

# Benefit Cliff Mitigation in CONNECTICUT

## THE SPARK

Connecticut's earnest efforts to mitigate benefit cliffs began with the recognition of the adverse effects these cliffs have on families striving for economic mobility. This realization was driven by both anecdotal evidence from families and empirical data showing that benefit cliffs were discouraging work and advancement.

## INITIATIVES

### Two-Generational (2Gen) Initiative

Established in 2015, Connecticut's 2Gen Initiative was the first in the nation to be codified into state law. The initiative emphasizes a holistic approach to family support, integrating services across multiple sectors to address the needs of both parents and children simultaneously. The 2Gen Initiative has been instrumental in driving policy changes and fostering collaboration among various state agencies.

### Benefit Cliff Subcommittee

Within the 2Gen framework, a dedicated Benefit Cliff Subcommittee was formed to specifically address the issue of benefit cliffs. This subcommittee has been active for several years, bringing together stakeholders from different sectors to develop strategies and solutions.

### CLIFF Tools

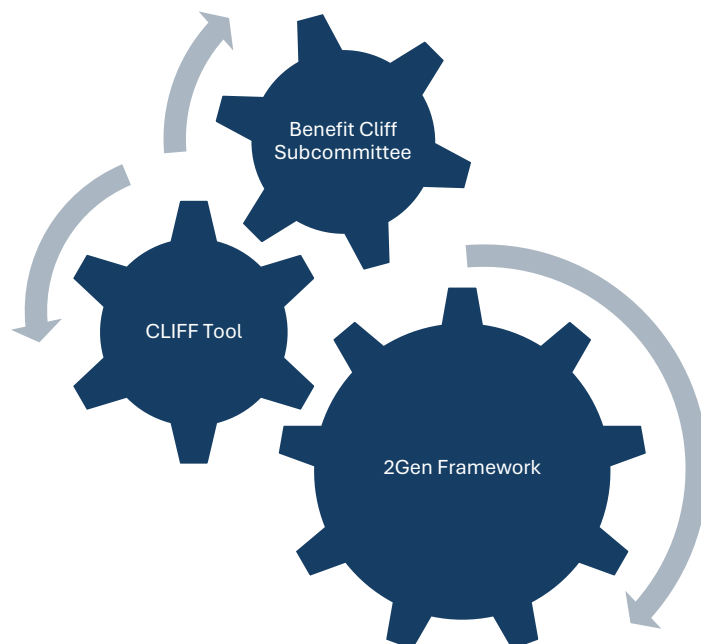
In collaboration with the Atlanta Federal Reserve Bank, Connecticut developed the Career Ladder Identifier and Financial Forecaster (CLIFF) tools. These tools help families and policymakers understand the impact of benefit cliffs and plan career paths that minimize the negative effects of losing benefits.

### Legislative Actions

Connecticut has passed several legislative measures to mitigate benefit cliffs. For example, the state increased the income eligibility limits for its Care 4 Kids childcare subsidy program and implemented a graduated phase-out for families whose income rises above the eligibility threshold. Additionally, the state extended the asset limits and time limits for its Temporary Family Assistance (TFA) program, and implemented a graduated disregard for earned income, allowing families to retain benefits longer as their income increases.

### CT Lesson Learned

The codification of 2Gen Initiatives into state law provided a strong foundation for ongoing efforts. Legislative support has been essential in passing measures that expand eligibility and phase-out thresholds for benefits. Similarly the development of strategic plans, such as the five-year plan from the Blue Ribbon Panel on Child Care, has helped guide efforts and ensure that initiatives are aligned with long-term goals.



## FINER DETAILS

### Funding

The initiatives have been funded through a combination of state and federal resources. The 2Gen Initiative itself is supported by state funds allocated through the Office of Early Childhood (OEC). Specific projects, such as the CLIFF tools, have received funding from federal sources and philanthropic organizations. The Benefit Cliff Subcommittee's work has been supported by grants and contributions from various partners.

### Key Collaborators

Connecticut's efforts to mitigate benefit cliffs have involved extensive collaboration among state agencies, non-profit organizations, and national partners. Key collaborators have included various state agencies such as Office of Early Childhood, Department of Social Services, Office of Workforce Strategy, and Department of Housing, national organizations such as Atlanta Federal Reserve Bank, Social Finance, Aspen Institute, and people with expertise from having received benefits in Connecticut such as members of Connecticut's Parent Advisory Board. New England's regional collaborative approach (Whole Family Approach to Jobs) also brought together federal partners at ACF, state leaders, and other stakeholders.

## TIMELINE

Connecticut built pathways to cliff mitigation strategies iteratively over time:

