



December 3, 2024

Governor Kathy Hochul  
NYS Capitol Building  
Albany, NY 12224

**Re: Chambers Call for Benefits Cliff Action**

Dear Governor Hochul:

We, the undersigned chambers of commerce from across the state, urge you to take action to bridge the benefits cliff in your 2025 state budget.

Underemployed and low-income workers in New York State often remain trapped in a cycle of poverty because the structure of social service benefits discourages economic mobility and career progression. Attention is needed from New York State government to address this issue.

Addressing the benefits cliff would encourage workers to pursue career advancement. It would help employers retain and promote quality employees. It would also save taxpayer dollars by helping workers grow independent from social service benefits.

Recommended policy actions include:

- 1. Enact a six-month benefit disregard, which will encourage workers to take career leaps.**

Workers facing the benefits cliff are hesitant to accept higher-paying roles out of justifiable fear of losing benefits. Offering a six-month income disregard would mean a worker would continue receiving benefits for a short period after beginning a higher-paying job that would previously disqualify them from benefits. During this period, workers would be able to save extra income

to prepare for losing benefits. Last year, the state budget created an income disregard for workers earning up to 200% of the federal poverty level – a low income threshold that means very few New Yorkers actually benefit from this income disregard. S.8374A (Persaud) / A.10155A (Davila) of 2024 would increase the income threshold to 400% FPL, making the income disregard accessible to workers who are actually facing the benefits cliff. This six month disregard is a short-term investment to help workers become self-sufficient, and could save the state from paying a lifetime of benefits to that worker.

**2. Allow training program enrollment to satisfy benefit program work requirements.**

Recipients of social service benefits need to satisfy work requirements in order to continue receiving benefits. However, job training programs do not always satisfy this requirement. Qualified job training programs require significant investments of time and effort, and they help workers obtain better-paying jobs that can lead them to self-sufficiency. Legislation is needed in the 2025 session that would ensure that qualified training programs satisfy work requirements for public assistance.

**3. Update asset caps for collecting social service benefits.**

Asset caps help ensure social service benefits are not going to workers who do not face true financial need. However, current asset caps are far too low and need to be updated. Currently, a worker can only have up to \$2,500 in cash and nonliquid assets. This cap discourages saving for career-related expenses, such as a commuting vehicle or tuition. S.2705 (Persaud) of 2024 would update this threshold to \$10,000 of cash and illiquid assets, and also enable workers to save for a vehicle, in college savings plans, and in retirement accounts. This bill would enable workers to save and invest responsibly, moving them toward a path of self-sufficiency.

**4. Convene social service experts to study benefit adjustments and eliminate the cliff once and for all.**

Collaboration is needed among social service administrators to identify the structure of benefit programs and recommend changes to state policy to eliminate the benefits cliff and ensure higher earned income results in a higher quality of life. Restructuring benefits to shrink the cliff is a highly complex endeavor that requires the work of experts intimately involved with benefits administration. Although many Task Forces lack merit, a convening of social service administrators is the necessary next step in permanently minimizing the benefits cliff. The Task Force's recommendations would identify opportunities to better structure benefits to help workers move off public assistance.

By enacting this agenda, the state can encourage economic mobility, support employers, and save taxpayers money. Please advance these priorities to Bridge the Benefits Cliff & make passing this agenda a priority in the 2025 session.

Sincerely,

**Buffalo Niagara Partnership**

**Business Council of New York State**

**Business Council of Westchester**

**Capital Region Chamber of Commerce**

**Greater Binghamton Chamber of Commerce**

**Greater Rochester Chamber of Commerce**

**Long Island Association**

**North Country Chamber of Commerce**

CC: Members of the New York State Legislature