General Assembly **Substitute Bill No. 7104**

January Session, 2025

* HB07104HS 031925 *

AN ACT CONCERNING PROGRAMS TO MITIGATE THE BENEFITS CLIFF.

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

Section 1. Subsection (d) of section 17b-112 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(d) (1) Under said program, no family shall be eligible that has total gross earnings exceeding the federal poverty level, however, in the calculation of the benefit amount for eligible families and previously eligible families that become ineligible temporarily because of receipt of workers' compensation benefits by a family member who subsequently returns to work immediately after the period of receipt of such benefits, earned income shall be disregarded up to the federal poverty level. On and after October 1, 2023, the commissioner shall not deny a family assistance under said program on the basis of such family's assets unless such assets exceed six thousand dollars. Except when determining eligibility for a six-month extension of benefits pursuant to subsection (c) of this section, the commissioner shall disregard the first fifty dollars per month of income attributable to current child support that a family receives in determining eligibility and benefit levels for temporary family assistance. Any current child support in excess of fifty dollars per month collected by the department on behalf of an eligible child shall be

considered in determining eligibility but shall not be considered when calculating benefits and shall be taken as reimbursement for assistance paid under this section, except that when the current child support collected exceeds the family's monthly award of temporary family assistance benefits plus fifty dollars, the current child support shall be paid to the family and shall be considered when calculating benefits.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, on and after January 1, 2024, in the first month in which a family's total gross earnings exceed one hundred per cent of the federal poverty level and for a period not to exceed six consecutive months, the department shall disregard, for purposes of eligibility, a family's total gross earnings in an amount not to exceed two hundred thirty per cent of the federal poverty level. If a family's total gross earnings are an amount between one hundred seventy-one per cent and two hundred thirty per cent of the federal poverty level, the department shall reduce the household's benefit by twenty per cent for the months in which earnings are between one hundred seventy-one per cent and two hundred thirty per cent of the federal poverty level.

(3) Notwithstanding the provisions of subdivision (1) of this subsection, the commissioner shall disregard any financial assistance received by a family member to the extent the commissioner determines that such financial assistance was provided to the family member as part of such family member's participation in a pilot program that has developed a plan to study and evaluate the impact and potential benefits of direct cash transfers. Such disregard shall be applied for the length of time the family member participates in such program or twenty-four cumulative months, subject to reauthorization by the commissioner for a period of time not to exceed sixty cumulative months. Any pilot program subject to the provisions of this subdivision shall have received approval from the Department of Social Services to conduct such pilot program based on the department's ability to receive required waivers authorizing such income disregards in applicable federal and state benefits programs. The department shall request waivers authorizing such income disregards from all federal, state and

local agencies as necessary. The department shall maintain a listing of approved pilot programs for use by the public and department staff when determining continuing eligibility of participants in existing benefits programs. Before approving a pilot program, the department shall review such program for long-term sustainability and ability to meet the pilot program's programmatic and fiscal goals. The department shall require an approved pilot program to (A) inform potential participants, in writing in advance of participation in the pilot program, of the potential impact of their participation on their current and future eligibility for federal and state benefits, and (B) include contact information in such written document to allow such participants to obtain additional information or guidance on the impact of pilot program participation on their eligibility for such benefits.

(4) Notwithstanding the provisions of subdivision (1) of this subsection, the commissioner shall disregard from an income eligibility determination any stipend received by a family member as part of such family member's participation in a job training program approved by the commissioner, including, but not limited to, payments from programs offered by or through the Office of Workforce Strategy established pursuant to section 4-124w, the Bureau of Rehabilitation Services within the Department of Aging and Disability Services or a private not-for-profit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time. Such disregard shall be applied for the length of time the family member participates in such program, not to exceed thirty-six cumulative months.

Sec. 2. (*Effective from passage*) (a) For purposes of this section, "benefits cliff" means the loss or decrease of public assistance program benefits when a beneficiary's income exceeds eligibility thresholds. The Commissioners of Social Services and Early Childhood, in consultation with the Department of Housing, the Labor Department, the Office of Workforce Strategy, established pursuant to section 4-124w of the general statutes, and the two-generational initiative, established

pursuant to section 17b-112*l* of the general statutes, shall, within available appropriations, establish a pilot program to implement the recommendations of the report concerning benefits cliffs that was submitted to the General Assembly in accordance with the provisions of special act 24-8.

(b) In developing the pilot program, the commissioners shall convene and solicit input from professionals with expertise in the fields of universal basic income, including, but not limited to, (1) professionals from other jurisdictions who have worked on the implementation of similar pilot programs, and (2) professionals who have expertise in economics, housing, child welfare, labor, workforce development, social services administration or legal representation issues concerning low-income recipients of state and federal public benefits.

(c) The Commissioners of Social Services and Early Childhood may seek any waiver from federal law deemed necessary to implement such pilot program and may pursue funding for such pilot program from any governmental or nongovernmental source.

(d) Not later than December 1, 2025, and annually thereafter until the pilot program is completed, the Commissioners of Social Services and Early Childhood shall file a report, in accordance with the provisions of section 11-4a of the general statutes, with the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, education, housing, human services and labor on the development of any pilot program authorized pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	17b-112(d)
Sec. 2	*from passage*	New section

Statement of Legislative Commissioners:
In Section 1(d)(3), "up to sixty cumulative months" was changed to "for a period of time not to exceed sixty cumulative months" for clarity, in

Section 2(a), "produced in accordance with special act 24-8" was changed to "submitted to the General Assembly in accordance with the provisions of special act 24-8" for accuracy and in Section (2)(b), "pilots" was changed to "pilot programs" and subdivision designators and "professionals who" were inserted, for clarity.

HS *Joint Favorable Subst.*