

ONE HUNDRED NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 462

Introduced by Ballard, 21.

PURPOSE: The purpose of this resolution is to propose an interim study to examine a stair-stepping approach to public assistance eligibility, which would gradually reduce public assistance to recipients based on increases in income, and whether such an approach would result in cost savings while improving outcomes by fostering economic stability and promoting upward mobility.

(1) The study shall examine whether the stair-stepping approach could benefit taxpayers by:

(a) Reducing long-term dependency. By incentivizing work and career progression, stair-stepping could help move individuals and families toward self-sufficiency, ultimately reducing long-term reliance on government assistance programs;

(b) Lowering administrative costs. Standardizing eligibility requirements and streamlining the phase-out process can reduce the complex administrative burden associated with the abrupt, varied income limits of different programs;

(c) Increasing tax revenue. As recipients earn more and work steady jobs, they contribute more through income taxes, boosting government revenue;

(d) Encouraging economic growth. By promoting workforce participation and stability, the overall economy benefits, leading to better community health and reduced poverty rates; and

(e) Promoting health care savings. Stable financial foundations and access to basic needs, such as food and housing, lead to better health outcomes, which can lower public health care expenditures.

(2) The study shall also examine whether a stair-stepping approach would benefit recipients by:

(a) Avoiding financial loss. The primary benefit is preventing the net

loss of income that occurs with a benefits cliff. Instead of a pay raise resulting in a net pay cut due to lost benefits, families see a real financial gain as they earn more;

(b) Incentivizing work and advancement. A gradual reduction ensures that pursuing a new job, a raise, or a promotion is always a beneficial decision, rather than a risky one that could lead to financial hardship;

(c) Providing stability. Gradual phase-outs give recipients the necessary time to adjust budgets and build savings, creating a stable financial foundation as recipients transition off public assistance;

(d) Encouraging opportunity. With a more predictable and supportive system, recipients are more likely to pursue education, skills training, or career development opportunities that can lead to intergenerational economic mobility; and

(e) Reducing stress. Predictable, gradual changes alleviate the stress and anxiety associated with the sudden loss of vital aid like child care or housing assistance.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Health and Human Services Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.