

ST PAUL

AREA CHAMBER

401 N Robert Street, Suite 150
St. Paul, MN 55101

MAKING CONNECTIONS THAT COUNT

February 20, 2023

via email

Rep. Dave Pinto, Chair, Children and Families Finance and Policy Committee
503 State Office Building
St. Paul, MN 55155

Dear Chair Pinto and committee members:

On behalf of the 1700+ members and affiliates of the St. Paul Area Chamber, who together represent more than 3 million employees and their families, thank you for the opportunity to comment on H.F. 466. Addressing the benefits cliff is one of the St. Paul Area Chamber's top advocacy priorities of 2023, and we appreciate the committee's attention to this issue.

For low-wage workers seeking advancement, the realities of public assistance policies are often an inhibitor to success. Workers face a benefits cliff when they receive public assistance, earn a raise, and then discover that they now make too much to receive their benefits, but the pay increase is not enough to make up the difference of lost benefits.

While some may not immediately recognize this as a business issue, it absolutely is one. Businesses want to retain and advance talented employees, especially in this tight labor market. When taking on a promotion would cause a worker a net loss in overall resources to support their family, they will forego the opportunity to advance their career. This negatively impacts the employer's operations and the employee's professional development.

Accordingly, we support changing MN Family Investment Program income reporting requirements, as this action would decrease the likelihood of MFIP recipients becoming income-ineligible due to a brief increase in income. It would also provide families a pathway to saving and stability as they advance in the workforce. We encourage the committee to take this action to address the benefits cliff.

Respectfully,



B Kyle
President & CEO
St. Paul Area Chamber

