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SENATE MEMORIAL 19

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

David M. Gallegos

A MEMORIAL

URGING THE PRESIDENT OF THE UNITED STATES, THE NEW MEXICO CONGRESSIONAL DELEGATION AND ALL OTHER MEMBERS OF CONGRESS TO ADDRESS REDUCING THE "CLIFF EFFECT" AND ENDING GENERATIONAL POVERTY.

WHEREAS, everyone should have the opportunity to work hard and achieve family economic security, and economic independence should be rewarded; and

WHEREAS, however, some policies are insufficient and inadvertently keep hard-working parents from climbing the economic ladder, according to a New Mexico voices for children report; and

WHEREAS, hard-working families with fewer resources may need work supports to help them cover basic necessities, such as food, child care or health care, until these families can be

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1 financially self-sufficient; and

2 WHEREAS, most government safety-net programs, such as
3 child support, income assistance, health coverage and food
4 assistance, have a "cliff effect"; and

5 WHEREAS, the cliff effect occurs when a household loses
6 eligibility for public assistance once a family's income
7 surpasses the threshold set by the federal poverty guidelines;
8 and

9 WHEREAS, in many cases, the value of a lost or reduced
10 benefit can exceed an increase in wages; and

11 WHEREAS, families often find themselves working harder and
12 earning more but unable to get ahead; and

13 WHEREAS, the cliff effect is particularly devastating when
14 it applies to child care assistance, because child care is one
15 of the most significant costs in a household budget; and

16 WHEREAS, the cliff effect occurs when an increase in
17 income is enough to disqualify a family from receiving the work
18 support benefit but is not enough to cover the cost of the lost
19 benefit; and

20 WHEREAS, there are some concerns that increasing income
21 would have the unintended consequence of a family losing child
22 care assistance and other benefits when the family's income
23 surpasses the income eligibility ceiling; and

24 WHEREAS, the cliff effect is creating a permanent class of
25 workers caught in the dilemma of how to pay for competing

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1 needs, such as food, child care, housing, medication and other
2 essential goods and services while trying to get ahead;

3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
4 OF NEW MEXICO that the president of the United States, the New
5 Mexico congressional delegation and all other members of
6 congress be urged to address reducing the cliff effect and
7 ending generational poverty; and

8 BE IT FURTHER RESOLVED that the federal government be
9 urged to create policies that would reduce the cliff effect, in
10 support of working families trying to improve their lives and
11 the lives of their children; and

12 BE IT FURTHER RESOLVED that the federal government be
13 urged to consider higher income without consequences that
14 undermine families through loss of benefits; and

15 BE IT FURTHER RESOLVED that the federal government be
16 urged to address cliff effect policies in all areas of benefits
17 to ensure that a situation is not created that keeps low-income
18 families who are striving to work hard and achieve family
19 economic security from achieving success; and

20 BE IT FURTHER RESOLVED that copies of this memorial be
21 transmitted to the president of the United States, the New
22 Mexico congressional delegation and all other members of
23 congress.