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STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Connecticut Office of
Early Childhood

Beth Bye
Commissioner

**Testimony of Beth Bye, Commissioner
Office of Early Childhood
Before the Human Services Committee
H.B. 5369 – An Act Concerning a Benefits Cliff Pilot Program
March 5, 2024**

Good morning, Senator Lesser, Representative Gilchrest, Senator Seminara, Representative Case, and distinguished members of the Human Services Committee. I am Beth Bye, Commissioner of the Office of Early Childhood (OEC). I am submitting testimony concerning **H.B. 5369 – An Act Concerning a Benefits Cliff Pilot Program.**

The OEC appreciates the intent of H.B. 5369 – An Act Concerning a Benefits Cliff Pilot Program. This bill would require the Office of Early Childhood, Department of Social Services, and Department of Housing to establish a benefits cliff pilot program. This pilot would support the economic situation of individuals enrolled in certain assistance programs by gradually reducing, instead of automatically eliminating, assistance benefits when the person's income exceeds eligibility thresholds. The assistance programs identified in the bill include the temporary family assistance program (TFA), supplemental nutrition assistance program (SNAP), the child care subsidy (Care 4 Kids), and the rental assistance program (RAP). The pilot must be designed to ensure compliance with federal laws and implemented in a one-year timeframe.

The OEC is encouraged that legislators are looking at the benefits cliffs and how they can negatively impact the economic self-sufficiency of individuals seeking to move up the economic ladder. This work is important and needs to continue moving forward.

The OEC is the executive branch coordinating agency for the State of Connecticut Two-Generation Initiative, outlined in Sec. 17b-112l. The OEC employs a staff member to coordinate this important cross-agency, statewide work.

One major effort in this 2Gen work focuses on benefits cliffs. The 2Gen initiative partnered with the Atlanta Federal Reserve to build a [dashboard](#) that calculates when benefits cliffs will occur for families based on their household composition and income. In addition, this tool allows career counselors to work with families to help them understand the impact that a career change may have on their eligibility for public assistance.

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In 2023, the 2Gen initiative and the Office of Workforce Strategy (OWS) engaged Social Finance, a national nonprofit, to conduct a pre-feasibility cost analysis of a pilot effort to examine benefits cliffs. The pilot goals are to improve family stability, improve access to higher-paying career pathways, strengthen the state's workforce, and identify policy changes that will reduce or eliminate the impact of benefits cliffs.

We offer a few thoughts about H.B. 5369. A benefit cliff pilot will require permissions from various federal agencies. If our federal partners do not support a step-down of benefits in various programs proposed in this bill, the costs of taking such action would require the use of state funds to fill the gap, and such funding has not been included in the Governor's proposed budget. It should be noted it would be very unusual for the federal government to assume the full costs of such a step down, so additional, unforeseen costs to the state budget are essentially inevitable.

Additionally, the one-year period for a pilot does not provide sufficient time to demonstrate how mitigating the cliffs supports workers to enter the labor market and move up toward higher wage occupations. A worker would gain that benefit for a short time, and then at the end of the pilot experience the benefit cliff at that point. It would be difficult to learn lessons from a one-year pilot. Additionally, from past experience with pilot projects, it will likely take at least six to nine months to design the pilot that works across multiple benefits and agencies, hire a project manager, and select participants. A longer pilot time frame is needed.

For these reasons, the OEC cannot support this bill at this time. We respectfully request additional time to engage with our sister agencies and the 2Gen Advisory Board to complete the work already underway so that we may have a more comprehensive view and can offer recommendations on how best to move forward to address this important issue.

Thank you for your time and attention. I am happy to answer any questions you may have. The OEC is committed to work together—with legislators, the executive branch, providers, advocates, and parents—to better serve our families with young children.

The Connecticut Office of Early Childhood advances a two-generation family-centered approach in our pursuit of optimal health, safety, and learning outcomes for young children. Through our core programs, we support infant and toddler care, preschool, after-school care, child care and youth camp licensing, home visiting, and early intervention to address developmental delays. OEC is working toward better-coordinated, cost-effective services that support Connecticut's youngest children and families.