

Testimony in Support of House Bill 5540
An Act Concerning the Mitigation of Benefits Cliffs
Human Services Committee
March 17, 2026

Connecticut Urban Opportunity Collaborative
A partnership among:
Fairfield County's Community Foundation
Greater Hartford Gives Foundation
The Community Foundation for Greater New Haven

Senator Lesser, Representative Gilcrest, Senator Harding, Representative Case, and distinguished members of the Human Services Committee, the Connecticut Urban Opportunity Collaborative (CUOC) is grateful for the opportunity to submit written testimony in support of House Bill 5540, An Act Concerning the Mitigation of Benefits Cliffs. Through our collective investment in a direct cash assistance pilot program in Bridgeport, Hartford and New Haven, we have witnessed firsthand that participants must sustain the public benefits they receive for a period of time in order to achieve financial stability and manage the changing immediate needs all of us experience in our lives.

The Connecticut Urban Opportunity Collaborative is a partnership among Fairfield County's Community Foundation, the Greater Hartford Gives Foundation, and The Community Foundation for Greater New Haven. Together, CUOC works to advance economic mobility and equity in communities across Connecticut by supporting community-driven solutions that help residents achieve financial stability and long-term opportunity.

In 2024, CUOC partnered with the national nonprofit [UpTogether](#) to launch the Connecticut Changemakers Fund, a multi-city direct cash assistance pilot supporting 120 resident leaders in Bridgeport, Hartford, and New Haven who are facing economic hardship while working to strengthen their communities. Over three years, participating households receive monthly payments totaling \$12,600 to help alleviate financial challenges and increase economic stability.

Our work with Changemaker participants has revealed that many receive some public benefits and are interested in securing additional benefits they are eligible to receive. Participants also have shared the significant challenges families face when navigating public benefits systems and the risks posed by benefits cliffs—the sudden loss of critical supports when household income increases slightly. These cliffs can discourage individuals from taking on promotions, undermine financial stability, and make it harder for families to pursue upward mobility.

Research (available upon request) from CUOC's peer benefit navigation initiative demonstrates how widespread this challenge is. Among participants receiving support through the Changemakers Fund, more than 80 percent were already receiving between one and four public benefits, and over 70 percent were potentially eligible for at least one

additional benefit. Across participants for whom data was available, households faced combined potential losses averaging more than \$736 per household each year.

For many working families, even modest increases in wages can trigger the loss of assistance such as SNAP, housing support, or health coverage before their earnings are sufficient to replace those resources. These sudden drops in support—known as benefits cliffs—can leave families financially worse off despite working more or earning slightly higher wages.

Evidence from the Connecticut Changemakers surveys underscores how precarious economic stability already is for many families. Most participants live far below the state median income, with more than half reporting annual household incomes under \$20,000 and many struggling to pay for basic household expenses. Approximately 44 percent rely on public benefits such as SNAP, housing assistance, or WIC to meet essential needs, and nearly three-quarters report experiencing recent financial emergencies.

House Bill 5540 represents an important step toward addressing these challenges by improving the structure of the Temporary Family Assistance program and allowing families more flexibility and stability as they work toward economic independence.

CUOC particularly supports approaches that reduce abrupt benefit losses and create smoother transitions for families as their income increases. Policy strategies such as gradual benefit phase-outs, transitional assistance, and the elimination of strict asset limits, particularly as these limits relate to vehicles (e.g., having more than one car), can help ensure that work and increased earnings in Connecticut households truly lead to improved economic mobility rather than financial setbacks.

Participants in our Changemakers Fund pilot program need to sustain their limited financial resources to ensure they can manage their basic needs. We have found that participants make rational choices given their immediate needs. Mitigating the loss of Connecticut's Temporary Family Assistance benefits provides people who receive these benefits another set of options that help them to continue to care for their families while working to build economic stability.

We also encourage the Committee to consider the following implementation principles as it deliberates this bill:

- Ensure benefits taper gradually rather than ending abruptly so families can increase earnings without losing essential support.
- Integrate benefits navigation and outreach using trusted community-based navigators to help residents understand eligibility rules and access benefits.
- Coordinate benefits across state agencies so residents do not have to navigate multiple systems independently.
- Ensure language accessibility and culturally responsive outreach so residents with disabilities or limited digital access can participate.
- Consider implementing benefits cliff mitigation for other programs such as Supplemental Nutrition Assistance Program.

- Provide adequate funding to administer the programs and needed public education and communication.

Connecticut families working hard to build stability should not be penalized when they take steps toward economic mobility. By addressing benefits cliffs and strengthening transitions off assistance, House Bill 5540 can help ensure that increased earnings translate into genuine progress for families across our state.

We thank you for the opportunity to provide testimony. If you have any questions or would like additional information, please feel free to contact Liany E. Arroyo, Director of CUOC, via email at larroyo@greaterhartfordgives.org or phone at (860) 339-3524.

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

[Greater Hartford Gives Foundation](#) is a community foundation, a hub for community-driven change. We fuel impact throughout Greater Hartford and beyond by making connections, providing funding, and sharing knowledge. Our goal is to create an inclusive region where everyone prospers. Together, with a powerful network of changemakers, we identify our neighbors' most pressing needs and invest resources in initiatives that dismantle racial and economic barriers and improve quality of life. In our 100-year history, we have invested more than \$1 billion throughout the region. Join us in building a Greater Hartford full of opportunity. Learn more at greaterhartfordgives.org.

[The Community Foundation for Greater New Haven](#), founded in 1928, is the charitable endowment for the twenty-town region in South Central Connecticut centered on New Haven. The Foundation's mission is to inspire, support, inform, listen to, and collaborate with the people and organizations of Greater New Haven to build an ever more connected, inclusive, equitable and philanthropic community. In 2025, The Foundation made grants and distributions totaling \$63 million. With more than 1,100 charitable funds and \$709 million in total assets as of the end of 2025, The Foundation is the largest grant maker in our region, supporting hundreds of local nonprofit organizations across the full range of charitable activity in our community. The Foundation also works with and supports thousands of local donors in their efforts to build a stronger community in Greater New Haven.

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