



Testimony in Support of

Connecticut Urban Opportunity Collaborative

A partnership among:

The Community Foundation for Greater New Haven

Fairfield County's Community Foundation

Hartford Foundation for Public Giving

House Bill 7104, An Act Concerning Programs To Mitigate The Benefits Cliff

Human Services Committee

Senator Lesser, Representative Gilchrest, Senator Harding, Representative Case and distinguished members of the Human Services Committee, the Connecticut Urban Opportunity Collaborative is grateful for this opportunity to submit written testimony in support of **House Bill 7104, An Act Concerning Programs To Mitigate The Benefits Cliff**. **We strongly support the legislation's intent to protect people with limited income participating in direct cash assistance pilots and job training from losing current public benefits. Providing this protection is critical to ensuring the infusion of modest funds can help families and individuals achieve financial stability and advance their economic mobility.**

The Connecticut Urban Opportunity Collaborative (CUOC) is a partnership among The [Community Foundation for Greater New Haven](#), [Fairfield County's Community Foundation](#), and [Hartford Foundation for Public Giving](#). Together, CUOC is dedicated to advancing equity and promoting social and economic mobility in communities across the state.

In 2024, CUOC invested in [UpTogether](#) to launch a multi-regional Direct Cash Pilot Program to promote social and economic mobility while studying the impact of direct cash assistance in Connecticut. The program supports 120 leaders from New Haven, Hartford, and Bridgeport who are facing economic hardship and collaborating to build community power and improve their lives and neighborhoods. Over three years, participant households will receive monthly payments totaling \$12,600 to help alleviate financial challenges and foster community improvements.

Currently, three privately funded direct cash programs are operating in the state: UpTogether's pilot, The [Bridge Project](#)'s pilot, and [4-CT](#), collectively benefiting over 700 households. This proposed public benefits waiver will support the participation of eligible residents who may be reluctant to take part in a pilot given potential benefit losses. The waiver also avoids limiting the impact of the financial assistance intended to increase income. These pilots contribute to the growing evidence of the positive impacts of direct cash assistance and offer valuable insights for effective program implementation. Participants live in households making 50 percent of the state median income or less and have a history of community involvement to address local issues.

A growing body of evidence from hundreds of direct cash programs operating across the country demonstrates that direct cash can lead to increased food security, improved health, more stable employment and housing, and increased family incomes and savings. The programs are **building a record of accomplishment as promising pathways out of poverty, providing participants the autonomy to make immediate and long-term financial decisions**. People know their most pressing needs. All of us are experts in our own lives.

Most often, direct cash funds help pay for basic needs, utilities, and rent, but can also be used for paying off debt or building emergency savings, investing in education or a business, and paying for school supplies. Recognizing and trusting in people's strengths, abilities, and self-determination also lightens the administrative burden of operating public support programs, making the use of taxpayer dollars more effective and efficient.

CUOC is committed to understanding the additional support needed to help pilot participants currently receiving public benefits and direct cash assistance as they navigate advancing their economic mobility. As we developed plans for the pilots, participants worked with Department of Social Services (DSS) Benefit Navigators to assess the potential impact on receiving current benefits and eligibility for other public benefits. For many participants, the cash transfers threatened or could eliminate their eligibility for some existing benefits, such as the Supplement Nutrition Assistance Program and Temporary Financial Assistance for Needy Families. As community foundations, we witness how rising food costs and food insecurity continue to be issues for many low- and moderate-income families. The Commission on Women, Children, Seniors, Equity and Opportunity issued its first annual [report](#) in 2024 on food insecurity that can also inform our work. The report confirms the challenges families have in accessing adequate healthy food.

As we developed the pilots, we worked with the 2Gen Initiative, Department of Social Services, and Commission for Women, Children, Seniors, Equity & Opportunity to help families and individuals with **benefit navigation** to understand the impact the additional income could have on receiving current public benefits. **Benefit navigation support is critical in addition to notifying people of potential losses.** Our Benefit Navigation Study documents initial findings: On average, participants could lose \$736 a year, a significant loss recognizing many households incomes are less than \$34,627 a year. You can review the study's [executive summary](#) and full report [here](#).

The Collaborative supports House Bill 7104, which seeks to mitigate the "benefits cliff," where individuals lose public assistance benefits as a result of small increases in household income. These cliffs can have the unintended consequence of discouraging families from advancing in their occupations or taking on full-time employment. Specifically, we support several provisions to support families participating in job training as well as pilot cash assistance programs.

Through our experience launching the pilots and other community foundation grantmaking, CUOC understands the potential impact on financial stability as people secure job training and opportunities for advancement. Our work has benefited from collaborating with state, nonprofit, and community leaders in this work to build our collective learning on benefits cliffs.

The bill modifies existing laws to allow families to maintain eligibility for temporary family assistance and other benefits as their gross income rises modestly. Excluding income received through direct cash assistance pilots and job training from DSS income calculations for benefits eligibility is essential in helping individuals and families achieve financial stability. The proposal builds in reasonable federal poverty level income limits. **The legislation supports Connecticut's leadership in cash transfer assistance and implementation efforts, joining other states, such as [Massachusetts](#) and [Illinois](#), which have embraced this work and benefit waivers.**

The legislation requires the Commissioner of DSS to approve pilot programs. We recommend streamlining the process to avoid the burden on nonprofits and delaying implementation of pilot programs. The legislation also requires DSS to develop a list of pilot programs for the public and its use which will support getting the word out about the programs. Approved pilots must have developed a plan to study and evaluate the impact and potential benefits of direct cash transfers. We support evaluation to help us know what is working and not

working. CUOC has a plan for continuing to evaluate the impact on participants in addressing their critical needs and community issues.

The Collaborative defers to others who are experts on the income earnings calculations included in the legislation. We strongly support the intent of the bill to sustain public benefits for individuals and families who may exceed certain federal poverty level income limits for up to sixty cumulative months. The Collaborative also supports the bill's inclusion of language requiring people eligible to participate to receive written information before enrolling about how their participation could impact current and future state and federal benefits. Also, providing benefits navigation support is essential in ensuring participants can fully consider the potential impact as they continue to advance their economic mobility.

We also applaud the bill's provision allowing DSS, the Office of Early Childhood, in consultation with the Departments of Housing and Labor, Office of Workforce Strategy, and the 2Gen Initiative, to establish a pilot program to implement recommendations of the report concerning benefits cliffs that was produced in accordance with special act 24-8. We encourage this collaborative effort that will continue building our collective learning.

Our foundations are eager to partner with legislators, advocates, and businesses to promote income stability and equitable economic mobility for residents in Connecticut to ensure that all residents have opportunities to achieve their potential.

For more details about CUOC's partner foundations, Hartford Foundation for Public Giving, The Community Foundation for Greater New Haven, and Fairfield County's Community Foundation, please see the information below.

[The Community Foundation for Greater New Haven](#), founded in 1928, is the charitable endowment for a twenty-town region in South Central Connecticut centered on New Haven. The Foundation's mission is to inspire, support, inform, listen to, and collaborate with the people and organizations of Greater New Haven to build an ever more connected, inclusive, equitable and philanthropic community. In 2023, The Foundation made grants and distributions totaling \$32.7 million. With more than 1,200 charitable funds and approximately \$750 million in total assets as of the end of 2023, The Foundation is the largest grant maker in our region, supporting hundreds of local nonprofit organizations across the full range of charitable activity in our community. The Foundation also works with and supports thousands of local donors in their efforts to build a stronger community in Greater New Haven.

[Fairfield County's Community Foundation](#) partners with our community to create a county where every person has an equitable opportunity to thrive. We serve the 23 towns and cities in Fairfield County. We work closely with organizations, nonprofits, businesses, and philanthropists to address challenges and identify opportunities to create a stronger, more vibrant region. Informed by three decades of partnering with and serving our community, we have awarded more than \$400 million in grants to nonprofits in Fairfield County and beyond.

Since 1925, the [Hartford Foundation for Public Giving](#) has proudly served as the community foundation for the 29-town Greater Hartford region. Over the past two years, the Foundation has distributed more than \$100 million in grants to promote equitable opportunity for all residents in our region. As part of our strategic commitment to dismantle structural racism and improve social and economic mobility for Black and Latine residents of Greater Hartford, the Hartford Foundation seeks to work with government, nonprofit and other public-private partners to increase stable employment opportunities for adults and youth in our region facing

barriers to employment. The Foundation also supports basic human needs, applying an equity lens to the systems and programs that address access to food, emergency shelter and homelessness diversion, physical and mental health care, and the digital divide.