



Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF HOUSE BILL 1313:
Family Investment Program - Temporary Cash Assistance - Eligibility

TO: Hon. Maggie McIntosh, Chair, and Members of the House Appropriations Committee
FROM: Christopher Dews, Policy Advocate
DATE: March 3rd, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. JOTF supports House Bill 1313 as a means of ensuring that low-wage workers across the state who regularly access public assistance receive an amount sufficient enough to support their families.

Maryland has one of the highest rates of deep poverty in the entire country. Of the individuals who live below the poverty line in Maryland, 48% live at half the poverty line or lower. Regrettably, many of these individuals are the Marylanders receiving public benefits since our benefit levels fall far short of living near the poverty line. Currently, the Temporary Cash Assistance program – when combined with federal SNAP benefits – only equal 61% of the Maryland Minimum Living Level (MLL). Though the benefits are scarce, families utilize them to purchase housing, food, transportation, and other basic necessities. Without TCA, these low-income households have no cash income.

TCA sanctions are a suspension of a TCA grant when an adult does not meet specific participation requirements. Sanctions occur at alarmingly high rates and can be imposed erroneously and inconsistently for minor violations. Maryland imposes immediate full-family sanctions, meaning families lose their entire benefit for up to 30 days when an adult is sanctioned. When low-income families lose their full benefits due to sanctions, they face immediate hardships such as inability to pay rent, bills, access transportation for school and work, and meet their household basic needs. Moreover, a study from the University of Maryland School of Social Work found the families most commonly sanctioned in Maryland face significantly more barriers than their peers: limited education, limited transportation access, living in areas of concentrated poverty, and have few job options.

TCA funds are immediately spent at local businesses, which generates economic growth. Consequently, sanctioning the full TCA benefit not only harms the families receiving it, but it harms Maryland businesses, communities, and local economies. A study from Arkansas' TANF cash program found for every dollar the state spent on benefits resulted in a return of \$1.79 to taxpayers, which is a significant return on investment for the state. However, when families lose their full TCA grant to sanctions, they are effectively taken out of the local economy all together.

House Bill 1313 seeks to address this by establishing a portion of the TCA grant – 75% - as a child benefit, which belongs to the child(ren) and cannot be sanctioned or reduced. As over 70% of TCA recipients in Maryland are children, this is a critically important shift. If and when it is necessary to sanction the adult caregiver, the remaining 25% of the TCA grant is considered the adult portion and can be subject to sanction. House Bill 1313 strikes an appropriate, humane balance between signaling to the

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adult participant that they have fallen out of compliance with TCA while preserving household income preventing the family from falling deeper into poverty. For these reasons, we urge a favorable report.