
S.2144 (Persaud)/A.5875 (Davila)

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BILL S.2144 (Persaud)/A.5875 (Davila)
SUBJECT Exempts income earned by persons from certain job training or adult education programs from the determination of need for public assistance programs
DATE January 31, 2024
SUPPORT

The Business Council of New York State supports S.2144 (Persaud)/A.5875 (Davila), which would allow individuals completing a state or federally recognized public assistant employment program to retain full public benefits for six months for purposes of mitigating a “benefits cliff.”

A six-month window to allow someone on public assistance to get over the benefits cliff is vital. While many public assistance programs have systems that gradually phase someone out, there are public assistance programs that are taken away with any amount of an increase – even just \$1 – versus an earnings increase that would match or supplement the amount equivalent to that of the public assistance program.

A report from the U.S. Chamber of Commerce shows the most severe effects of the benefits cliff are seen in housing and childcare. “Nearly 70% of public benefits – such as childcare, food, and housing subsidies – go to non-elderly employed individuals, and over half of workers in the bottom 20% of the wage distribution receive benefits from the public programs.”ⁱ These restrictions do not take into consideration instances where increased earnings or income do not equal to the amount of public assistance and, therefore, may force a family into poverty and unable to meet a livable wage.

Currently, the workforce has 2.7 million fewer people in comparison to the pre-pandemic workforce, due largely to the fact that many people have not rejoined it. If parents have affordable early care and education options, measurable benefits can accrue for workers and employers in the form of higher levels of employment, reduced absenteeism, improved job retention and productivity, and greater participation in job training and education for parents.ⁱⁱ The benefits cliff directly impacts that economic mobility as there is disincentive for caregivers and parents to rejoin the workforce. The benefits cliff has no incentive for workers to participate in upskilling efforts and thus leaves NYS with over 10 million open jobs. The benefits cliff is an economic concern that we must address.

The bill specifically seeks to allow this six-month grace period for individuals who are participating in a program operating through the federal workforce innovation and opportunity act or any successor act or public assistance employment training or skills certification program. The bill would also require an individual or household to apply for the six-month “earnings disregard” thus not automatically offered to all individuals on public assistance.

The benefits cliff discourages people from joining and rejoining the workforce. The benefits cliff forces individuals and families to choose between advancing their career and a livable wage. The benefits cliff gives the ultimatum of participating in the workforce or staying on public assistance for their and their family’s wellbeing. The Business Council supports S.2144 (Persaud)/A.5875 (Davila) so that all individuals and families can have their basic needs of living met with opportunity and advancement.

i:

https://www.uschamberfoundation.org/sites/default/files/USCCF_BenefitsCliffsBrochure_Digital.pdf

ii: <https://www.bellpolicy.org/wp-content/uploads/2018/03/A-Look-Past-the-Cliff-March-2018.pdf>