Management, in collaboration with the Department of Social
47 Services, the Labor Department, the Office of Early Childhood and the
48 Two-Generational Advisory Board shall develop a plan to reduce

49 disincentives to employment for public assistance beneficiaries by
50 addressing the benefits cliff.

51 (c) The implementation of the plan shall begin with the elimination
52 of the family cap in the temporary family assistance program beginning
53 with the fiscal year ending June 30, 2022. The plan shall also include (1)
54 earned income disregards in state-administered public assistance
55 programs to the extent permissible under federal law, (2) accessible
56 transportation for employed beneficiaries, (3) increased access to
57 subsidized child care for beneficiaries who work day, evening and
58 nighttime shifts, (4) public-private partnerships to increase employment
59 opportunities, (5) incentives for employers to retain workers who are
60 beneficiaries, and (6) development of a benefits cliff calculator program
61 to allow a beneficiary to determine (A) income levels that may trigger a
62 benefits cliff, (B) career opportunities that may allow a beneficiary to
63 increase income without losing needed assistance, and (C) information
64 on employment training and support to achieve career goals.

65 (d) Not later than January 1, 2022, and quarterly thereafter until
66 January 1, 2024, the Secretary of the Office of Policy and Management,
67 in collaboration with the Department of Social Services, the Labor
68 Department, the Office of Early Childhood and the Two-Generational
69 Advisory Board shall report on implementation of the plan to the joint
70 standing committees of the General Assembly having cognizance of
71 matters relating to appropriations and the budgets of state agencies,
72 children, housing, human services and labor. The report shall include,
73 but not be limited to: (1) The effect of the elimination of the family cap
74 in the temporary family assistance program on workforce participation
75 by beneficiaries, (2) a timetable for other changes in public assistance
76 programs to reduce disincentives to employment among beneficiaries,
77 (3) the fiscal impact on the state from addressing the benefits cliff, and
78 (4) the economic impact on the state from addressing the benefits cliff.

79 Sec. 3. Subsection (d) of section 17b-112 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective July 1,*
81 *2021*):

82 (d) Under said program [(1)] no family shall be eligible that has total
 83 gross earnings exceeding the federal poverty level, however, in the
 84 calculation of the benefit amount for eligible families and previously
 85 eligible families that become ineligible temporarily because of receipt of
 86 workers' compensation benefits by a family member who subsequently
 87 returns to work immediately after the period of receipt of such benefits,
 88 earned income shall be disregarded up to the federal poverty level. [;
 89 and (2) the increase in benefits to a family in which an infant is born after
 90 the initial ten months of participation in the program shall be limited to
 91 an amount equal to fifty per cent of the average incremental difference
 92 between the amounts paid per each family size.] Except when
 93 determining eligibility for a six-month extension of benefits pursuant to
 94 subsection (c) of this section, the commissioner shall disregard the first
 95 fifty dollars per month of income attributable to current child support
 96 that a family receives in determining eligibility and benefit levels for
 97 temporary family assistance. Any current child support in excess of fifty
 98 dollars per month collected by the department on behalf of an eligible
 99 child shall be considered in determining eligibility but shall not be
 100 considered when calculating benefits and shall be taken as
 101 reimbursement for assistance paid under this section, except that when
 102 the current child support collected exceeds the family's monthly award
 103 of temporary family assistance benefits plus fifty dollars, the current
 104 child support shall be paid to the family and shall be considered when
 105 calculating benefits.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2021</i>	17b-112(d)

Statement of Purpose:

To promote employment advancement and boost the economy by addressing disincentives that prevent working public assistance beneficiaries from increasing their income beyond eligibility thresholds.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]