



Legislation Text

File #: Res 0999-2007, **Version:** *

Res. No. 999

Resolution calling upon the Governor and State Legislature to supplement the state's welfare policies with a wage supplement program, which would provide cash payments on top of earnings from wages, and an increase in the earned income disregard, which would allow welfare participants with earnings to keep more of their wages.

By Council Members Foster, Brewer, Comrie, James, Mealy and Gonzalez

Whereas, As of June 2007, the City's Human Resources Administration ("HRA") had 176,330 public assistance cases under care, 95,916 of which had been determined by the agency to be engageable in some form of work activity; and

Whereas, Presently, public assistance recipients are faced with a serious disincentive to obtaining employment, as many of those who leave public assistance for full-time work earn low wages that keep them near the poverty line, and many of those who remain on public assistance but work part time see their welfare grants reduced considerably as a result of their new income; and

Whereas, According to HRA, the average wage earned by a person placed into a job through HRA in July 2005 was approximately \$7.75 per hour, which amounts to an annual salary of approximately \$16,000; and

Whereas, The 2006 national poverty guidelines for a family of three is \$16,600; and

Whereas, Individuals who leave public assistance for low-paying jobs, and family members who depend on them, are liable to suffer an income vacuum if their new salaries fail to match their previous public assistance benefits; and

Whereas, Wage supplement programs, which supplement a worker's earnings to raise the household income, provide necessary financial relief for individuals who leave public assistance for work and their families; and

Whereas, A wage supplement program could be funded through the use of federal Temporary Assistance for Needy Families dollars; and

Whereas, Many individuals who obtain part time employment and remain on public assistance do not see their incomes increase significantly because their public assistance benefits are reduced to account for the additional income; and

Whereas, While the state does allow for an “earned income disregard,” which is a percentage of earnings based on the Consumer Price Index that is disregarded in calculating the new grant level, New York’s current earned income disregard permits welfare grant reduction before a recipient’s total income reaches the national poverty level; and

Whereas, Revising New York’s earned income disregard formula to allow public assistance recipients to disregard 100 percent of earned income in calculating their public assistance grant amount until the recipient’s total income reaches the poverty level would allow many low income New Yorkers to further increase their household income through their hard earned wages; and

Whereas, Wage supplements and an increased earned income disregard, whether implemented separately or concurrently, encourage employment, effect higher wages, and contribute to reductions in poverty; now, therefore, be it

Resolved, that Council of the City of New York calls upon the Governor and State Legislature to supplement the state’s welfare policies with a wage supplement program, which would provide cash payments on top of earnings from wages, and an increase in the earned income disregard, which would allow welfare participants with earnings to keep more of their wages.

LS 2501
7/25/07
FR