



Legislation Text

File #: Res 0270-2010, **Version:** *

Res. No. 270

Resolution calling upon the Governor and State Legislature to augment the state's welfare policies with both 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 Barron, James, Palma, Vann and Williams.

Whereas, As of January 2010, the City's Human Resources Administration ("HRA") had 353,330 individuals on public assistance; and

Whereas, Presently, public assistance recipients in New York City are faced with disincentives to obtain employment, as many of those who leave public assistance for full-time work earn low wages that keep them at or below the poverty guidelines, and many of those who remain on public assistance but work part time see their welfare grants reduced considerably due to their increased income; and

Whereas, According to HRA, the average wage earned by a person placed into a job through HRA in April 2010 was between \$8 to \$9 per hour, which amounts to an annual salary of between \$14,560 and \$16,380 before taxes; and

Whereas, The 2010 national poverty guideline for a family of two is \$14,570 and is \$18,310 for a family of three; and

Whereas, Comparing the income levels of those placed into jobs through HRA to the poverty guidelines reveals that these income levels are below the poverty level; even without taking household composition into account these numbers demonstrate that significant needs will arise for individuals and families without a wage supplement program and an increase in the earned income disregard; 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 new salaries fail to match previous public assistance benefits; and

Whereas, Wage supplement programs, which supplement workers' earnings to raise household incomes, provide necessary financial relief for individuals who leave public assistance for work; 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 formula to disregard a percentage of earnings, based on the Consumer Price Index, New York's current earned income disregard is insufficient because it permits welfare grant reductions before a recipient's total income reaches the national poverty level; and

Whereas, Revising New York's earned income disregard formula so that 100 percent of earned income is disregarded when calculating public assistance grant amounts until the recipient's total income reaches the poverty level would benefit many low income New Yorkers; and

Whereas, Wage supplements and an increased earned income disregard, whether implemented separately or concurrently, would 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 augment the state's welfare policies with both 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.

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