

1 HOUSE JOINT RESOLUTION NO. 49

2 INTRODUCED BY J. GILLETTE

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING AN INTERIM STUDY OF BENEFITS CLIFFS IN PUBLIC ASSISTANCE
6 PROGRAMS AND IMPACTS ON INDIVIDUALS AND BUSINESSES; AND REQUIRING THAT THE FINAL
7 RESULTS OF THE STUDY BE REPORTED TO THE 68TH LEGISLATURE.

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9 WHEREAS, businesses face aging demographics, slow population growth, low unemployment rates,
10 and industry-specific workforce shortages as they attempt to increase, or at least sustain, economic growth and
11 competitiveness; and

12 WHEREAS, people who are receiving public assistance benefits, including tax credits, face so-called
13 "benefits cliffs" when increases in their earnings cause a decrease in public assistance benefits, resulting in a
14 net loss of income or only small increases in overall income; and

15 WHEREAS, benefits cliffs disincentivize individuals from accepting increased work hours and wages,
16 resulting in decreased economic opportunity for families and furthering workforce shortages for employers; and

17 WHEREAS, employers are forced to perpetually recruit, hire, and train for the same entry-level
18 positions; and

19 WHEREAS, families do not exit social support systems, and economic growth is stymied; and

20 WHEREAS, the state has a vested interest in removing unintended bureaucratic barriers to improved
21 employment and economic stability, including those related to benefits cliffs.

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23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
24 THE STATE OF MONTANA:

25 That the Legislative Council be requested to designate an appropriate interim committee or statutory
26 committee, pursuant to section 5-5-217, MCA, to study benefits cliffs in public assistance programs and the
27 impact that benefits cliffs have on the economic success of individuals and businesses.

28 BE IT FURTHER RESOLVED, that the committee:

1 (1) review the eligibility requirements for and benefits provided by each public assistance program,
2 including tax incentive programs, available to residents of this state;

3 (2) examine the degree to which family annual net resources vary as wages and benefits change,
4 including reviewing any available modeling on the subject; and

5 (3) review efforts undertaken nationally and in other states to address the impact of benefits cliffs on
6 individuals, families, and businesses.

7 BE IT FURTHER RESOLVED, that the committee may rely on available modeling data included in
8 national studies or seek assistance from the Legislative Fiscal Division or national organizations for modeling
9 the variations in family annual net resources that occur as wages and benefit levels change.

10 BE IT FURTHER RESOLVED, that the study include input from appropriate stakeholders.

11 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
12 requirements, be concluded prior to September 15, 2022.

13 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
14 comments, or recommendations of the appropriate committee, be reported to the 68th Legislature.

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