

***PULSE Briefing: Survey of Legislation
to Ameliorate the Cliff Effect***

The Women's Fund of the Greater Cincinnati Foundation

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April 2019

Overview

Since 2012, the Women’s Fund of the Greater Cincinnati Foundation has led the region in researching and analyzing cliff effects within the public benefits system and other socio-economic issues impacting women’s economic self-sufficiency. This research culminated in the 2016 Pulse Report Outlining the Disincentives and Opportunity Costs for Working Mothers, a partnership with the University of Cincinnati Economics Center. This groundbreaking report analyzed the impact of the benefits cliff on families in southwest Ohio, and generated widespread discussion of the impact of cliff effects on the road to economic self-sufficiency.

To complement this research, the Women’s Fund partnered with Arthur McMahon and Lourdes Perrino of Pro Bono Partnership of Ohio to compile a list of legislation from across the country that addressed the cliff effect. Their 2015 Taft Memorandum: State Survey for Structuring Policy and Legislation to Address the Cliff Effect provided the starting point for this current survey of legislation.

The following document is an update of the 2015 Taft Memo. It summarizes cliff effect legislation, regulations and reports that have been introduced or enacted in states across the country. To create this report, researchers conducted a search on Lexis/Nexus to identify legislation that specifically referenced the “cliff effect,” the “benefits cliff,” or the “welfare cliff.” Legislation was also identified through general searches of newspaper articles and policy reports. These searches identified a wide range of legislation and policies designed to ameliorate the cliff effect. However, given that many bills are written without specific reference to “cliffs,” there may be omissions of relevant legislation and public acts.

In this report, each section contains a brief summary of the legislation or policy, bill date and status, and links to find additional information. The final section provides a compilation of cliff effect reports from across the country. This document is intended to serve as an overview of current cliff effect policies, and a reference guide for individuals or organizations seeking additional information on individual policy proposals. We encourage any reader who wants more information to follow the links provided.

Common Themes

States implement a wide variety of methods to address the cliff effect and improve their public benefits systems. Below is a list of common approaches reflected in this report:

- Increase eligibility thresholds/percentages (based on FPL) to receive child care subsidies.
- Establish transitional periods or gradual tapering-off of benefits as income rises and program eligibility ceases.
- Increase the level of permitted assets and/or change the categorization of certain assets used to calculate eligibility for public benefit programs.
- Establish a refundable Earned Income Tax Credit at the state level.
- Develop pilot programs in individual counties to test modifications to public benefit programs.

States Leading the Way

Several states have been very active over the past several years in working to improve their benefits programs and address the cliff effect. Additional information can be found in this report.

- **Colorado:** Since 2014, Colorado has enacted several pieces of legislation to expand public benefits and alleviate the cliff effect. This has resulted in significant changes to the child care subsidy system and the development of a cliff effect pilot program that has since been opened to all counties across the state.
- **Florida:** Florida has implemented a graduated phase-out system for SNAP benefits, which is serving as a guide for other programs to follow. The Florida Chamber Foundation is leading a statewide initiative to drive implementation of similar graduated phase-out systems to other workforce support programs.
- **Vermont:** In recent years, Vermont has made changes to their TANF program, increasing asset thresholds for families participating in the program. It has also expanded income eligibility for Medicaid (for pregnant women and children), SNAP, and childcare assistance. In 2017, the Vermont General Assembly voted to increase the minimum wage to \$15, but this was vetoed by the Governor.

Bills and Policies by State:

State	Year	Bill/Law/Policy	Subject	Type	Enacted	Page
AK	2005	Act 1705: The Arkansas “Work Pays” Program	Childcare	Act	Yes	1
CO	2012+	Colorado Cliff Effect Pilot Program (CEPP)	Childcare	Policy	Yes	2
CO	2018	HB 1208: Expansion of Income Tax Credit for Child Care Expenses	Childcare	Bill	Yes	3
CO	2018	HB 1335: County Child Care Assistance Block Grants	Childcare	Bill	Yes	3
CO	2017	HB 1002: Refundable Tax Credit for Child Care Expenses	Childcare	Bill	Yes	4
CO	2016	SB 022: Child Care Assistance Cliff Effect Pilot Program	Childcare	Bill	Yes	4
CO	2014	HB 1317: Modifications to the Colorado Child Care Assistance Program	Childcare	Bill	Yes	5
CO	2014	HB 1072: Income Tax Credit for Child Care Expenses	Childcare	Bill	Yes	5
CO	2012	SB 22: Concerning Maintaining Child Care Assistance for Families	Childcare	Bill	Yes	6
CO	1997	SB 97: Welfare Reform	Multiple Benefits	Bill		6
FL	2018	Analysis of Economic Stabilization Policies for Families with Young Children	Policy Recs	Policy		7
IL	2016	HB 5580 & SB 2555: Child Care Income Threshold	Childcare	Bill		8
IL	2007	PA 95-206: Amend Public Aid Code – Child Care	Childcare	Act	Yes	9
IL	2007	SB 0898: DHS Child Care Benefits Co-Pay	Childcare	Bill		10
IN	2017	SB 528: Removal of Asset Limits for SNAP Eligibility	SNAP	Bill		11
IN	2017	SB 369: Child Care Voucher Program	Childcare	Bill		11
IN	2015	HB 1616: Increase Childcare Development Fund Exit Eligibility	Childcare	Bill		12
IN	2015	SB 129: Eligibility for Child Care Voucher	Childcare	Bill		13
IN	2015	SB 549: Removal of Asset Limits for SNAP Assistance Program	SNAP	Bill		13
IA	2016	Change in DHS Rules for Child Care Subsidy	Childcare	Policy	Yes	14
IA	2019	HF 597: Establish Interim Study Committee on the Impact of State Assistance Program Income Restrictions	Multiple Benefits	File		14

Bills and Policies by State:

State	Year	Bill/Law/Policy	Subject	Type	Enacted	Page
KY	2019	EO 5: Relating to the Creation of the Kentucky Works Collaborative	Multiple Benefits	Ex. Order	Yes	15
LA	2016	Child Care Assistance Policy	Childcare	Policy	Yes	15
ME	2017	HP 1014 & LD 1475: An Act to Reduce Child Poverty by Leveraging Investments in Families Today	EITC	Bill		16
ME	2016	LD 1268: An Act To Reform Welfare by Establishing Bridges to Sustainable Employment	TANF	Bill		17
ME	2015	LD 816 & SP 290: An Act to Reform Welfare and Eliminate the Welfare Cliff	Multiple Benefits	Bill		18
ME	2017	HP 1013: An Act to reduce the Requirements of Child Care	Childcare	Bill		18
ME	2015	HP 868: An Act To Reform Welfare by Establishing Bridges to Sustainable Employment	TANF	Bill		19
ME	2015	LD 1402 & HP 951: An Act To Reward Work Performed By Welfare Recipients	TANF / Transportation	Bill		20
ME	2018	PL 290: An Act to Promote Workforce Participation (amended)	TANF	Act	Yes	21
ME	2017	HP 344 & LD 481: An Act to Promote Workforce Participation	TANF	Law	Yes	21
MD	2017	Executive Order 01/01/2017/03: Two Generation Family Economic Security Commission and Pilot Program	Cliff Effect	Ex Order	Yes	22
MA	2019	House Panel on Economic Stability	Multiple Benefits	Panel		23
MA	2019	H 174 & S 57: Creation of a Pilot Program to Address the Impacts of the Cliff Effect	Cliff Effect	Bill		23
MA	2019	S 797: An Act relative to the Massachusetts Rental Voucher Program	Housing	Bill		24
MA	2018	H 2: Appropriations	TANF	Bill		24
MA	2017	H 2807 & S 79: Creation of a Pilot Program to Address the Impacts of the Cliff Effect	Cliff Effect	Bill		25

Bills and Policies by State:

State	Year	Bill/Law/Policy	Subject	Type	Enacted	Page
MA	2017	H3020 & S724: An Act Relative to the Economic Mobility and Stability Program	Cliff Effect	Bill		25
MN	2017	SF 1922 & HF 2241: Family Work Support Groups Study Requirement	Cliff Effect	Bill		26
MO	2018	SB 965 and HB1311: Related to the Low-Wage Trap Elimination Act, and the Hand-Up (Pilot) Program	Childcare	Bill		27
MO	2017	HB 712 : Children and Low-Income Families Future (CLIFF) Program	Childcare	Bill		28
MO	2015	HB 1073: Changes the Laws Regarding Child Care Assistance	Childcare	Bill		29
MO	2012	Missouri Revised Statute 208.053: Low-Wage Trap Elimination Act, which created the Hand-Up (Pilot) Program	Childcare	Act	Yes	30
NE	2018	LB 770: Change Provisions Relating to SNAP	SNAP	Bill		31
NE	2018	LR 413: Study Strategies to Strengthen Workforce	Cliff Effects / Childcare	Resolut.	Yes	32
NE	2017	LB 358: Change Provisions Relating to SNAP	SNAP	Bill		32
NE	2017	LR 122: Interim Study to Examine Public Assistance Programs	Multiple Benefits	Resolut.	Yes	33
NE	2016	LB 495: Increase the Earned Income Tax Credit	EITC	Bill		33
NE	2015	LB 510: Provide and Income Tax Credit to Employers of Public Assistance Recipients	TANF	Bill		34
NE	2015	LB 322: Increase Child and Dependent Care Tax Credits	Childcare Tax	Bill		34
NE	2015	LB 411: Change Provisions Relating to SNAP	SNAP	Bill		35
NE	2015	LB 147: Change Provisions Relating to Asset Limitations for Public Assistance	Multiple Benefits	Bill		35
NE	2015	LB 81: Change Provisions Relating to Eligibility for Child Care Assistance and Require a Report Regarding Transitional Childcare Assistance Programs	Childcare	Bill	Yes	36
NE	2013	LB 359: Change Asset and Income Limitations for Certain Programs of Public Assistance and Change Eligibility Redeterminations Relating to a Child Care Subsidy	Multiple Benefits	Bill	Yes	37

Bills and Policies by State:

State	Year	Bill/Law/Policy	Subject	Type	Enacted	Page
NV	2017	SB 455: Child Care Tax Credit	Childcare	Bill		38
NV	2017	SB 147: Tax Credits for Employers for Assist Employees in Finding and Paying for Day Care	Childcare	Bill		39
NV	2015	SB 364: Pilot Program to Provide Financial Assistance for Child Care	Childcare	Bill		40
NH	2019	HB 2: Budget Bill (Plan to Close the Cliff Effect for Families Who Receive Public Benefits)	Multiple Benefits	Bill		41
NM	2019	HB 160: Requirements for Child Care Assistance	Childcare	Bill		42
NM	2018	SB 241 Cliff Effect Amelioration Program	CE Program	Bill		42
NM	2015	SM 5: Study Family-Work Programs	Multiple Benefits	Memo.		43
NM	2014	SM 10: Study Family-Work Programs	Cliff Effect	Memo		43
NM	2017	SJM 18 A Joint Memorial Requesting . . . Information Regarding Eligibility Requirements for Family Support Services	Multiple Benefits	Memo	Yes	44
NM	2018	Policy Recommendations from New Mexico Voices for Children	Policy Recs	Policy		46
ND	2018	SB 2062: Regarding Administration of TANF	TANF	Bill	Yes	47
ND	2015	HCR 3049: Study Issues Related to Employment Restrictions in Public Assistance Programs	Multiple Benefits	Resolut.	Yes	48
ND	2013	HB1330: Earned Income Tax Credit	EITC	Bill		49
OH	2017	SB 35: Enhance Earned Income Tax Credit	EITC	Bill		50
OR	2016	TANF Reinvestment Project	TANF	Policy	Yes	51
PA	2015	Act 092: Smoothing the Benefits Cliff in Childcare	Childcare	Act	Yes	52
PA	2014	SB 715: Amend Childcare Subsidy Eligibility	Childcare	Bill		53
PA	2013	SR 62: Study New Approaches to Family Work Support Programs	Cliff Effects	Resolut.		54

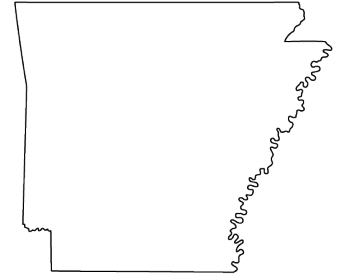
Bills and Policies by State:

State	Year	Bill/Law/Policy	Subject	Type	Enacted	Page
PA	2012	SR 376: Study New Approaches to Family Work Support Programs	Cliff Effects	Resolut.		55
RI	2017	H5175Aaa: Child Care Assistance	Childcare	Bill	Yes	56
RI	2014	H7241 & S2499: The Rhode Island Works Program	Childcare	Bill		57
RI	2013	H 5127aa: Child Care Assistance	Childcare	Bill	Yes	57
TN	2018	Policy: Transitional Child Care Assistance	Childcare	Policy	Yes	58
UT	2017	HB 172: Utah Educational Savings Plan Medicaid	Medicaid	Bill	Yes	59
VT	2017	H 326 – No. 29: An Act Relating to Encouraging Savings by Participants in Reach Up and the Child Care Financial Assistance Program	TANF	Act	Yes	60
VT	2017	S 40: An Act Relating to Increasing the Minimum Wage	Min Wage	Bill		61
VT	2014	H 790: Reach Up, Reach Ahead, and the Enhanced Child Care Services Subsidy Program	Multiple Benefits	Bill	Yes	62
VT	2010+	Reach Up, CCFAP, SNAP Policies	Multiple Benefits	Policy	Yes	63
VT	2017	Medicaid Policy for Employed Recipients Exceeding Income Eligibility Requirements	Medicaid	Policy	Yes	65
WA	2019	HB 1344 & SB 5436: Washington Child Care Now Act	Childcare	Bill		66
WA	2019	HB 1391: Adding New Sections to 43.216 CW	Childcare	Bill		66
WA	2018	SB 6464: Studying the Cliff Effect in the Working Connections Child Care Program	Childcare	Bill	In Committee	67
WA	2013	Chapter 337, Laws of 2013: Child Care Reform	Childcare	Act	Yes	68
WI	2017	AB 241: Mitigating the Benefit Drop-off in Wisconsin Shares	Childcare	Bill		68
WI	2016	AJR 109 and SJR 102: Seek Waiver Approval for Sliding Fee Scale for Public Benefit Programs	Multiple Benefits	Resolut.		70

Evaluations of Cliff Effect Policies
State Cliff Effect Reports
National Cliff Effect Reports

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Act 1705 The Arkansas “Work Pays” Program
Session: 85th (Senate Bill 380)
Main Sponsor: Steele
Introduced: 2/15/2005 Status: Enacted 4/7/2005



The Arkansas “Work Pays” program

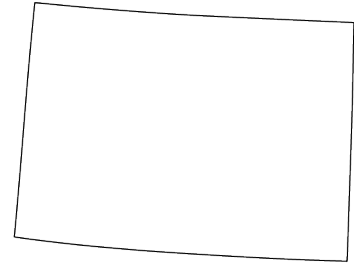
Work-incentive program that encourages former Transitional Employment Assistance recipients to remain employed by providing limited cash benefits for up to 24 months for eligible workers. Eligibility is determined by a combination of administrative factors, as well as having care and custody of a minor child and working a minimum of 24 hours a week. The parent’s gross earnings must be below 100% of the Federal poverty level. The program is limited to 3,000 participants.

Additionally, workers receiving Transitional Employment Assistance may receive childcare assistance. Workers who no longer receive Transitional Employment Assistance due to earnings may apply for Extended Support Services for childcare on a sliding fee scale.

Text of the Law:
<http://www.arkleg.state.ar.us/assembly/2005/R/Acts/Act1705.pdf>

Arkansas Work Pays Eligibility Requirements:
https://www.sos.arkansas.gov/uploads/rulesRegs/Arkansas%20Register/2006/jun_2006/208.00.06-001.pdf

Child Care Assistance, Arkansas Department of Human Services:
<https://humanservices.arkansas.gov/about-dhs/dccece/programs-services/child-care-assistance>



Colorado Cliff Effect Pilot Program (CEPP)

Authorized 2012

Status: Revised in 2014 and 2016

Ongoing

A program initially implemented in 15 Colorado counties to slowly increase child care payments over a period of two years once families begin earning above the limit for subsidized payments (known as Colorado Child Care Assistance Program/CCCAP funds). The program is administered at the county level. Counties who participate in the program must commit to implementing the program for at least two years.

As of 2016, the program had expanded to all counties. Counties have the ability to determine their own eligibility limits as long as they don't go below the state threshold (many use an eligibility threshold of 185 percent of the federal poverty level, others use 190% or 225%). Income is re-determined on a regular schedule to allow for gradually decreasing subsidies.

The Bell Policy center conducted interviews with participants and concluded that most appreciated the Colorado Cliff Effect Pilot Program but still felt stress over affording child care, especially as their income was re-determined to calculate the increasing copay. Some parents responded that CEPP enabled them to have better or more stable jobs. Many parents that were surveyed stated that housing costs were also significant stressors.

Wood, N. (2018). *A Look Past the Cliff: Understanding Colorado's Cliff Effect Pilot Program*. The Bell Policy Center, March 29.

Available at:

<http://www.bellpolicy.org/2018/03/29/colorado-cliff-effect-pilot-program/>

Wood, N., Prendergast, S., Vigoda, L., & Jones, R. (2018). *A Look Past the Cliff*. The Bell Policy Center, March.

Available at:

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

(Recommended review that provides county-by-county information about eligibility)

HB 1208: Expansion of Income Tax Credit for Child Care Expenses

Session: 2018

Main Sponsor: Duran

Introduced: 2/5/2018

Status: Enacted 5-22-2018

Expands Income Tax Credit for Child Care Expenses. If federal adjusted gross income is < \$60,000, then the taxpayer is allowed a state tax credit of 50% of the amount of child care expense claimed on the federal return.

Previously, this credit had been:

50% for < \$25,000

30% for \$25,001 to \$35,000

10% for \$35,001 to \$60,000

Bill Text:

https://leg.colorado.gov/sites/default/files/documents/2018A/bills/2018a_1208_signed.pdf

Summary & History:

<https://leg.colorado.gov/bills/hb18-1208>

HB 1335: County Child Care Assistance Program Block Grants

Session: 2018

Main Sponsor: Young (H) Lundberg (S)

Introduced: 1-11-2017

Status: Enacted 6-6-2018

Amendments to Child Care Assistance Program.

Changes eligibility for CCAP from 165% to 185% of Federal Poverty Level.

Eliminates the following provisions:

- Counties must provide coverage for 90 days after the family's income rises enough to make them ineligible; counties are encouraged to provide coverage for up to 6 months

Bill Text: https://leg.colorado.gov/sites/files/2018a_1335_signed.pdf

Bill History: <https://leg.colorado.gov/bills/hb18-1335>

HB 1002: Refundable Tax Credit for Child Care Expenses

Session: 2017

Main Sponsor: Peterson & Exum

Introduced: 1-11-2017

Status: Enacted 6-2-2017

Extension of Refundable Tax Credit for Child Care Expenses to 2020

Colorado has a refundable tax credit for families earning less than \$25,000 of 25% of child care expenses (claimed on federal taxes); maximum of \$500 for one child or \$1000 for two or more children. This bill extends this credit to 2020.

Law Text:

https://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017a_1002_signed.pdf

History:

<https://leg.colorado.gov/bills/hb17-1002>

SB 022: Child Care Assistance Cliff Effect Pilot Program

Session: 2016

Main Sponsor: Martinez Humenik (S) Peterson (H)

Introduced: 1/13/2016

Status: Enacted 3/18/2016

Remove Limitations on the Pilot Program to Mitigate the Cliff Effect

Allows for more than 10 pilot programs. Allows the approval of pilot programs that are shorter in duration if the “program will contribute relevant data”

Law Text:

https://leg.colorado.gov/sites/default/files/documents/2016a/bills/2016A_022_signed.pdf

Bill History:

<https://leg.colorado.gov/bills/sb16-022>

HB 1317: Modifications to the Colorado Child Care Assistance Program

Session: 2014 69th

Main Sponsor: Duran (H) Nicholson & Kefalas (S)

Introduced: 3/11/2014

Status: Enacted 5/22/2014

Improvements to the Child Care Assistance Program

Expands “eligibility during 60-day job searches and to those in postsecondary education and workforce training, aligning income verification requirements with other Colorado social welfare programs’ expectations, two-tier eligibility specifically to mitigate the cliff effect, raising the statewide eligibility floor, . . . improving provider reimbursement rates.” P. 1, Taft Memorandum

Bill Text:

http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/1BF44ACAEC74822A87257C590081FD69?Open&file=1317_enr.pdf

Taft Memorandum: State Survey for Structuring Policy and Legislation to Address the Cliff Effect. November 17, 2015.

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

HB 1072: Income Tax Credit for Child Care Expenses

Session: 2014 69th

Main Sponsor: Petterson & Exum (H) Kefalas & Martinez Humenik (S)

Introduced: 1/8/2014

Status: Enacted 5/22/2014

Extends tax credit for child care expenses to families earning less than \$25,000. Prior credit was available only to families earning between \$25,000 and \$60,000. p. 1, Taft Memorandum

Bill Text:

http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/79010460F86C53A887257C300005BDE5?Open&file=1072_enr.pdf

Taft Memorandum: State Survey for Structuring Policy and Legislation to Address the Cliff Effect. November 17, 2015.

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

SB 22: Concerning Maintaining Child Care Assistance for Working Families

Session: 2012 67th

Main Sponsor: Boyd (S) Massey (H)

Status: Enacted 4/13/2012

Pilot Program to Mitigate the Cliff Effect

Allocates grant funding for counties to develop pilot programs. Each county “shall continue to provide child care assistance for a period of up to two years . . . whose income exceeds the county-adopted income eligibility limit.” “Shall require . . . pay a series of incremental increases in the portion of the parent share of the child care costs on a scheduled basis based upon a formula established by the county. . . . The county shall work with the person to provide a gradual transition off of the child care assistance over a two-year period.” Original bill provided for pilots from July 2012 to July 2016; SB 3 (2014) extended it to June 30 2019.

Bill Text: SB 22 (2012):

http://www.leg.state.co.us/CLICS/CLICS2012A/csl.nsf/fsbillcont3/2D8471E7E7420A6587257981007F36B3?Open&file=022_enr.pdf

SB 3

(2014):http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/6A4DFD111FCA19BB87257C300005BE6F?Open&file=003_enr.pdf

SB 97: Welfare Reform (New Opportunity for Work Program)

Sponsor: Feeley

Introduced: 1/10/1997

Status: Died

Section 10 acknowledges that the cliff effect occurs when “employment earnings are insufficient to cover the costs of health insurance, child care and household expenses due to the loss of eligibility of certain forms of public assistance.” Allows participants in the NOW program to “earn and retain income in an amount to be established by the state board without becoming ineligible for assistance under the NOW program.”

Source: Lexis/Nexis

Analysis of Economic Stabilization Policies for Families with Young Children



Date: 2018

In 2018 the Florida Children’s Council published an analysis of Florida’s social service program policies for families with young children titled *Two Generational Approach: Focused Policies for Improved Outcomes*. This report states that “A promising solution framework—a graduated phase-out term—has already been implemented in Florida and should provide insight for integration in other work supports. For example, phase outs in SNAP assistance for a single parent in Miami with two children, ages 3 and 6, gradually reduce benefits incrementally by no more than \$360 per \$1,000 of increased income” (p. 6).

The Aspen Report notes that “building on this report along with the fiscal cliff publication, the Florida Chamber Foundation has launched an initiative to engage leaders in developing system and policy improvements for children and families in poverty. This initiative includes a core advisory body of subject-matter experts, a series of state-level Prosperity Summits, a data portal to analyze root causes and system links between various co-occurring elements of poverty, targeted reports, and scorecards to assist leaders in designing more comprehensive policies that reflect the unique needs of families with young children in poverty. At the heart of the recommendations is how to provide families with a graduated phase out of supports and incorporate workforce services to improve financial outcomes. The goal is to reduce the need for public supports while improving outcomes for the entire family”

“With leadership from Florida Children’s Services Councils, CareerSource Florida, and Early Learning Coalitions in four counties, as well as philanthropic organizations, Florida is now implementing a demonstration project to better integrate child care and workforce services. The goals are to reduce the number of changes in quality child care, mitigate the cliff effect, and reduce toxic stress by positively impacting parents’ motivation and capacity to improve their economic position and parenting skills. Families eligible for child care assistance will participate in individual workforce plans that will include child care needs. Like Colorado, Florida established a decelerated payment plan for the phase out of child care payments as family income increases.”

Aspen Report

Two Generational Approach: *Focused Policies for Improved Outcomes*. (2018). Florida Children's Council. Retrieved September 10, 2018 from:

<http://flchildrenscouncil.org/wp-content/uploads/Council-2Gen-Report.pdf>

Birken, B., Mairarty-Siler, E., & White, R. *Reducing the cliff effect to support working families*. April 23, 2018. Ascend: The Aspen Institute.

<https://ascend.aspeninstitute.org/reducing-the-cliff-effect-to-support-working-families/>

See also Chamber web pages on benefits cliff: <https://www.flchamber.com/research/research-programs/less-poverty-more-prosperity-the-florida-fiscal-cliffs-report/>

HB 5580 & SB 2555: Child Care Income Threshold

Session: 99th

Main Sponsor: Wallace (H) Bliss (S)

Introduced: 2/9/16

Status: Died

Changes to eligibility for Child Care Assistance Program

Add "families that are not recipients of TANK benefits and that need child care assistance to participate in education and training activities" as eligible for the Child Care Assistance Program. (From bill history)

Change eligibility from 185% of FPL to 300% of FPL.

Bill Text:

<http://ilga.gov/legislation/fulltext.asp?DocName=&SessionId=88&GA=99&DocTypeId=HB&DocNum=5580&GAID=13&LegID=95010&SpecSess=0&Session=0>

<http://ilga.gov/legislation/fulltext.asp?DocName=&SessionId=88&GA=99&DocTypeId=SB&DocNum=2555&GAID=13&LegID=95458&SpecSess=0&Session=0>

Bill History:

<http://ilga.gov/legislation/BillStatus.asp?DocNum=5580&GAID=13&DocTypeID=HB&LegID=95010&SessionID=88&GA=99&SpecSess=0>

<http://ilga.gov/legislation/BillStatus.asp?DocNum=2555&GAID=13&DocTypeID=SB&LegID=95458&SessionID=88&GA=99&SpecSess=0>



PA 95-206: Amend Public Aid Code – Child Care (HB 1009)

Session: 95th

Main Sponsor: Hernandez

Introduced: 8/16/07

Status: Enacted, Effective Feb. 1, 2008

Changed the threshold for eligibility for child care subsidies

- From 50% of the state median income for the family size
- To up to 185% of federal poverty level

Required the Illinois Department of Human Services to work with its Child Care Development Advisory Council to create a plan for revising the Child Care Assistance Program's co-payment scale by Feb. 1, 2008. Plan to include:

- Study of percentage family's pay on child care versus other needs
- Recommendations for revising co-payment scale
 - To ensure affordability of child care
 - To provide at-risk kids access to Preschool for All and Head Start
- Recommendations for policy changes that affect affordability

The resulting report credited Illinois for program improvements that improved access to quality/affordable child care, including by "updating the income guidelines and indexing them to annual changes in the federal poverty level (FPL)." The report also credits the state for its 3 & 4 year-old "preschool for all" program. However, the report notes that significant barriers still exist and parents still turn down raises and additional work to avoid the cliff effect.

The report recommends the following actions:

- Change parent co-payments for child care by tying co-payments to ability to pay, not to the # of children served or the # of hours of service needed. The recommendation includes maxing out co-payments to 10 percent of gross annual income.
- Raise provider reimbursement rates and prohibit service providers from charging parents the difference between the state rate and the private rate.
- Raise threshold to 300% of federal poverty level before families can be a part of the Child Care Assistance Program
- Allow more flexibility in parents' work/school hours requirements.

Public Act 95-206 –

<http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=095-0206&GA=95>

Report pursuant to PA 95-206 –

Illinois Department of Human Services. “Making Quality Child Care Affordable for Illinois’ Working Families.”

https://visionforchildren.org/wp-content/uploads/2014/03/Making_Child_Care_Affordable_for_Illinois_Families_PDFs_CoPayReport.pdf

SB 0898: DHS Child Care Benefits Co-Pay

Session: 95th

Main Sponsor: Garrett

Introduced: 2/8/07

Status: Passed by Senate; Died in House

Amends IL Public Aid Code, child care for recipients of TANF.

Changes income threshold from 185% to 200% of FPL.

Changes family co pay to not exceed:

“3% of the family’s countable income, if any, that is not more than 100% of the federal poverty level; plus 7% of the family’s countable income, if any, that is more than 100% of the federal poverty level but not more than 150% of the federal poverty level; plus 12% of the family’s countable income, if any, that is more than 150% of the federal poverty level but not more than 200% of the federal poverty level.” From Bill History

This bill was reintroduced in the 98th session as HB 2244/SB 2315. It also died.

Also in the 98th session, HB 3757/SB 2692 attempted to raise income eligibility to 200% of FPL. Bill died.

Bill Text:

<http://ilga.gov/legislation/95/SB/09500SB0898eng.htm>

Bill History:

<http://ilga.gov/legislation/BillStatus.asp?DocNum=898&GAID=9&DocTypeID=SB&LegID=29007&SessionID=51&GA=95&SpecSess=0>

SB 528: Amend Code for Human Services

Introduced: 1/17/17

Status: Died

Removal of Asset Limits for SNAP Eligibility

“The division . . . may not consider the value of any assets in determining an individual’s eligibility for SNAP.”

Bill Text:

<http://iga.in.gov/legislative/2017/bills/senate/528#document-9e684b42>



SB 369: Amend Code for Human Services

Main Sponsor: Stoops

Introduced: 1/10/17

Status: Died

Child Care Voucher Program

Increase eligibility for the subsidy to families with incomes of 250% of federal poverty level or 85% of Indiana median income, whichever is higher.

Bill Text:

<http://iga.in.gov/legislative/2017/bills/senate/369#document-8d1e259b>

HB 1616 Amend Code for Human Services

Session: 2015

Main Sponsor: Edward Clere

Introduced: 1/22/15

Status: Died

Increase Childcare Development Fund Exit Eligibility

Description: Amends section 3.4 to increase eligibility for the subsidy to families with incomes of 250% of federal poverty level or 85% of Indiana median income, whichever is higher.

Bill was not heard in the Senate Appropriations Committee because Senator Kenley believed it would increase the waiting list for subsidies. Journal Gazette, 4/9/15

<http://www.journalgazette.net/opinion/editorials/Family-friendly-598211>

Bill text:

<http://iga.in.gov/legislative/2015/bills/house/1616#document-c8c8cc4f>

Indiana Institute for Working Families Policy Brief November 2013 – discusses the cliff effect in the Child Care Development Fund. Available at:

<http://www.incap.org/documents/iwvf/2013/CCDFPolicyBrief.pdf>

Child care bill would minimize ‘cliff effect’ for low-income families. The Criterion Online Edition, 4/17/15. Available at:

<http://www.archindy.org/criterion/local/2015/04-17/icc.html>

Thomas, D. (2015). Testimony before the House Committee on Family, Children and Human Services in Support of HB 1616. January 28. Available at:

http://www.incap.org/Cliff_Effect_Testimony.html#.W8SvChNKhPM

SB 129 Amend Code for Human Services

Session: 2015

Main Sponsor: Broden

Introduced: 1/16/15

Status: Died

Eligibility for Child Care Voucher.

Eligibility for child care voucher changes from 170% to 200% of federal poverty level. Families maintain eligibility until 250%.

Bill Text:

<http://iga.in.gov/legislative/2015/bills/senate/129>

Thomas, D. (2015). Testimony before the House Committee on Family, Children and Human Services in Support of SB 129. February 9. Available at:

<http://www.incap.org/iwfw/testimony/senate-020915.pdf>

SB 549: Amend Code for Human Services

Session: 2015

Main Sponsor: Stoops

Introduced: 1/15/15

Status: Died in Senate Committee

Removal of Asset Limits for SNAP Food Assistance Program

Would no longer disqualify families who have more than \$2,250 in assets (savings, cash, vehicles, real estate).

Would affect nearly 900 families. Would cost the state \$150,000 to upgrade software; would result in about \$3 million more in federal SNAP dollars. Journal & Courier.

Bill Text:

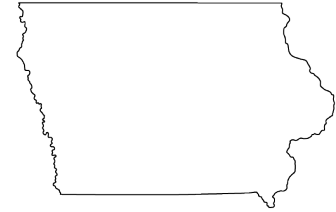
<http://iga.in.gov/legislative/2015/bills/senate/549#document-2af86ca9>

Bill to Expand SNAP Eligibility Dies in Committee. Journal & Courier, 2/18/15

<https://www.jconline.com/story/news/2015/02/18/bill-expand-snap-eligibility-dies-committee/23615705/>

Thomas, D. (2015). Testimony before the House Committee on Family, Children and Human Services in Support of SB 549. January 28. Available at: [http://www.incap.org/iwfw/testimony/senate-](http://www.incap.org/iwfw/testimony/senate-021615.pdf)

[021615.pdf](http://www.incap.org/iwfw/testimony/senate-021615.pdf)



Change in DHS Rules for Child Care Subsidy

Date: 2016

“Iowa Department of Human Services implemented new rules in July 2016 to try and help address cliff effect. These allow parents to continue receiving child care assistance for up to one year if their eligibility changes.

Also, twice yearly income verifications have been cut back to once annually.

The subsidy requires parents to be working or in school at least 28 hours/week. HH income must be not more than 145 percent of the federal poverty level.”

Sources:

Hardy, K., & Meinch, T. (2016). The ‘cliff effect’: Why a minimum wage hike could hurt families. *Des Moines Register*, July 29.
<https://www.desmoinesregister.com/story/money/business/2016/07/29/cliff-effect-why-minimum-wage-hike-could-hurt-families/87412222/>

HF 597: Requesting Establishment of an Interim Study Committee Relating to the Impact of State Assistance Program Income Restriction Guidelines

Session: 88th (2019-2020)

Sponsor: Committee on Human Resources

Introduced: 2/18/2019 as House Study Bill 166

Status: Referred to Committee on Human Resources on 4/4

Establishes an interim study committee to “evaluate the impact of state assistance program income restriction guidelines.” The study will explicitly look into the cliff effect; will examine both child care and food assistance. Report to the governor by December 21, 2019.

Amendment H-1014 filed: Initial eligibility for child care assistance – 200% of FPL; would increase by 50% each year after 2020 until family’s income reaches 400% of FPL

Kentucky



EO 5: Relating to the Creation of the Kentucky Works

Collaborative

Session: 2019

Introduced: 1/3/2019

Establishes the KY Works Collaborative, which shall analyze the self-sufficiency standard in KY, as well as the “benefit cliff with regard to individuals who are receiving state assisted benefits in comparison to the determined self-sufficiency wage via the private sector.”

Source: Lexis/Nexis

Executive Order Text:

<https://www.dropbox.com/s/ti00l382dtse13m/KentuckyWorks%20Collaborative%20EO.pdf?dl=0>

Press Release: <https://kentucky.gov/Pages/Activity-stream.aspx?n=KentuckyGovernor&prId=855>

Louisiana



Child Care Assistance Policy

Date: 2016

To address the benefits cliff, Louisiana took the approach of increasing child care stipends (a 250 percent increase in 2016) to help parents find affordable and high quality care. Changed program from one of high fees for families and low reimbursement to providers.

Now parents are eligible for a year despite changes in school or work status, as long as they are earning less than 85% of state median income. Poppe & Lipkowitz

Pays a percentage of costs based on the state’s maximum allowed rate and family income. Uses a sliding fee scale, with co-pays by families. FAQs Payment.

Must be working or attending school, min 20 hours/week. FAQs Households.

Poppe, J., & Lipkowitz, R. (2016). Low-income parents face the threat of falling off child care assistance with a raise or promotion. *State Legislatures Magazine*, October/November. Retrieved October 18, 2018 from: <http://www.ncsl.org/bookstore/state-legislatures-magazine/raise-can-mean-parents-lose-child-care-assistance.aspx>

HP 1014 & LD 1475: An Act to Reduce Child Poverty by Leveraging Investments in Families Today

Session: 128th First Regular Session 2017

Main Sponsor: Gideon (Speaker) Maker (1475) & Denno (1014)

Introduced: 4/18/2017

Status: Dead



The “LIFT” bill. Amends the state EITC as follows:

“A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 15% of the federal earned income tax credit if taxable income is equal to or less than 100% of the federal poverty level, as defined in Title 22, section 3762, subsection 1, paragraph C; 10% of the federal earned income tax credit if taxable income is between 101% and 150% of the federal poverty level; and 5% of the federal earned income credit for all other resident individuals for the same taxable year, except that for tax years beginning in 2009 and 2010, the applicable percentage is 4%.”

“Mitigating the effect of the “welfare cliff” by raising the amount of the State Earned Income Tax Credit for the lowest wage working families with children. The bill would triple the credit for families with earnings at or below the poverty level and double it for families between 101- 150% of the poverty level.”

<http://mejp.org/sites/default/files/2017%20LIFT%20three%20pager%20LD%20%231475.pdf>

Bill Text:

<http://legislature.maine.gov/legis/bills/getPDF.asp?paper=HP1014&item=1&snum=128>

Bill Tracking:

http://legislature.maine.gov/legis/bills/display_ps.asp?LD=1475&snum=128

LD 1268: An Act To Reform Welfare by Establishing Bridges to Sustainable Employment

Session: 127th First Regular Session 2016

Main Sponsor: Drew Gattine

Introduced: 4/7/2016

Status: Died Between Houses, 4/16/17

TANF income disregard

“(7-A) In determining eligibility and benefit levels of recipients, the department shall disregard the following from their monthly earnings for the first 2 months of employment . . .

(a) 100% of all earned income; and

(b) All actual child care costs necessary for work, except that the department may limit the child care disregard to \$175 per month per child or \$200 per month per child under 2 years of age or with special needs;

(7-B) In determining eligibility and benefit levels of applicants, the department shall disregard the following from the monthly earnings from the beginning of the 3rd month of employment . . .

(a) \$250;

(b) Fifty percent of the remaining earnings that are less than the federal poverty level;

(c) All actual child care costs necessary for work, except that the department may limit the child care disregard to \$175 per month per child or \$200 per month per child under 2 years of age or with special needs;

Bill Text:

<https://legislature.maine.gov/legis/bills/getPDF.asp?paper=HP0868&item=1&snum=127>

Lawlor, B. Bills seek to smooth out ‘benefits cliff’ in Maine,” *Portland Press Herald*, April 20, 2015.

Available at:

<https://www.pressherald.com/2015/04/20/bills-seek-to-smooth-out-benefit-cliffs-in-maine/>

LD 816 & SP 290: An Act to Reform Welfare and Eliminate the Welfare Cliff

Session: 127th

Main Sponsor: Brakey (816) Mason (290)

Introduced: 3/10/2015

Status: Died

“This bill proposes to enact measures designed to reform welfare and eliminate the so called welfare cliff. This bill would establish a system of gradual reduction, rather than an abrupt cessation, of welfare benefits to an individual as the individual's income rises.”

“This bill is a concept draft pursuant to Joint Rule 208.”

Bill Text:

<https://www.mainelegislature.org/legis/bills/getPDF.asp?paper=SP0290&item=1&snum=127>

Bill Tracking:

http://www.mainelegislature.org/legis/bills/display_ps.asp?snum=127&ld=816.0/

HP 1013: An Act to Reduce the Regulation of Child Care

Session: 128th First Regular Session 2017

Main Sponsor: Espling

Introduced: 4/14/2017

Status: Dead

Requires Department of HHS to “develop a sliding scale plan to allow recipients of child care subsidies to keep part of the subsidy for a period of time after the recipient earns sufficient income to no longer be eligible for the subsidy.” Authorizes the Joint HHS Committee to “report out a bill relating to eliminating the so-called welfare cliff with respect to child care subsidies after receiving the plan.”

Bill Text:

<http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP1013&item=1&snum=128>

Bill Tracking:

http://www.mainelegislature.org/legis/bills/display_ps.asp?id=1474&PID=1456&snum=128

HP 868: An Act To Reform Welfare by Establishing Bridges to Sustainable Employment

Session: 127th

Main Sponsor: Gattine

Introduced: 4/7/2015

Status: Died

Aimed to address the benefits cliff:

- through work and education supports.
 - By establishing a navigator position to minimize cliff effects to educate families on how their benefits would be impacted by increased income and incentivizing continued employment.
 - Proposed the Structured Pathways Program to provide TANF recipients with access to job and education opportunities, skills building and workforce development programs.
- Through broadening TANF eligibility standards.
 - Allowing two-parent families to qualify for TANF assistance with the same eligibility standards as single-parent families.
 - Changing some earned income disregards:
 - TANF recipients working for two months or less would be entitled to a 100 percent earned income disregard, along with all “childcare costs necessary for work,” although childcare disregards may be limited to \$175 per child or (\$200 for a child under 2 or with special needs)
 - After three months of work, recipients would have the same guidelines for childcare disregards, but their earned income is disregarded by \$250, followed by “fifty percent of the remaining earnings that are less than the federal poverty level.”
- Assuring that eligible workers with irregular hours have access to reliable and uninterrupted childcare subsidies.

Bill Text:

<http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0868&item=1&snum=127>

See also LD 1402 (competing bill on same topic)

LD 1402 & HP 951: An Act To Reward Work Performed By Welfare Recipients

Session: 127th First Regular Session 2015

Main Sponsor: Governor's Bill

Introduced: 5/12/2015

Status: Died

Multiple provisions; but those related to cliff effect: In determining benefit levels for TANF recipients who have earnings from employment, the department shall disregard from monthly earnings:

- All actual childcare costs necessary for work, except that the department may limit the child care disregard to \$175 per month per child or \$200 per month per child under 2 years of age or with special needs;
- Once in a 12-month year:
 - For a recipient employed 40 or more hours per week, 100% of the gross earned income for the first two months, 75% of the gross earned income for the next 6 consecutive months of employment and 50% of the gross earned income for each additional consecutive month of employment thereafter; and
 - For a recipient employed less than 40 hours per, 100% of the gross earned income for the first month of employment, 75% of the gross earned income for the next 6 consecutive months and 50% of the gross earned income for each additional consecutive month of employment thereafter.

Allows Department to give “limited transitional transportation benefits” to participants no longer eligible for TANF because of employment.

Dedicates \$500,000 in state funds “to promote financial literacy and health savings habits” for families who make less than 200% of poverty limit.

For discussion of HP 868 and LD 1402 see:

Miller, K. (2015). Partisan divisions emerge on welfare cliff. *The Evening Express*, May 29. Available at: <https://www.pressherald.com/2015/05/29/partisan-divisions-emerge-on-welfare-cliff/>

Bill Text:

See also HP 951 (competing bill on same topic)

http://www.mainelegislature.org/legis/bills/display_ps.asp?ld=1402&PID=1456&snum=127

HP 344 & LD 481: An act to Promote Workforce Participation

Session: 128th First Regular Session 2017

Main Sponsor: Stewart

Introduced: 2/9/2017

Status: Enacted 7/20/2017

This bill increases the amount of income earned by recipients of benefits under the Temporary Assistance for Needy Families program that is disregarded in determining the amount of benefits they receive. The amount of the disregard is lowered over time as recipients make the transition to stable employment.

Bill Text:

http://www.mainelegislature.org/legis/bills/bills_128th/billtexts/HP034401.asp

Bill Tracking:

http://www.mainelegislature.org/legis/bills/display_ps.asp?id=481&PID=1456&snum=128

PL 290: An Act to Promote Workforce Participation (amended)

Session: 128th

Introduced: 12/2018

Status: Amendment passed 12/31/2018

This bill increases the amount of income earned by recipients of benefits under the Temporary Assistance for Needy Families program that is disregarded in determining the amount of benefits they receive. The amount of the disregard is lowered over time as recipients make the transition to stable employment. This act was amended to remove a four month work requirement for TANF recipients.

Bill Text:

https://legislature.maine.gov/legis/bills/bills_128th/chapters/PUBLIC290.asp



Executive Order 01/01/2017/03: Two Generation Family Economic Security Commission and Pilot Program

Main Sponsor: Governor

Introduced: 2017

Status: Enacted

Establishes a state commission to:

- Identify services and programs that can be coordinated to support a multigenerational approach
- Identify gaps and inconsistencies between fed, state, local
- Identify, test and recommend best practices

Asks for a report and recommended legislation and policy actions by Dec 31, 2018

“MD recognized a family’s economic success may be limited if their income comes from an inflexible job lacking wage progression The benefits cliff was one of the identified barriers to family self-sufficiency. The commission recommended that alignment of community supports to create a network of transitional services and is currently working on next steps.” Ascend Aspen Report

Sources (full reference, including URL if available):

Executive Order:

https://governor.maryland.gov/wp-content/uploads/2017/03/0442_001.pdf

Birken, B., Mairarty-Siler, E., & White, R. *Reducing the cliff effect to support working families*. April 23, 2018. Ascend: The Aspen Institute

Retrieved September 5, 2018 from: <https://ascend.aspeninstitute.org/reducing-the-cliff-effect-to-support-working-families/>



House Panel: Study Group on Economic Stability

Session: 191st 2019-20

Main Sponsor: Bush

Introduced: 1/28/2019

House Speaker Bush has announced the formation of a Study Group to Study Economic Stability in Maryland. Will focus on “improving the economic stability of families that are not consistently eligible for social safety net programs and often hit the benefits cliff.”

Source: Kurta, J. (2019). House Panel to Study Economic Stability in Md. *Maryland Matters*, January 28. Available at: <https://www.marylandmatters.org/blog/house-panel-to-study-economic-stability-in-md/>

H.174 & S.57: Creation of a Pilot Program to Address the Impacts of the Cliff Effect

Session: 191st 2019-20

Main Sponsor: Vega (H) Lesser (S)

Introduced: 1/22/2019

Status: Referred to Joint Committee on Children, Families, and Persons with Disabilities

Establishes a “pilot program to mitigate cliff effects for low-income individuals/families that are working and receiving public assistance” Would apply to any form of public assistance; seeks to “maximize benefits and plan for the gradual lessening of benefits as their employment income increases.”

50 families transitioning to full time employment would participate in the pilot. In the first year, they will receive 100% of their public benefits plus keep 20% of their earned income. The other 80% must be placed in savings, to be used after the first year, or in an emergency. If the participant has successfully been employed during or at the end of the first year, they will receive a 10% match of their savings. Second year – participant keeps all earned income, plus receives an increase in MA EITC.

Bill Text and History: <https://malegislature.gov/Bills/191/H174>

S.797: An Act Relative to the Massachusetts Rental Voucher Program

Session: 191st 2019-20

Main Sponsor: Eldridge (S) Madaro (H)

Introduced: 1/22/2019

Status: Referred to Committee on Housing

Amends Chapter 121B. Would increase the rent payment standard, which has been frozen to 2005 levels, to present fair market levels. “Provides a safe harbor to protect voucher assisted households from losing their voucher through a cliff effect in instances where their income increases and they are forced to pay more than 30% of their income.” (MRVP Reforms)

Bill Text and History: <https://malegislature.gov/Bills/191/S797/BillHistory>

MRVP Reforms: https://www.chapa.org/sites/default/files/chapa-priorities-items-2019/MRVP%20Reforms_0.pdf

H 2: Appropriations

Session: 190th 2017-18

Main Sponsor: Governor Baker

Introduced: 1/24/2018

Status: Died

Sections 46 and 47 create an earning disregard for working families who go back to work while receiving TAFDC. 100% of gross earned income (before child care expenses) is disregarded for the first 6 months, and 50% is disregarded for the next 6 months, provided that income does not exceed 200% of federal poverty level.

These sections were eliminated from the House version of the appropriations bill, HB 4400.

Bill Text and Tracking: <https://malegislature.gov/Bills/190/H2>

S.79 & H.2807: Creation of a Pilot Program to Address the Impacts of the Cliff Effect

Session: 190th 2017-2018

Main Sponsor: Tosado (H) Welch (S)

Introduced: 1/23/2017

Status: Died

This bill was reintroduce in 2019 as H.174 and S.57.

Bill Text: <https://malegislature.gov/Bills/190/S79>

H.3020 & S.724 An Act Relative to the Economic Mobility and Stability Program

Session: 190th 2017-18

Main Sponsor: Aaron Vega (H) Linda Forry (S)

Introduced: 1/23/17

Status: Discharged to House Rules Committee

Discharged to Committee On Senate Rules; Died

“Establishes a special commission to study data related to programs that provide joint support for stable housing and to increase economic self-sufficiency, various program components, program outcomes including changes in earned income, education, and state and federally funded services, and the feedback of participants and those not enrolled in programs, for the purpose of producing a report with recommendations for an economic mobility and financial stability program for families and individuals with extremely low incomes.”

“The commission shall examine the impact of cliff effects on households with low incomes and determine ways to adjust assistance in response to changes in income, including automatic adjustments tied to minimum wage increases.”

On Solid Ground fact sheet: “This bill creates a commission to study the numerous self-sufficiency programs administered at the federal, state, and local levels that help household increase their incomes and build assets. This write up focuses more on housing.”

Sources:

Bill Text: <https://malegislature.gov/Bills/190/H3020>

Economic Mobility Fact Sheet, On Solid Ground: H.3010/S.724 *An act relative to the economic mobility and stability program*. Available at:

<https://onsolidgroundma.files.wordpress.com/2017/05/osgeconmobilityfactsheet082217.pdf>

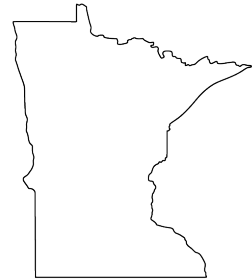
SF 1922 & HF 2241: Family Work Support Groups Study Requirement

Session: 2017-2018

Main Sponsor: Hayden (S) Zerwas (H)

Introduced: 3/8/2017

Status: Died



Authorizes a study of the “efficacy of major federal and state programs in assisting low-income families to achieve self-sufficiency and reduce the number of families living in poverty and identify areas that need to be addressed by the legislature” (lines 1.7 to 1.10).

This study will “evaluate if and how these programs produce a cliff effect.” (line 1.20)

Bill Text:

https://www.revisor.mn.gov/bills/text.php?number=SF1922&version=0&session=ls90&session_year=2017&session_number=0&format=pdf

Bill History:

<https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF1922&ssn=0&y=2018>



SB 965 and HB1311: Related to 2012 legislative action that resulted in Missouri Revised Statute 208.053 (Title XII, Chapter 208, Section 053), the Low-Wage Trap Elimination Act, which created the Hand-Up (Pilot) Program

Session: 2018

Sponsors: Curls (S) Quade (H)

Introduced: 1/29/18

Status: Died

- Modifies expired "Hand-Up" pilot program (see Missouri Revised Statute 208.053 (Title XII, Chapter 208, Section 053))
- Implementation by Jan. 1, 2019
- Jackson and Green counties pilot program
- Still uses a monthly premium system
- Would sunset in 2024 unless reauthorized
- Two-month grace period (after 60 days without paying premium, lose transitional benefits)

Not yet adopted. Earlier program helped few people by close of 2016, according to news reports. See entry on Missouri Revised Statute 208.053 (Title XII, Chapter 208, Section 053), the Low-Wage Trap Elimination Act, which created the Hand-Up (Pilot) Program.

Bill Text & History:

SB965 - https://www.senate.mo.gov/18info/BTS_Web/Bill.aspx?SessionType=R&BillID=73129091
<https://www.senate.mo.gov/18info/pdf-bill/intro/SB965.pdf>

HB1311 - <https://house.mo.gov/bill.aspx?bill=HB1311&year=2018&code=R>
<https://house.mo.gov/billtracking/bills181/hlrbillspdf/4595H.04C.pdf>

News Coverage

Springfield News-Leader:

<https://www.news-leader.com/story/news/politics/2018/02/01/springfield-reps-cliff-effect-bill-expected-survive-after-tense-testimony/1086676001/>

Springfield News-Leader:

<https://www.news-leader.com/story/news/politics/2017/03/08/cliff-effect-testimony-gets-emotional-springfield-mothers-share-stories-poverty/98885470/>

HB 712 : Children and Low-Income Families Future (CLIFF) Program

Session: 2017

Main Sponsor: Dan Shaul

Same as HB713 (2017), *sponsored by Crystal Quade*

Introduced: 1/24/2017

Status: Died

- Proposed a pilot program for Greene, Jefferson and Pemiscot counties
- Would have allowed counties to work with the state Department of Social Services to develop county-specific programs offering cost-sharing for child care programs to parents whose incomes exceed existing assistance eligibility limits
- Counties would have flexibility on what the program looked like in terms of the number of participants, child age limits, the formula for providing assistance, fee schedules, etc.; but the programs would have to require parents to gradually increase their portion of the costs over a two-year period and programs would have to operate for at least five years.
- Programs would be funded by state block grants with the establishment of a Children and Low-Income Families Future Program Fund.
- Would have been effective July 1, 2018

HB712 Bill Text:

<https://house.mo.gov/Bill.aspx?bill=HB712&year=2017&code=R>

HB713 Bill Text:

<https://house.mo.gov/Bill.aspx?bill=HB713&year=2017&code=R>

News coverage:

Springfield News-Leader: <https://www.news-leader.com/story/news/politics/2017/01/25/springfield-democrat-works-across-aisle-ensure-filing-cliff-effect-bill/97041040/>

<https://www.kansascity.com/news/politics-government/article138677723.html>

HB 1073: Changes the Laws Regarding Child Care Assistance

Session: 2015

Main Sponsor: McNeil

Date: 2/26/2015

Status: Died

- Would have allowed for 6 levels of subsidy for child care assistance for a step-down approach to these benefits
 - Up to 130% FPL = 100% max subsidy rate
 - 130-140 % FPL = 90%
 - 140-160% FPL = 75%
 - 160-180 % FPL = 50%
 - 180-200 % FPL = 25%
 - 200+ % FPL = 0%
- After 30 days unemployed, child care assistance ends
- If hours reduced from full- to part-time due to business fire/damage/civil unrest, still eligible for child care assistance for 30 days

Bill Text and Tracking:

<https://house.mo.gov/billtracking/bills151/hlrbillspdf/2325H.01l.pdf>

Missouri Revised Statute 208.053 (Title XII, Chapter 208, Section 053), the Low-Wage Trap Elimination Act, which created the Hand-Up (Pilot) Program

SB 727 (2012), identical to parts of SCS/HCS#2/HB 1323

Session: 2012

Main Sponsor: Schaff

Introduced: 2012

Status: Adopted 8/28/2012; Effective 2014, Sunset Date of 2017 (See 2018 - HB1311/SB965)

- Modifies Missouri Revised Statute 208.053, the “Low-Wage Trap Elimination Act”
- Required the Mo. Children’s Division to implement a pilot “Hand-Up Program” designed to mitigate the cliff effect on childcare subsidies in qualifying counties.
 - Jackson County and Cape Girardeau County
- Used a premium system that, in theory, would have served as a step-down approach for recipients.
 - Subsidy recipients no longer eligible would pay 44% of any new/excess wages that put their incomes above subsidy program thresholds into a state-run premium fund.
 - Recipients could continue under this system through multiple pay raises until the amount of their premiums equaled the total subsidy level.

The initial Hand-Up Pilot Program rolled out in 2014 appears to have helped zero families, according to 2017 news coverage.

- Analysis suggests this is due to delayed implementation and lack of funding.

Sources:

Senate revisions to HB1323 (2012 session) -

<https://house.mo.gov/billtracking/bills121/hlrbillspdf/5196S.09C.pdf>

https://www.senate.mo.gov/12info/BTS_Web/HouseBillSumm.aspx?SessionType=R&BillID=7943622

Crisp E. Child-care pilot program passes in Mo. Capitol. St. Louis Post-Dispatch (MO) [serial online].

May 18, 2012; Available from: Newspaper Source, Ipswich, MA. Accessed September 8, 2018.

Revised Statute:

<http://revisor.mo.gov/main/OneSection.aspx?section=208.053&bid=10971&hl=low-wage%u2044>

News Coverage:

<https://www.news-leader.com/story/news/politics/2017/03/19/existing-cliff-effect-program-helped-no-one-five-years-report-says/99249176/>

https://www.stltoday.com/news/local/govt-and-politics/child-care-pilot-program-passes-in-mo-capitol/article_cf1dbdee-a11e-11e1-88e5-0019bb30f31a.html

Nebraska

LB 770: Change Provisions Relating to SNAP

Session: 105

Main Sponsor: John McCollister

Introduced: 1/3/2018

Status: died in HHS Committee

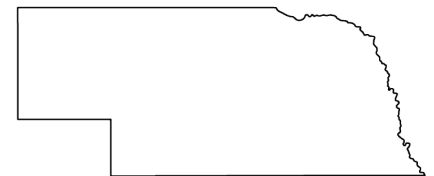
SNAP - allow gross income to be higher as long as net is < 100% poverty line; allows families with higher child care and med expenses to earn more and keep SNAP

“Would have allowed Nebraskans to receive gradually smaller amounts from the SNAP as their wages increase, thereby rewarding work and helping people move ahead while ensuring their families can still get the meals they need.” Pitts

Pitts, K. 2018 Nebraska Legislative Recap. Nebraska Appleseed. April 15, 2018. Retrieved September 7, 2018 from: <https://neappleseed.org/blog/23809>

LB text:

<https://nebraskalegislature.gov/FloorDocs/105/PDF/Intro/LB770.pdf>



LR 413: Study Strategies to Strengthen Workforce

Session: 105 (2017-2018)

Main Sponsor: Brett Lindstrom

Introduced: 3/27/2018

Status: Referred to HHS Committee 4-4-18

Initiates an interim study on childcare subsidy program cliff effects.

From the Resolution: “This resolution will examine structural barriers to financial independence in public work support programs. Such barriers exist when income eligibility levels for work supports force Nebraskans to choose between increased wages or hours and a loss of benefits:

“Study shall include . . . An analysis of the incongruity between the cost of raising a family and current eligibility levels for state-funded child care assistance to ensure full employment among working parents.”

Pitts, K. 2018 *Nebraska Legislative Recap*. Nebraska Appleseed. April 15, 2018. Retrieved September 7, 2018 from: <https://neappleseed.org/blog/23809>

Resolution: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Intro/LR413.pdf>

LB 358: Change Provisions Relating to SNAP

Session: 105 (2017-2018)

Main Sponsor: McCollister

Introduced: 1/31/2017

Status: Indefinitely postponed 4/18/18

Changes to SNAP eligibility

“increasing the gross income limit to 158% FPL, or \$31,850 for a family of three, while preserving the current net income limit, which is set at 100% FPL. In other words, under the legislation, a family of three could earn up to \$31,850 and still access SNAP, as long as they have significant expenses like childcare to deduct to take their net income to about \$20,400. Nebraska would join at least 31 other jurisdictions that have raised their gross income eligibility limit—many of which have elected to set their limit at 200% FPL.” From *Rewarding Work*.

LB 358: *Rewarding Work and Moving People Ahead*.

<https://voicesforchildren.com/wp-content/uploads/2017/04/LB-358-Fact-Sheet-Final.pdf>

LB text:

<https://nebraskalegislature.gov/FloorDocs/105/PDF/Intro/LB358.pdf>

LR 122: Interim Study to Examine Public Assistance Programs

Session: 105 (2017-2018)

Main Sponsor: McCollister

Introduced: 5-2-2017

Status: Referred to HHS 5-15-17

“The purpose of this resolution is to examine public assistance programs in Nebraska, including, but not limited to, the Supplemental Nutrition Assistance Program, in order to determine whether program structures could be improved to better reward work and allow forward momentum for program participants.”

Includes study of the “actual impacts LB 81 (2015) had on the cliff effect related to the transitional child care subsidy.”

LR Text:

<https://nebraskalegislature.gov/FloorDocs/105/PDF/Intro/LR122.pdf>

LB 495: Increase the Earned Income Tax Credit

Session: 104 (2015-2016)

Main Sponsor: Pansing Brooks

Introduced: 1/20/2016

Status: 4/16 indefinitely postponed

Increase EITC for state income tax purposes from 10% to 13% of the federal credit

LB Text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Intro/LB495.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 510: Provide and Income Tax Credit to Employers of Public Assistance Recipients

Session: 104 (2015-2016)

Main Sponsor: Cook

Introduced: 1/21/2015

Status: 4/16 Indefinitely postponed

Portions amended into LB 774 (but not the portions described below)

Tax credit to employers of employees who received TANF

Tax credit of 20% of childcare, transportation, and tuition expenses provided by employer to employees who received TANF in previous 9 of 18 months

LB text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Intro/LB510.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 322: Increase Child and Dependent Care Tax Credits

Session: 104 (2015-2016)

Main Sponsor: Bolz

Introduced: 1/15/2015

Status: 4/20/16 Indefinitely postponed

“Adjusts the Child and Dependent Care Tax credit to account for inflation” Taft Memorandum

LB Text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Intro/LB322.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 411: Change Provisions Relating to SNAP

Session: 104 (2015-2016)

Main Sponsor: Cook

Introduced: 1/16/2015

Status: 4/16 indefinitely postponed

“Increase gross income eligibility for SNAP to 185% of the federal poverty level”

Taft Memorandum

LB Text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Intro/LB411.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 147: Change Provisions Relating to Asset Limitations for Public Assistance

Session: 104 (2015-2016)

Main Sponsor: Crawford

Introduced: 1/9/2015

Status: 4/16 indefinitely postponed

Change provisions relating to asset limitations for public assistance. Change eligibility for assistance for dependent children (SNAP and ADC) - so that liquid assets are not considered.

Liquid assets include “funds in hand, personal checking and savings accounts, money market accounts, and share accounts.” Taft Memorandum

LB Text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Intro/LB147.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 81: Change Provisions Relating to Eligibility for Child Care Assistance and Require a Report Regarding Transitional Childcare Assistance Programs

Session: 104 (2015-2016)

Main Sponsor: Cook

Introduced: 1/8/2015

Status: Approved by Governor on 5/27/15

Change provisions relating to eligibility for child care assistance and require a report regarding transitional childcare assistance programs.

“Allows families enrolled in the low-income child care subsidy program access to transitional child care assistance.” Maintains two-year eligibility after transitioning off ADC. Previous cap of eligibility only up to 185% of federal poverty level was removed. Taft Memorandum, p. 4

Slip Law Text:

<https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB81.pdf>

Taft Memorandum:

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

LB 359: Change Asset and Income Limitations for Certain Programs of Public Assistance and Change Eligibility Redeterminations Relating to a Child Care Subsidy

Session: 103 (2013-2014)

Main Sponsor: Cook

Introduced: 1/18/2013

Status: Approved by Governor on 4/2/14

Change asset and income limitations for certain programs of public assistance and change eligibility redeterminations relating to a child care subsidy.

For SNAP, ADC, and childcare subsidy – will not include the following in determining assets or income:

- Educational savings account, scholarships or grants for post secondary education, postsecondary work study.

If a recipient of aid becomes ineligible due to increased employment hours or income, will be eligible for transitional payments to meet basic needs for 5 months following ineligibility if still below 185% of poverty and working.

Slip Law Text:

<https://nebraskalegislature.gov/FloorDocs/103/PDF/Slip/LB359.pdf>

SB 455: Child Care Tax Credit

Session: 79th

Main Sponsor: Farley

Date: 3/27/2017

Status: Bill died. Heard in committees, no further action.

- Allow an income tax credit to businesses that assist their employees with child care.
- Assistance must go to employees who
 - Earn 85% or less of the state’s median income
 - Are eligible for the state’s Program for Child Care and Development
 - Use the assistance for care of a child under the age of 13
 - Choose a provide in the state’s Quality Rating and Improvement System
 - Pay the provider directly for any fees not covered by the employer’s assistance
- Employer can get a credit worth 50% of what it pays to support employee’s child care needs, capped at \$5,000 per employee per year
 - Unused credits can carry forward 5 years
 - Assistance can not be part of an employee’s salary reduction
- State to fund at \$5 million in FY18 and \$5.5 million in FY19. 110% increases each following year.
- In hearing testimony, a business chamber opposed citing administrative burden.
- News coverage included opposition due to expected high costs of administering the program.

Bill History: <https://www.leg.state.nv.us/App/NELIS/REL/79th2017/Bill/5655/Overview>

Credit flow chart:

https://www.leg.state.nv.us/App/NELIS/REL/79th2017/ExhibitDocument/OpenExhibitDocument?exhibitId=34663&fileDownloadName=SB%20455_Flow%20Chart_Child%20Care%20Tax%20Credit%20Flow%20Chart_Childrens%20Advocacy%20Alliance.pdf

Opposition testimony – Henderson Chamber of Commerce:

https://www.leg.state.nv.us/App/NELIS/REL/79th2017/ExhibitDocument/OpenExhibitDocument?exhibitId=34664&fileDownloadName=SB%20455_Testimony%20in%20Opposition_Henderson%20Chamber%20of%20Commerce.pdf

News coverage: *Las Vegas Review-Journal*, April 24. Retrieved 9/28/2018 from:

<https://www.reviewjournal.com/news/2017-legislature/bill-floated-for-tax-break-for-companies-that-help-staff-pay-for-child-care/>

SB 147: Tax Credits for Employers Who Assist Employees in Finding and Paying for Day Care

Session: 2017 70th

Main Sponsor: Spearman

Date: 3/27/2017

Status: Bill died. No action in committee

- An employer can receive an income tax credit worth 50 percent of what it pays to support employees' child care needs, maxing out at \$2,500 per employee per year
- The credit can carry forward up to five years if the credit exceeds the employer's tax liability
- Can't get a credit if the assistance is part of a salary reduction plan for an employee
- The reporting and application process are left up to a state agency to determine
- A local chamber testified in support, saying the measure would support working families and incentivize employment growth and loyalty

Bill History:

<https://www.leg.state.nv.us/App/NELIS/REL/79th2017/Bill/4983/Overview>

Supporting Testimony: Henderson Chamber of Commerce

https://www.leg.state.nv.us/App/NELIS/REL/79th2017/ExhibitDocument/OpenExhibitDocument?exhibitId=27321&fileDownloadName=SB147_LetterofSupport_HendersonChamberofCommerce.pdf

News coverage: KNPR. *Lawmakers Aim for Tax Credits for Businesses That Help Pay for Child Care.*

March 6. Retrieved September 20, 2018 from:

<https://knpr.org/knpr/2017-03/lawmakers-aim-tax-credits-businesses-help-pay-child-care>

SB 364: Pilot Program to Provide Financial Assistance for Child Care

Session: 2015

Main Sponsor: Kihuen, Ford, Woodhouse, Parks

Introduced: 3/16/15

Status: This bill died. After re-referral to committee, no further action taken.

Description:

- Would create the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care
 - Fund would provide grants to up to 5 counties for a 2-year pilot program
 - State would provide \$1.2 million for the fund in the next two fiscal years (FY16 and FY17)
- Department of Health and Human Services would work with counties to develop memoranda of understanding for programs
 - Counties selected must represent geographic and ethnic diversity of the state
- Grants to provide parents who previously received child care assistance to continue to receive assistance in decreasing amounts as they earn more income in excess of existing eligibility limits
 - Flexibility by county for program details, including
 - Cost-share schedule
 - Child age limits
 - Percent of eligible parents enrolled in program
 - Portion of grant to be used to pay for healthy meals at child care facilities
- Report on participation required by Jan. 1, 2017 to Legislature
- Encourages additional public/private partnerships to find additional ways to mitigate cliff effect

Bill History:

<https://www.leg.state.nv.us/Session/78th2015/Reports/history.cfm?billname=SB364>

HB 2: Budget Bill - Plan to Close the Cliff Effect for Families who Receive Public Benefits

Session: 2019

Main Sponsor: Governor

Status: House Finance Committee passed amended version on 4/5



Section 75:

Department of Health and Human Services to develop a plan to close the cliff effect; includes development of “benefits cliff calculator”, and policy options, including “earned income disregard, transportation accessibility, and incentives for employment retention.” Will submit preliminary report by December 1, 2019.

Bill Text: <https://legiscan.com/NH/text/HB2/id/1990601>

Bill Tracking: <https://legiscan.com/NH/drafts/HB2/2019>

Article: New Hampshire Fiscal Policy Institute. (2019). *House Finance Committee Budget Boosts Education and Health Funding*. April 5. Available at: <http://nhfpi.org/commoncents/house-finance-committee-budget-boosts-education-and-health-funding.html>

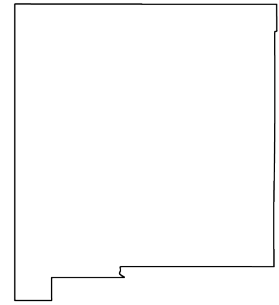
HB 160: Requirements for Child Care Assistance

Session: 2019

Main Sponsor: Gallegos

Introduced: 1/2/2019

Status: Died



Would raise the child care assistance eligibility to 200% of FPL; families would still be eligible for child care assistance (with copays) until income reaches 300% of FPL. Would delete copays for incomes less than 100% of FPL.

Bill Text: <https://nmlegis.gov/Sessions/19%20Regular/bills/house/HB0160.pdf>

Bill Tracking:

<https://nmlegis.gov/Legislation/Legislation?chamber=H&legType=B&legNo=160&year=19>

News Article: Ulloa, S. (2019). Bill tackles child care ‘cliff effect’ by expanding eligibility. New Mexico InDepth, February 8. Available at: <http://nmindepth.com/2019/02/08/bill-tackles-child-care-cliff-effect-by-increasing-eligibility/>

SB 241: Cliff Effect Amelioration Program

Session: 2018

Main Sponsor: Pat Woods

Introduced: 1/30/2018

Status: Died

“The secretary of human services shall establish a “cliff effect amelioration program” to reduce or remove the cliff effect experienced by recipients enrolled in each of the public assistance programs that the human services department administers by ensuring that the value of greater financial independence to recipients is greater than the value of public assistance list due to income and resource eligibility thresholds; and decrease dependence on public assistance by encouraging financial independence among recipients.”

Bill Text:

<https://nmlegis.gov/Sessions/18%20Regular/bills/senate/SB0241.pdf>

SM 5: Study Family-Work Programs

Session: 2015

Main Sponsor: Jacob Candelaria

Introduced: 1/21/2015

Status: Postponed indefinitely

Specifically mentions cliff effect and disincentives for achieving self sufficiency.

Requests the “legislative finance committee be requested to assess the state’s current practices that promote economic opportunity and poverty reduction and develop a strategic, integrated and comprehensive plan to mitigate the cliff effect” and “prepare a report . . . by December 2015”

Bill Text:

<https://nmlegis.gov/Sessions/15%20Regular/memorials/senate/SM005.pdf>

SM 10: Study Family-Work Programs

Session: 2014

Main Sponsor: Jacob Candelaria

Introduced: 2/19/2014

Status: Died

Requests the legislative finance committee “to assess the state’s current practices that promote economic opportunity and poverty reduction and develop a strategic . . . Plan to mitigate the cliff effect.” Report to be prepared by December 2014.

Bill text: <https://nmlegis.gov/Sessions/14%20Regular/memorials/senate/SM101.pdf>

Bill history: <https://nmlegis.gov/Legislation/Legislation?chamber=S&legType=M&legNo=101&year=14>

SJM 18: A Joint Memorial Requesting Information Regarding Eligibility Requirements for Family Support Services

Session: 2017

Main Sponsor: Gerald Ortizy Pino

Introduced: 2/2/2017

Status: 4/26/17 Passed by both houses; Governor's signature unnecessary

Joint memorial requesting certain state agencies to provide to the legislative finance committee information regarding eligibility requirements for family support services. Cites statistics and provides other rationale for research:

- “NM has the second-poorest state in the nation and the highest rate of childhood poverty. Families rely on support services as they transition out of poverty, but because of the cliff effect the individual or family often loses more family support service benefits than the pay increase can cover.
- For working families with young children, especially single-parent families, the cliff effect is more pronounced as they are more likely to live in poverty and receive more than one family support service.
- When two or three family support services phase out at similar earning levels, cliff effects are intensified, causing employees to choose between continuing to work, receiving promotions and increased earnings and losing necessary support benefit
- Implementing solutions to smooth the impact of cliff effects on family support services would improve the economic future and opportunity of families and their children, and ultimately, New Mexico's economic future.

Therefore: requires the secretary of children, youth and families, the secretary of health and the secretary of human services be requested to provide to the legislative finance committee the eligibility, eligibility thresholds, and other requirements for participating in or receiving benefits through family support services – no later than July 2017 – for use by a New Mexico First task force considering ways in which cliff effects may be reduced.”

Requests NM First task force to report its recommendations to the legislative finance committee and the interim legislative health and human services committee no later than July 1, 2018.

Impact:

“...fear is that the good things we are trying to do with minimum wage [increases] are gonna hurt the exact people that we are trying to help”—by problem mainly for two-earner families. Child care has the sharpest cliff, as SNAP, TANF, and Medicaid reduce benefits gradually.

Cites Voices for Children and Center on Law and Poverty: the best way to mitigate the cliff effect -- take the child-care assistance eligibility level to 200 percent of federal poverty level and to increase families' copays on a sliding scale until they earn their way off the benefit at 300 percent of federal poverty level, which would allow for a much more gradual reduction in benefits. Mention benefits for the future of children who experience high-quality childcare.

NM's Children, Youth, and Families Dept. (CYFD) is "seeking \$25 million more from the Legislature in the upcoming budget to pay for higher reimbursements to child-care centers because of quality initiatives and longer enrollment periods. With only about \$199 million in projected new money, that's where the rubber will meet the road."

"Child care 'cliff effect' jeopardizes working New Mexico parents as incomes rise,"

Sylvia Ulloa, Las Cruces Sun News, Dec. 26, 2017. <https://www.lcsun-news.com/story/news/local/2017/12/26/child-care-cliff-effect-jeopardizes-working-new-mexico-parents-incomes-rise/982806001/>

Bill Text: <https://nmlegis.gov/Sessions/17%20Regular/final/SJM018.pdf>

Legislative history:

<https://nmlegis.gov/Legislation/Legislation?Chamber=S&LegType=JM&LegNo=18&year=17>

Circles USA 2018 Cliff Effect Report, <https://www.circlesusa.org/cliff-effect/> Mentions that there is a demonstration project with New Mexico First.

Economic Security and Vitality for New Mexico, 2016 Statewide Town Hall: Background Report. New Mexico First. http://nmfirst.org/library/2016/2016-economic-vitality/economic_security_for_families Comprehensive survey of statistics, available services, etc., with one chapter on family economic security and another on the changing workforce.

Policy Recommendations from New Mexico Voices for Children

Date: 2018

Status: N/A

“The Cliff Effect: One Step Forward, Two Steps Back: The Cost of Losing Child Care Assistance in New Mexico,” New Mexico Voices for Children, May 2018

Description: Policy Recommendations p. 9

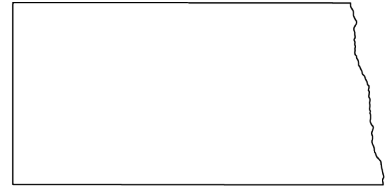
- Eliminate child care assistance co-pays for families living at or below 100 percent of FPL and reduce co-pays for families living between 100 and 200 percent of FPL
- Increase the initial and continuing eligibility ceiling for child care assistance to 300 percent of FPL
- Gradually phase out assistance for families earning between 200 and 300 percent of FPL
- Use existing and new funding sources to pay for broadened child care assistance eligibility (gives specific sources for NM)

Casau, A., & Hyde, S. (2018). The Cliff Effect: One Step Forward, Two Steps Back. The Cost of Losing Child Care Assistance in New Mexico. New Mexico Voices for Children, May. Retrieved September 7, 2018 from:

<https://www.nmvoices.org/wp-content/uploads/2018/05/Cliff-Effect-rpt-web.pdf>

Ulloa, S. (2017). Child care ‘cliff effect’ jeopardizes parents as their incomes rise. *Santa Fe New American*, Dec. 25. Retrieved September 7, 2018 from:

http://www.santafenewmexican.com/news/local_news/child-care-cliff-effect-jeopardizes-parents-as-their-incomes-rise/article_b369bcf0-8063-5606-b117-88c978e98f43.html



SB 2062: Regarding Administration of TANF

Session: 2015

Main Sponsor: Introduced by legislative management

Introduced: 1/6/18

Status: Enacted, Governor signed into law March 13, 2015

Description:

- Removes the asset limitation of \$5,000 (for 1 person household) or \$8,000 (for 2+ person household) for TANF eligibility

SB 2062, enacted:

<https://www.legis.nd.gov/assembly/64-2015/documents/15-8050-02000.pdf>

Bill History:

<https://www.legis.nd.gov/assembly/64-2015/bill-actions/ba2062.html>

HCR 3049: Study Issues Related to Employment Restrictions in Public Assistance Programs

Session: 2015

Main Sponsor: Rep. Thomas Beadle

1/6/2015

Status: Study report submitted in 2017, no recommendations offered.

Description:

- House Concurrent Resolution 3049 asked Legislative Management to study the relationship between work restrictions and public assistance programs and report back during the 2017 session (65th).
- HRC 3049 cited a workforce shortage that employers believe could be solved by existing workers taking on additional hours. HRC 3049 also noted that more hours worked does not equate to less need for public assistance.
- The final report reviewed existing programs, cited a National Council of State Legislatures study of various states, and reviewed proposed federal changes to the Child Care and Development Block Grant programs that may help address the cliff effect.
- However, North Dakota's study offered no recommendations in terms of state action that could be taken. It noted that an existing sliding fee for child care supports had regressed since 2015, as the income eligibility level was lowered due to the state's budget reductions.
- Sponsor Rep. Beadle credited North Dakota Hospitality Association for seeking the study in an essay he wrote for the Council of State Governments.

HRC 3049 Enrolled:

<https://www.legis.nd.gov/assembly/64-2015/documents/15-3114-02000.pdf>

Report of the North Dakota Legislative Management, Pursuant to Chapter 54-35 of the North Dakota Century Code; Sixty-Fifth Legislative Assembly, 2017.

Page 152-155 -- <https://www.legis.nd.gov/files/resource/64-2015/legislative-management-final-reports/2017finalreport.pdf>

Council of State Governments - Midwest. Stateline Midwest - Nov. 2016.

<https://www.csgmidwest.org/publications/documents/rep-thomas-beadle.pdf>

HB1330: Earned Income Tax Credit

Session: 2013

Main Sponsor: Reps. Haak; Sen. Grabinger

Introduced 1/17/13

Status: Rejected in a house vote

Description:

- Would have allowed a state level refundable earned income tax credit worth 10% of the federal EITC.
- Would have been effective for tax year 2013 and beyond
- Would have resulted in an estimated \$17.1 million revenue loss for the state's general fund over a two-year budget period.
- The idea of a state EITC is supported by the North Dakota Economic Security and Prosperity Alliance (NDESPA) as a way to encourage work, encourage existing workers to work more hours, and support low- and moderate-income families who pay a disproportionate share of their income in taxes.

Sources (full reference, including URL if available):

Bill Text:

<https://www.legis.nd.gov/assembly/63-2013/documents/13-0631-02000.pdf>

Fiscal Note:

<https://www.legis.nd.gov/assembly/63-2013/fiscal-notes/13-0631-02000-fn.pdf>

Bill History:

<https://www.legis.nd.gov/assembly/63-2013/bill-actions/ba1330.html>

North Dakota Economic Policy Project. (nd). A State Earned Income Tax Credit for North Dakota's Working Families. Retrieved October 5, 2018 from:

<http://ndespa.org/wp-content/uploads/2018/07/EITC.pdf>



SB 35: Enhance Earned Income Tax Credit

Session: 132nd

Main Sponsor: Skindell

Introduced: 2/6/2017

Status: In Ways and Means Committee

Description:

Currently OH EITC is 10% of federal EITC and is non-refundable. This bill would make OH EITC refundable: “For taxable years beginning in or after 2017, if the amount of the credit authorized by this section exceeds the amount of tax due after deducting all other credits . . . the taxpayer shall receive a refund of the excess.” Lines 34-40 of bill text.

Would remove income limit to those making \$20,000 or more.

Bill Text:

[file:///Users/lloydsa/Downloads/sb35_00_IN%20\(1\).pdf](file:///Users/lloydsa/Downloads/sb35_00_IN%20(1).pdf)

Bill History:

<https://www.legislature.ohio.gov/legislation/legislation-status?id=GA132-SB-35>

Testimony:

Voices for Ohio’s Children

<file:///Users/lloydsa/Downloads/VoicesSB35Proponent.pdf>

United Way of Central Ohio

<file:///Users/lloydsa/Downloads/UnitedWaySB35Testimony.pdf>

TANF Reinvestment Project

Date: 2016



“Authorizes DHS to reinvest savings that came from a reduced caseload back into to the TANF program to address benefits cliff.” VT Legislative Research Service, p. 6.

Policy changes to ameliorate the benefits cliff include:

- “Employment payments totaling \$225 will be issued to families exiting TANF due to employment”
- “The income limit for exiting TANF will be double the payment standard”
- “Families will have a reduced ERDC co-pay of \$27 for three months after exiting TANF” OR Department of Human Services, p. 4

The Benefits Cliff. May 12, 2017, Vermont Legislative Research Services, Univ. of VT. Page 6. Available at: <https://www.uvm.edu/~vlrs/EconomicIssues/Benefits%20Cliff.pdf>

Oregon Department of Human Services. (2016). *Temporary Assistance for Needy Families (TANF) Reinvestment Overview, 2016*. Available at: http://www.dhs.state.or.us/caf/ss/tanf/docs/overview_%2003.04.16.pdf

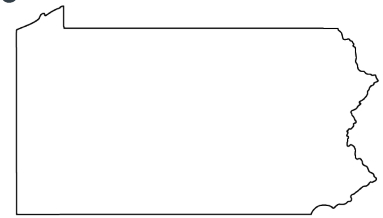
Act 092 (introduced as HB 1164: Amendments to the Public Welfare Code)

Session: 2015/16

Main Sponsors: Murt and Bloom

Introduced: 5/11/2015

Status: Enacted 12/2015



Designed to smooth the benefits cliff in subsidized child care. Once eligible for subsidized child care, a child can remain enrolled for 12 months, even if family income increases, as long as income is not above 85% of state median income. Act text, section 3.2 Families that have been eligible for a co-payment deduction can remain eligible as long as income is below 300% of FPL or below 85% of state median income, and the increase in income is due to working additional wage earning hours. Act text, section 8.

“Our legislation will redesign this child care benefits structure to retain the temporary assistance given to families who need some help, while allowing individuals to earn their way out of poverty.” From the House Memorandum

Act Text:

<http://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2015&sessInd=0&act=92>

Bill Description:

https://www.legis.state.pa.us/cfdocs/billInfo/bill_history.cfm?year=2015&sind=0&body=H&type=B&bn=1164

Mutt, T.P., & Bloom, S. (2015). House Memorandum: Smoothing the Child Care “Benefits Cliff”.

Available at:

<https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20150&csponId=17954>

Mutt, T.P., & Bloom, S. (2016). In Pa., a bipartisan effort tackles the ‘benefits cliff.’ *The Inquirer Daily News*, philly.com. February 6. Retrieved November 2, 2018 from:

http://www.philly.com/philly/opinion/20160208_In_Pa___a_bipartisan_effort_tackles_the__benefits_cliff_.html

SB 715: Amend Childcare Subsidy Eligibility

Session: 2013/2014

Main Sponsor: McIlhinney

Introduced: 2013

Status: Referred to Public Health and Welfare 3/20/2013; bill died

“An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, in public assistance, further providing for uniformity in administration of assistance and regulations as to assistance and for copayments for subsidized child care; and providing for financial eligibility for subsidized child care.” From bill history

Eligibility: 300% of Federal Poverty Line

Continuing Eligibility: “if a family receiving subsidized child care is determined financially ineligible, the family shall continue to receive subsidized child care for six months or until the family’s annual income exceeds three hundred fifty percent of the Federal poverty income guideline.” From bill text, p. 2, lines 6-18

Note: This bill was introduced as SB 1608 by McIlhinney in the 2011-2012 session. Bill died

Bill Text:

<https://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2013&sessInd=0&billBody=S&billTyp=B&billNbr=0715&pn=0737>

Bill Summary:

<https://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2013&sind=0&body=S&type=B&bn=715>

SR 62: Study New Approaches to Family Work Support Programs

Session: 2013/14

Main Sponsor: McIlhinney

Introduced: 3/20/13

Status: Approved by Committee on Aging and Youth, 6/10/2014; no floor vote taken

Resolved: “That the Legislative Budget and Finance Committee assess current State practices that promote economic opportunity and poverty reduction and develop a strategic, integrated and comprehensive plan to mitigate the ‘cliff effect’” Bill Text, p. 2, lines 21-24

Also calls for the Legislative Budget and Finance Committee to make recommendations that “are consistent and create incentives for self-sufficiency.” p. 3, lines 16-17

Bill Text:

<https://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2013&sessIn d=0&billBody=S&billTyp=R&billNbr=0062&pn=0753>

Bill Summary:

<https://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2013&ind=0&body=S&type=R&bn=6 2>

McIlhinney, C. T. (2014). Memo#4: LBFC Study on Cliff Effect. Available at:

<https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=S&SPick=20130&co sponId=11577>

McIlhinney, C. T. (2013). Memo #5: Addressing the Cliff Effect. Available at:

<https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=S&SPick=20130&co sponId=11579>

SR 376: Study New Approaches to Family Work Support Programs

Session: 2011/12

Main Sponsor: McIlhinney

Introduced: 10/10/2012

Status: Referred to Committee on Aging and Youth; no floor vote taken

Resolved: “That the Legislative Budget and Finance Committee assess current State practices that promote economic opportunity and poverty reduction and develop a strategic, integrated and comprehensive plan to mitigate the ‘cliff effect’” Bill Text, p. 2, lines 21-24

Also calls for the Legislative Budget and Finance Committee to make recommendations that “are consistent and create incentives for self-sufficiency.” p. 3, lines 16-17

Bill Text:

<https://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2011&sessInd=0&billBody=S&billTyp=R&billNbr=0376&pn=2470>

Bill Summary:

<https://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2011&sind=0&body=S&type=R&bn=0376>

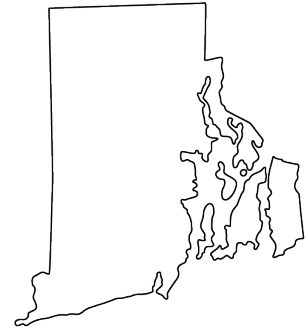
H5175Aaa: Child Care Assistance (Article 9)

Session: 2017

Main Sponsor: Abney

Introduced: 1/19/2017

Status: Enacted 8/30/17



Appropriations Bill with amendments to the original text on child-care subsidy transition program. Note that previous bills had removed the term “already” from the phrase “already receiving child-care assistance” in the first line, and extended the benefits until Sept 2017. The 2017 amendment removes that deadline. Text now reads:

Article 9, Section f(2):

“Families who are receiving child-care assistance and who become ineligible for child-care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of applicable federal poverty guidelines shall continue to be eligible for child-care assistance October 1, 2013, to September 30, 2017, or until their incomes exceed two hundred twenty five percent (225%) of the applicable federal poverty guidelines, whichever occurs first. To be eligible, such families must continue to pay for some portion of the child-care they receive, as indicated in a sliding-fee scale adopted in the department’s rules and in accordance with all other eligibility standards.”

Notes: Previous attempts to amend the 2013 bill that failed:

Bill similar to H5175 was introduced in 2016 S7236 and January 2016 session S2131.

Bills that proposed raising the cap for all eligible to 225% poverty and eliminating the transition program were introduced in 2015 S0470 and H0470; January Session 2015 S0467 and H5900; 2014 S 2323 and S 2557.

Bill Text:

<http://webserver.rilin.state.ri.us/PublicLaws/law17/law17302-09.htm>

H7241 & S2499: The Rhode Island Works Program

Session: Jan 2014

Main Sponsor: Cimini (H) & Rumsey (S)

Introduced: 1/30/2014

Status: Died

Eliminates the liquid asset tests for eligibility for the Child Care Assistance Program. Previously families were not eligible if assets exceeded \$10,000 (cash, checking and savings, stock, bonds, cds, and similar financial assets).

Sources (full reference, including URL if available):

Bill Text:

<http://webserver.rilin.state.ri.us/billtext14/housetext14/h7241.htm>

<http://webserver.rilin.state.ri.us/billtext14/senatetext14/s2499.pdf>

H 5127aa: Child Care Assistance (Article 18 Section2)

Session: 2013

Main Sponsor: Melo

Introduced: 1/22/2013

Status: Enacted 07/03/13

Establishes the Child-Care Subsidy Transition Program

Article 18 Section 2 (f)(2):

“For a twelve (12) month period beginning October 1, 2013, the Child Care Subsidy Transition Program shall function within the department of human services. Under this program, families who are already receiving childcare assistance and who become ineligible for child-care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of applicable federal poverty guidelines shall continue to be eligible for child-care assistance from October 1, 2013 to September 30, 2014, or until their incomes exceed two hundred twenty five percent (225%) of the applicable federal poverty guidelines, whichever occurs first.

To be eligible, such families must continue to pay for some portion of the child-care they receive, as indicated in a sliding-fee scale adopted in the department's rules and in accordance with all other eligibility standards."

Law Text:

<http://webserver.rilin.state.ri.us/PublicLaws/law13/law13144-18.htm>

See also:

Childcare Assistance Program (CCAP) Information. Rhode Island Department of Human Services.

Retrieved September 10, 2018 from: <http://www.dhs.ri.gov/Programs/CCAPProgramInfo.php>

Transitional Child Care Assistance

Introduced: 2018

Status: Current Policy

TN provides 18 months transitional childcare assistance for employed parents no longer eligible for TANF. Must satisfy a work requirement, and pay a copayment that is on a sliding scale.

Notes: Put in place as part of Welfare Reform under the Clinton administration.

Description drawn from:

<https://www.uvm.edu/~vlrs/EconomicIssues/Benefits%20Cliff.pdf>

Child Care Certificate Program. TN Department of Human Services. Retrieved September 2, 2018.

<https://www.tn.gov/humanservices/for-families/child-care-services/child-care-certificate-program.html>

Revised Rules:

<https://publications.tnsosfiles.com/rules/1240/1240-01/1240-01-54.20170308.pdf>

Welfare Reform in Tennessee: A summary of Families First Policy. (2000). University of Tennessee at Knoxville, October. Retrieved September 10, 2018 from:

<http://cber.haslam.utk.edu/TDHS/ffoct00.pdf>

Welfare Reform in Tennessee: A summary of Families First Policy. (2000). University of Tennessee at Knoxville, October. Retrieved September 10, 2018 from:

<http://cber.haslam.utk.edu/TDHS/ffoct00.pdf>

Tennessee



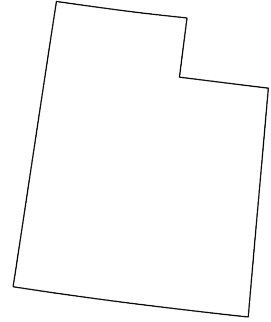
HB 172: Utah Educational Savings Plan Medicaid

Session: 62nd 2017 General Session

Main Sponsor: Cutler

Introduced: 2017

Status: Enacted March 17, 2017



Ordered state Medicaid program to pursue an amendment that would allow the state to ignore any resources in a Utah Education Savings plan when calculating eligibility for Medicaid.

Bill Text:

<https://le.utah.gov/~2017/bills/static/HB0172.html>

Description comes from:

The Benefits Cliff. May 12, 2017, Vermont Legislative Research Services, University of Vermont, p.21

Available at: <https://www.uvm.edu/~vlrs/EconomicIssues/Benefits%20Cliff.pdf>

“Utah Educational Savings Plan Medicaid Exemptions,” H.B. 172, Utah Leg. (2017),

<https://legiscan.com/UT/research/HB0172/2018>

H 326 – No. 29: An Act Relating to Encouraging Savings by Participants in Reach Up and the Child Care Financial Assistance Program

Session: 2017-2018

Main Sponsor: Brian Keefe

Introduced: 2/21/2017

Status: Enacted 5/10/2017
Session: 2013

Main Sponsor: Melo

Introduced: 1/22/2013

Status: Enacted 07/03/13



Raises asset limitation from \$2,000 to \$9,000 for participating families for the purposes of determining initial and continuing eligibility for the Reach Up program (TANF)

- Excludes from calculation retirement accounts, a qualified child education savings account,
- Excludes the value of assets accumulated from the earnings of adults and children in participating families and from any federal or Vermont earned income tax credit for purposes of determining continuing eligibility for the Reach Up program. (References research supporting these assess calculation changes)

Authorizes sliding scale for childcare subsidies but appears to limit to families earning 200% of poverty (not clear if this is an improvement)

Impact:

See VT Reach Up, CCFAP, SNAP policies description

Act Text:

<https://legislature.vermont.gov/assets/Documents/2018/Docs/ACTS/ACT029/ACT029%20As%20Enacted.pdf>

S 40: An Act Relating to Increasing the Minimum Wage

Vermont

Session: 2017-2018

Main Sponsor: Sen. Michael Sirotkin

Introduced: 1/20/2017

Status: vetoed by governor 5/22/2018

The bill:

- “Increase the minimum wage from \$10.50 to \$15.00 by January 1, 2024.
- Establish a minimum wage for secondary school students of \$3.00 less than the standard minimum wage rate,
- Require the Commissioner for Children and Families to amend the federal Child Care and Development Fund State Plan to adjust the benefits and market rate for the Child Care Financial Assistance Program in relation to increases in the minimum wage”
- Study (see Sources) recommendations for the 2018 adjourned legislative session
- “General Assembly should enact a \$15 minimum wage
- Legislation should include a provision that (within available funding) shift the point at which benefits provided through the Child Care Financial Assistance subsidy begins to decline by the same percentage points as the increase in the minimum wage to ensure families continue to receive the same child care subsidy.”

Draft bill S.40: “Employers required to pay -- gradual increase in wage of \$10 to \$15 by Jan. 1, 2022. In subsequent Jan. 1’s wage will increase by 5% or by cost of living adjustment, whichever is smaller but wage will never decrease. Tipped workers must be paid at least half of these minimum wages. If the federal government has a higher minimum wage for any year, that will prevail.”

Bill Text:

<https://legislature.vermont.gov/assets/Documents/2018/Docs/BILLS/S-0040/S-0040%20As%20Passed%20by%20Both%20House%20and%20Senate%20Official.pdf>

Report of the Minimum Wages and Cliff Effects Study Committee, December 2017

Retrieved September 7, 2018 from:

http://www.leg.state.vt.us/jfo/Minimum_Wage_Study_Committee/Minimum%20Wage%20and%20Benefits%20Cliff%20Study%20Committee%20Report.pdf

H 790: Reach Up, Reach Ahead, and the Enhanced Child Care Services Subsidy Program

Vermont

Session: 2013-2014

Main Sponsor: Ann Pugh

Introduced: 1/31/2014

Status: Enacted 6/18/2014

Implemented changes to the benefits system, including:

- “Earned Income Disregarded – The amount of income that will be disregarded when determining eligibility increased from \$200 plus 35% of wages to \$250 plus 25% of monthly wages.”
- “Enhanced childcare services financial assistance program” – parents will receive the full subsidy for 24 months after gaining employment (had been after 12 months).
- Transitional SNAP – those moving off of Reach Up will get SNAP for 12 months (previously 6 months)
- Case management will be provided for families any time there is a change to ensure access to benefits.

Paraphrased from Taft Memorandum

Bill:

<https://legislature.vermont.gov/assets/Documents/2014/Docs/BILLS/H-0790/H-0790%20As%20Passed%20by%20Both%20House%20and%20Senate.pdf>

Taft Memorandum: *State Survey for Structuring Policy and Legislation to Address the Cliff Effect.*

November 17, 2015.

<https://www.circlesusa.org/wp-content/uploads/2016/08/Cincinnati-Summary-of-States-Cliff-Effect-Policy-and-Legislation-1.pdf>

Reach Up, CCFAP, SNAP policies

Date: 2010+

Status: ongoing

1. SNAP eligibility was increased to 185 percent of the FPL in 2009.
2. Another bill in the House (which has since passed), expanded eligibility from 125 percent of the FPL to 150 percent of the FPL, while decreasing the amount of benefits that recipients achieve across the board. [unclear which program]
3. The childcare assistance program was restructured in 2010 to allow expanded access to childcare (though the report’s authors recognized that between 100 and 200 percent of the FPL, a family’s subsidy rapidly drops).

(2017) Vermont has already enacted many of the changes made by other states in its own benefits programs. Reach Up (VT training and job placement) has moderately increased its income disregards (#1 above), CCFAP (childcare subsidy) utilizes a sliding scale methodology in phasing out benefits (H.326 I think), and 3Squares.VT (SNAP) has one of the highest gross income limits in the country at 185 percent of the FPL. Medicaid and Dr. Dynasaur (CHIP) also have some of the highest income eligibility limits in the country for pregnant women and children.

Impact: In 2017, the legislature again reviewed work supports in Vermont with the NCCP report in mind. They concluded that changes made since 2008 had helped the situation, though the cost of childcare remained a significant barrier to smoothing out the benefits cliff – if, for instance, minimum wage were to rise from \$10 to \$12.50, households receiving childcare subsidies would be worse off than they would if the minimum wage stayed at \$10.

Sources:

Vermont Agency of Human Services, Addressing the Benefits Cliff: Recommendations for Further Action, Montpelier, Vermont: VT AHS, 2010.

<http://humanservices.vermont.gov/publications/addressing-the-benefitscliff-recommendations-for-further-action/view>

NOT AVAILABLE TO THE PUBLIC

The Benefits Cliff. May 12, 2017, Vermont Legislative Research Services, Univ. of VT. Page 6, pp. 23-25. Available at: <https://www.uvm.edu/~vlrs/EconomicIssues/Benefits%20Cliff.pdf>

Recommendations for future policy on p. 24 of “The Benefits Cliff”

- Increase the earned income disregard in TANF (this was done in 2014, when the disregard was increased to \$250 per month, plus the 25 percent of the remaining income).
- Restructure the Vermont Child and Dependent tax credit so that families making over \$60,000 are no longer eligible, and distribute the savings among families that are still eligible. This would make the tax credit worth 60 percent of the federal credit (presently 24 percent) and be cost neutral to the state
- Adjust the Renter Rebate Program so that benefits are not as generous on the upper end of the spectrum, and raise the income limit that the rebate could be applied to, effectively “smoothing” the cliff.
- Do not have the legislature increase the child support disregards that the NCCP recommended in 2008 – the state would bear the bulk of the cost and could encourage families to remain on Reach Up longer.

Medicaid, CHIP, and BHP Eligibility Levels. <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html> As of April 2018, provides, by state, income eligibility (percent of Federal poverty level (FPL) for CHIP, Medicaid, and Basic Health Program.

Work Supports in Vermont: An Analysis of the Effectiveness of State Policies Supporting Work. multiple authors prepared by the National Center for Children in Poverty, Columbia University, 2008. <https://legislature.vermont.gov/assets/Documents/2014/WorkGroups/Vermont%20Child%20Poverty%20Council/Reports%20and%20Resources/W~Workforce~Work%20Supports%20in%20Vermont-An%20Analysis%20of%20the%20Effectiveness%20of%20State%20Policies%20Supporting%20Work~12-1-2008.pdf>

Medicaid Policy for Employed Recipients Exceeding Income Eligibility Requirements

Date: 2017

Status: ongoing

- In accordance with federal Medicaid guidelines, states are required to allow pregnant women or households with dependents on TANF who had been receiving medical assistance but exceeded the eligibility limits as a result of an increase in work hours or a pay raise to continue to receive medical assistance for six months, as long as they were receiving aid in at least three of the six months prior to becoming ineligible. [This appears to be regular not expanded Medicaid.]
- In Vermont, they may receive an additional six-month extension as long as the dependent still lives with them in Vermont and they meet certain income requirements. Vermont still provides this extension if federal funding is unavailable.

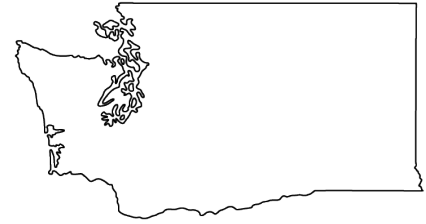
Sources:

The Benefits Cliff. May 12, 2017, Vermont Legislative Research Services, University of Vermont, p. 20.

<https://www.uvm.edu/~vlrs/EconomicIssues/Benefits%20Cliff.pdf>

Code of Vermont Rules 13-170-001 7.03(6)(ii)

Code of Vermont Rules 13-170-001 7.03(6)(D)



HB 1344 & SB 5436: Washington Child Care Now Act

Session: 2019 Regular Session

Main Sponsor: Wilson (S) Senn (H)

Introduced: SB: 1/21/19 HB: 2/9/2019

Status: HB 1344: Passed House on 3/5. Passed Senate on 4/11, and sent to House for concurrence.

SB 5436: In Senate Ways and Means Committee

Section 5, subsection (1)(d) adds to Chapter 43.330 RCW: The child care collaborative task force will “develop a phased implementation plan for policy changes to the working connections child care program. . . . [that] must include . . .

(ii) Establishing a graduated system of copayments that eliminates the cliff effect for families and limits the amount a family pays for child care to a maximum of seven percent of the family’s income by January 1, 2025.” (quote is from HB; text is virtually the same in the SB)

HB 1391: Adding New Sections to 43.216 RCW

Session: 2019 Regular Session

Main Sponsor: Senn

Introduced: 2/9/2019

Status: Passes House 3/5. Passed Senate 4/13. To House for Concurrence 4/13.

Requires the Department of Children, Youth and Families to send a report to the legislature and governor, by 9/1/19, that includes “an analysis of consumer income and copay requirements in the working connections child care program and develop recommendations for mitigating the “cliff effect” for child care subsidy consumers.” (Section 6)

SB 6464: Studying the Cliff Effect in the Working Connections Child Care Program

Session: 2018 Regular Session

Main Sponsor: Zeifer

Date: 1/18/2018

Status: In Committee

Creates a study of cliff effects in WA's child care subsidy program.

“By December 1, 2018, the Washington State Institute for Public Policy , , , shall issue a report on the following:

- a) How to further develop and implement a sliding scale or 4 tiered reimbursement and phase-out model that works for both consumers and providers and provides incentives for quality child care across communities;
- a) Whether or not increasing or decreasing the eligibility threshold for working connections child care would allow parents to grow professionally without losing affordable child care;
- b) Whether further graduation of the copay scale would help alleviate the cliff that occurs at subsidy cut off;
- c) Whether or not adding mental health, substance use, and other client-centered exemptions to the temporary assistance for needy families lifetime sixty month cap would help mitigate the cliff effect.”

Bill Text:

<http://lawfilesexternal.leg.wa.gov/biennium/2017-18/Pdf/Bills/Senate%20Bills/6464.pdf>

Bill Tracking:

<http://apps2.leg.wa.gov/billsummary?BillNumber=6464&Year7>

Chapter 337, Laws of 2013: Child Care Reform (SB 5595/HB1671)

Session: 63rd

Main Sponsor: Billig

Introduced: 2/5/2013

Status: Enacted 5/21/2013

A series of reforms of the child care system, including the development of a task force whose duties include the “development of recommendations for a further gradation of the copay scale to eliminate the cliff that occurs at subsidy cut off.” Page 4, lines 24-25.

Law Text:

<http://lawfilesexternal.wa.gov/biennium/2013-14/Pdf/Bills/Session%20Laws/Senate/5595-S2.SL.pdf>

Bill History:

<http://apps2.leg.wa.gov/billsummary?BillNumber=5595&Year=2013&BillNumber=5595&Year=2013>

Wisconsin

AB 241: Mitigating the Benefit Drop-off in Wisconsin Shares

Session: 2017

Main Sponsor: Rodriguez

Date: 4/13/2017

Status: Died



Current law provides child care subsidy to families at or below 185% of FPL; families remain eligible up to 200% of FPL.

This bill proposes that once received, families remain eligible if income exceeds 200% of FPL, with the copayment going up by \$1 for every \$3 over 200% of FPL.

“Finally, the plan eliminates the “benefit cliff” in the Wisconsin Shares child care subsidy program. Currently, individuals lose eligibility for child care subsidies as soon as they make 200 percent of the Federal Poverty Level, making it difficult for individuals to slowly earn more money and leave public benefits programs. Rather, a sliding scale is created, so that individuals could receive \$1 for every \$3 earned in excess of the eligibility limit.” Liskowski.

This legislation grew from Governor Walker’s 2017 budget proposal and welfare reform initiative.

Bill Text:

<https://docs.legis.wisconsin.gov/2017/related/proposals/ab241>

Bill History:

<https://docs.legis.wisconsin.gov/2017/proposals/AB241>

Office of Governor Scott Walker. (2017). *Wisconsin Works for Everyone*. Retrieved November 2, 2018 from: <https://walker.wi.gov/columns/wisconsin-works-everyone>

State of Wisconsin. (2017). Budget in brief. Available at:

<https://doa.wi.gov/budget/SBO/2017-19%20Budget%20in%20Brief.pdf>

Liskowski, O. (2017). Wisconsin works for everyone: Welfare reform in Walker’s Budget Proposal. *The MacIver Institute*, March 23. Retrieved November 7, 2018 from:

<http://www.maciverinstitute.com/2017/03/wisconsin-works-for-everyone-welfare-reform-in-walkers-budget-proposal/>

AJR 109 and SJR 102: Seek Waiver Approval for Sliding Fee Scale for Public Benefit Programs

Session: 2015

Main Sponsor: Vos (A) Darling (S)

Introduced: 2/11/16

Status: Died

“Request the department of health services and the department of children and families to seek waiver approval from the federal government to create a sliding scale that mitigates the effects of the existing fiscal cliff by taking into account a person's income and other factors regarding a person's eligibility for public benefit programs” Resolution Text, Lines 14-18

Text of AJR 109: <http://docs.legis.wisconsin.gov/2015/related/proposals/ajr109>

Text of SJR 102: <https://docs.legis.wisconsin.gov/2015/related/proposals/sjr102>

Bill History: <https://docs.legis.wisconsin.gov/2015/proposals/AJR109>

Senate Republicans Press Release. (2016). Ending the “Cliff Effect” Darling Sponsors Resolution Asking for Waiver to Create Sliding Scale of Benefits. February 2. Retrieved November 2, 2018 from: <https://legis.wisconsin.gov/senate/republicans/media/1725/0202darling.pdf>

Evaluations of Cliff Effect Policies

Wood, N. (2018). *A Look Past the Cliff: Understanding Colorado's Cliff Effect Pilot Program*. The Bell Policy Center, March 29. Available at:

<http://www.bellpolicy.org/2018/03/29/colorado-cliff-effect-pilot-program/>

Wood, N., Prendergast, S., Vigoda, L., & Jones, R. (2018). *A Look Past the Cliff*. The Bell Policy Center, March. Available at:

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

State Cliff Effect Reports

Colorado:

Wood, N. (2018). *A Look Past the Cliff: Understanding Colorado's Cliff Effect Pilot Program*. The Bell Policy Center, March 29. Available at:

<http://www.bellpolicy.org/2018/03/29/colorado-cliff-effect-pilot-program/>

Wood, N., Prendergast, S., Vigoda, L., & Jones, R. (2018). *A Look Past the Cliff*. The Bell Policy Center, March. Available at:

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

Pearce, D. M. (2007). *Overlooked and undercounted: Struggling to Make Ends Meet in Colorado*. Colorado Fiscal Policy Institute. Available at:

<https://www.wfco.org/document.doc?id=60>

East, J. F., & Roll, S. (2010). *Child Care and Low Income Families: Coping with the Cliff Effect*. The Women's Foundation of Colorado, and Junior League of Denver. Available at:

<https://www.wfco.org/document.doc?id=58>

Connecticut:

A Two-Generational Approach: Helping Parents Work and Children Thrive. (2014). Report of the Executive Director of the Commission on Children, Submitted to the Connecticut General Assembly as Required by Section 198 of Public Act 12-297. December. Available at:

https://www.cga.ct.gov/app/related/20150323_Briefing%20on%20Two-Generational%20Strategies/Two-Generational%20Approach%20Report%20-%20FINAL.pdf

Florida:

Two Generational Approach: Focused Policies for Improved Outcomes. (2018). Florida Children's Council. Available at: <http://flchildrenscouncil.org/wp-content/uploads/Council-2Gen-Report.pdf>

Less Poverty, More Prosperity: The Florida Fiscal Cliffs Report. (2017). The Florida Chamber Foundation. Available at:

http://www.flchamber.com/wp-content/uploads/2017/04/LessPovertyMoreProsperity_FLFiscalCliffsReport_Web.pdf

Georgia:

Disincentives for Work and Marriage in Georgia's Welfare System. (2017). Georgia Center for Opportunity, & Erik Randolph Consulting, March. Available at: https://georgiaopportunity.org/wp-content/uploads/2016/09/GCO1611_White_Paper_Online.pdf

Illinois:

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For more information, please reach out to us:

The Women's Fund of The Greater Cincinnati Foundation has become the region's expert on the status of women's economic self-sufficiency with the PULSE Studies.

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