



Hon. Kathy Hochul
Governor of the State of New York

Hon. Carl Heastie
Speaker, New York State Assembly

Delivered by Electronic Mail

Dear Governor Hochul and Speaker Heastie,

We, the undersigned business and trade organizations representing thousands of members across New York State, submit to you this letter in support of A5875/S2144 which passed the Senate unanimously and is now in the Assembly. The bill would exempt income earned by persons from certain job training or adult education programs from the determination of need for public assistance (PA) programs, thereby helping to mitigate an unfortunate phenomenon known as the Benefits Cliff.

The Benefits Cliff occurs when employees receive raises that push their salaries past a certain threshold, resulting in the loss of crucial social support programs. As a result, their Net Financial Resources (NFR) diminish, impacting their ability to achieve financial stability, pay off debts, save, and cover living expenses.

The Benefits Cliff perpetuates cycles of generational poverty by trapping individuals in low-income positions and hindering their ability to pursue career advancement opportunities. When employees must forego promotions or raises to maintain their benefits, they miss out on long-term career growth and personal development prospects. This worsens workforce challenges in New York and nationwide, contributing to labor shortages across a variety of industries.

The 2023-24 Enacted New York State Budget created new income disregard provisions designed to support PA recipients who start new jobs or participate in employment and training activities by allowing them to earn more income while retaining access to their existing PA benefits, helping, temporarily, to mitigate the benefits cliff. The disregard applies for a maximum of six consecutive months, once per lifetime, to all earned income that a PA recipient derives from participation in a qualified work activity or training program, provided the individual's overall income does not exceed 200% of the Federal Poverty Level (FPL) for their household size.

While the 2023-24 Enacted Budget represents significant progress, A5875/S2144 would allow for a greater number of individuals to benefit from the six-month income disregard thereby helping more people work toward a better financial future. In turn, the need for PA benefits decreases which leads to significant savings at the local, State, and Federal levels.

Thank you for your consideration of supporting A5875/S2144.

Cc: Senator Andrea Stewart-Cousins, Senate Majority Leader
Senator Roxanne Persaud, Chair of the Committee on Social Service