

ACY testimony SB452

Uploaded by: Bevan-Dangel, Jennifer

Position: FAV

EQUITY FOR ALL KIDS



To: Budget and Tax Committee
From: Jennifer Bevan-Dangel, Executive Director
Re: SB212, Family Investment Program - Temporary Cash Assistance - Funding
Date: February 12, 2020
Position: Support

Advocates for Children and Youth supports SB 452, which increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, combined with federal food stamps, reaches 71% of the State Minimum Living level by FY 2026.

In 2018, 164,213 children in Maryland were living in poverty. Nearly 49% of those children, or 80,334 individuals, were African American or Black. Another 22%, or 36,379 children, were White. 78,000 children in Maryland were living in extreme poverty, or 50% of the poverty line. This includes 10%, of African American or Black children, or 41,000 individuals, and 3% of White children, or 17,000 individuals. These numbers show the disproportionate impact of poverty on Maryland's children, and the critical need of expanding our TCA to ensure that children of every race have the same opportunity to succeed.

Currently, the Temporary Cash Assistance program – when combined with federal SNAP benefits – only equals 61% of the Maryland Minimum Living Level (MLL). An increase in the TCA benefit is long overdue – the program has been at 61% of the MLL since Welfare Reform in 1996. Families use TCA benefits to purchase housing, food, transportation, and other basic needs. As the cost of living continues to rise, families on TCA are left with few options on how to even attempt to make ends meet at the current benefit levels.

The TCA program exists to support those experiencing deep poverty and help them build economic security. In Maryland, the number of children living in deep poverty (50% of the poverty line) has increased over the last 10 years, from 66,457 children in 2009 to 79,101 in 2018. If the goal of TCA is to help families have greater financial stability, the program clearly needs adjustment to reach its goals.

Raising the value of TCA to reach 71% of the State MLL will provide greater stability to children living in households that are experiencing deep poverty. SB 212 will help ensure more children have the opportunity to achieve their full potential, and we urge the committee to issue a favorable report.

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Advocates for Children and Youth builds a strong Maryland by advancing policies and programs to ensure children and families of every race, ethnicity, and place of birth achieve their full potential.

SB0452_PJC_Support

Uploaded by: Black, Ashley

Position: FAV



Ashley Black, Staff Attorney
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SB 452
Family Investment Program - Temporary Cash Assistance - Funding
Hearing of the Budget and Taxation Committee
February 12, 2020

SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health Rights Project supports policies and practices that promote the overall health of Marylanders struggling to make ends meet, with the explicit goal of promoting strategies that work to eliminate racial and ethnic disparities in health outcomes. PJC strongly supports SB 452, which would gradually raise the Temporary Cash Assistance (TCA) benefit.

TCA helps families living in poverty meet their most basic needs, but it is still not enough to bring families out of poverty at its current funding level.

- ❖ **Thousands of families in Maryland receive TCA.** Though most low-income working families earn too much to qualify for TCA, in fiscal year 2017, over 48,000 Marylanders were TCA recipients.¹ TCA is a block grant program that serves as a critical resource for children and their caretakers, enabling them to pay for shelter, clothing and other necessities.
- ❖ **Half of working families who exit the TCA program return within 5 years.** As the cost of living rises, low-income working families are finding it nearly impossible to make ends meet. Adult recipients of TCA are required to work, but their benefit is decrease by .60 for every dollar that they earn until the benefit level is zero. 5 years after exiting the TCA program, 81% of recipients still had poverty-level earnings.² The loss of

¹ *Overview of the Temporary Assistance for Needy Families Program in Maryland*, Department of Legislative Services (2017), <http://dls.maryland.gov/pubs/prod/HHS/Overview-of-the-Temporary-Assistance-for-Needy-Families-Program-in-Maryland.pdf>.

² Letitia Logan Passarella and Lisa Thiebaud Nicoli, *Life After Welfare Report: 2017 Annual Update*, University of Maryland School of Social Work (2017), <http://www.familywelfare.umaryland.edu/reports1/life2017.pdf>.

this benefit disproportionately impacts low-income women of color as the average adult recipient of TCA is an African American (74%) woman (91%).³

SB 452 would help TCA better meet the needs of families.

- ❖ **Increasing TCA will help families living in poverty achieve better financial stability.** The funding formula for TCA has not changed in over 20 years. By slowly raising TCA to 71% of the Maryland Minimum Living Level, when combined with food stamp benefits, SB 452 would enable low-income families to permanently exit the TCA program and build economic security.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **SB 452**. If you have any questions, please contact Ashley Black at 410-625-9409 x 224 or blacka@publicjustice.org.

³ *Id.*

HCH Testimony - SB 452_TCA Increase

Uploaded by: Diamond, Joanna

Position: FAV

**HEALTH CARE FOR THE HOMELESS TESTIMONY
IN SUPPORT OF
SB 452 – FAMILY INVESTMENT PROGRAM – TEMPORARY
CASH ASSISTANCE – FUNDING**

**Senate Budget and Taxation Committee
February 12, 2020**



Health Care for the Homeless supports SB 452, which would slowly raise Temporary Cash Assistance (TCA) to 71% of the Maryland Minimum Living Level – when combined with Supplemental Nutrition Assistance Program (SNAP) benefits – over the course of five (5) years.

Health Care for the Homeless, who is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness, understands the critical importance of TCA to some of Maryland’s most vulnerable families. For many of our clients and their families, TCA is a lifeline. Our clients utilize this assistance to pay their rent, purchase food, and help meet their basic needs. Access to assistance programs such as TCA increase health outcomes, housing stability and financial stability.

Unfortunately, TCA is not currently meeting the need. Increasing the benefit amount will allow families to have a greater financial stability, which can assist in locating work, moving off of TCA permanently, and building economic security.

Poverty is often temporary—health care, housing, food assistance and cash assistance programs specifically lift people out of poverty, and help them attain self-sufficiency. A person’s income, generally cannot be greater than 120% above the maximum benefit level (or greater than 140% to continue to receive TCA). While individuals are not well off when they receive TCA, programs like TCA help individuals and families get through periods of hardship and thrive in our communities.

Raising TCA is critical to maintaining health and stability and has direct benefits to our communities and to society at large and we request a favorable report on this bill.

Health Care for the Homeless is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. We work to prevent and end homelessness for vulnerable individuals and families by providing quality, integrated health care and promoting access to affordable housing and sustainable incomes through direct service, advocacy, and community engagement. We deliver integrated medical care, mental health services, state-certified addiction treatment, dental care, social services, and housing support services for over 10,000 Marylanders annually at sites in Baltimore City and Baltimore County. For more information, visit www.hchmd.org.

CC-SB452-TCA Increase -Support

Uploaded by: Frye, Liza

Position: FAV

Senate Bill 452
Family Investment Administration - Temporary Cash Assistance - Funding

Senate Budget and Taxation Committee
February 12, 2020

Support

Catholic Charities of Baltimore strongly supports SB 452, which increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, combined with federal food stamps, reaches 71% of the State Minimum Living level by FY 2026.

Inspired by the gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of Marylanders each year, and an employer of over 2,000 people, we recognize the dignity of each individual and believe everyone should have a basic standard of living.

Each day, Catholic Charities staff work with families on TCA as they face challenges and difficulties building financial security on such a limited income. We house TCA recipients who are staying at our family homeless shelters in Anne Arundel and Harford Counties, we work with families on TCA in our Head Start programs in Baltimore City, Carroll County, and Harford County, and we assist TCA parents in securing work through our St. Edwards Workforce Development Program in Baltimore. While it's a vitally important safety net program, the TCA benefit amount is far too low to truly help families build the economic stability they need in order to move out of poverty.

SB 452 is a step in the right direction to raise our TCA benefits to an amount closer to the Maryland Minimum Living Level. Bringing TCA from 61% of the Maryland Minimum Living Level (MLL) – when combined with SNAP – to 71% of the Maryland MLL directly infuses income into the household budgets of families living in deep poverty. Families use TCA benefits to purchase housing, food, transportation, and other basic necessities. These funds are immediately spent in the local economy, generating economic growth for the state as a whole. Most importantly, increasing the benefit amount will allow families to have a greater financial stability, which can assist in locating work, moving off of TCA permanently, and building a secure future.

It is a moral imperative – particularly in the wealthiest state in the country – to bring our TCA benefit to a level that provides a more livable income. Families shouldn't have to choose which basic needs to forgo, or have to raise their children in homeless shelters.

On behalf of TCA families and all the individuals we work with, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 452.

Submitted By: Regan K. Vaughan, Director of Advocacy

BHSB - SB 452_Temporary Cash Assistance Funding

Uploaded by: Jefferson, Stacey

Position: FAV



February 12, 2020

**Senate Budget and Taxation Committee
TESTIMONY IN SUPPORT OF SB 452**

Behavioral Health System Baltimore (BHSB) a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities.

Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving nearly 75,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

Behavioral Health System Baltimore supports SB 452- Family Investment Program-Temporary Cash Assistance- Funding. SB 452 increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, combined with federal food stamps reaches 71% of the State Minimum Living level by FY 2026.

Maryland has one of the highest rates of Deep Poverty in the entire country: of individuals who live below the poverty line in Maryland, 48% - almost 1 in 2 – live at 50% of the poverty line or lower, which is \$6,380 for an individual. ¹ Regrettably, many of these individuals are the Marylanders receiving public benefits, as our benefit levels fall far short of bringing individuals even close to living near or above the poverty line. Currently, the Temporary Cash Assistance program – when combined with federal SNAP benefits – only equals 61% of the Maryland Minimum Living Level (MLL).

BHSB supports SB 452 because increases to TCA provides vital resources to families in deep poverty. Studies show that children living in deep poverty are five times more likely to experience abuse and neglect and other adverse childhood experiences (ACEs), which begins a lifelong struggle with negative mental, behavioral, and physical health outcomes. ² Increasing funds to a families’ household budget can help mitigate children’s exposure to ACEs as it can help reduce parental stress help parents provide for their children. ³

The CDC estimates lifetime costs associated with ACEs at approximately \$2 trillion nationwide, measures that prevent and address childhood trauma not only work to improve the public health of our state, but also have a high rate of return on investment and decrease healthcare, education, and welfare program costs in the long term. Maryland must continue to enact policies that prevent and mitigate ACEs. An increase in TCA will provide families in deep poverty with much needed support. **As such, BHSB urges the Senate Budget and Taxation Committee to support SB 452**

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¹ US Census Data 2019. American Community Survey Data

² <https://www.cdc.gov/violenceprevention/childabuseandneglect/fastfact.html>

³ http://www.ncsl.org/Portals/1/HTML_LargeReports/ACEs_2018_32691.pdf

WA - SB452 - TCA

Uploaded by: Klingenmaier, Lisa

Position: FAV



Welfare Advocates

Founded 1979

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Senate Bill 452

Family Investment Program – Temporary Cash Assistance - Funding

Senate Budget and Taxation Committee

February 12, 2020

Support

Welfare Advocates is a statewide coalition of social service organizations, advocacy groups, faith communities, and community members, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.

Welfare Advocates supports SB 452 as it increases the benefit amount for Temporary Cash Assistance, ultimately bringing families closer to financial stability. Temporary Cash Assistance, the cash assistance part of Maryland's TANF program, was created as part of Welfare Reform in the mid-nineties. Today, over 17,000 of Maryland's families have to rely on TCA to meet their basic needs, and more than 74% of TCA recipients are children.

TCA's indexing factor has not changed in over 24 years. One of the major decisions made during reform was the calculation of the benefit amount. There were two aspects negotiated – the benefit amount and the indexing factor. The negotiations resulted in a benefit amount that was close to the amount provided by the predecessor program, Aid to Families with Dependent Children. It was then indexed using a formula taking into account the State's Minimum Living Level and the federal Food Stamp Benefit.

$$\text{TCA Benefit} = .61(\text{Minimum Living Level} - \text{Maximum Food Stamp Benefit})$$

There was a lot of discussion about what percentage should be used. The parties finally agreed to 61% with the expectation that the percentage would inch up over time.

Increasing the benefit amount would improve the lives of children. TCA benefits are utilized by families to make ends meet – it is the cash they have to pay rent, buy clothes, and purchase personal hygiene products. Unfortunately, the current benefit amount leaves families constantly struggling to meet their basic needs. Children living in these households would benefit from an increase in family income. One study shows that a \$3,000 annual increase in family income leads to a 19% increase in the child's earnings as an adult.¹

¹ Early Childhood Poverty and Adult Attainment, Behavior and Health. Greg J. Duncan, et al.
<http://www.ipr.northwestern.edu/events/other-events/docs/conf08-attainment/papers/duncan.pdf>

Increasing the benefit amount would allow more families to qualify for needed assistance. Cash assistance is not available to most families living in poverty. In order to be eligible to receive TCA an applicant's income (after certain disregards) cannot be more than 120% above the maximum benefit level. Currently, for every 100 families living in poverty, only 30 receive Temporary Cash Assistance. This is striking when compared to the numbers just prior to Welfare Reform in 1995 when for every 100 families living in poverty 97 received cash assistance. While this program is a critical safety-net to those living at the deepest levels of poverty, it is not providing assistance to most struggling Maryland families.

Increasing the benefit amount would reduce the likelihood TCA recipients will need to return to the program. In order to continue to receive TCA, a recipient's income (after certain disregards) cannot be more than 140% above the maximum benefit level. An increased benefit would allow families to receive Temporary Cash Assistance until their income reaches a higher level, creating financial stability for low-income families. Under the current benefit amount, half of families returned to TCA within five years of exit. Of those returning, most came back within one year.² If families are in a more stable position when leaving TCA, they will be less likely to return.

It is time for Maryland to reexamine our Temporary Cash Assistance program and make policy changes to benefit families in need of temporary assistance. By increasing benefit levels, SB 452 would be a step in the right direction.

For the reasons stated above, we respectfully urge a favorable report on SB 452.

Submitted by Lisa Klingenmaier

² *Life After Welfare Report: 2018 Annual Update*. Letitia Logan Passarella and Lisa Thiebaud Nicoli.
<https://www.familywelfare.umaryland.edu/reports1/life2018.pdf>

WA - SB452 - TCA

Uploaded by: Klingenmaier, Lisa

Position: FAV



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Senate Bill 452 Family Investment Program – Temporary Cash Assistance - Funding

Senate Budget and Taxation Committee
February 12, 2020

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TCA's indexing factor has not changed in over 24 years. One of the major decisions made during reform was the calculation of the benefit amount. There were two aspects negotiated – the benefit amount and the indexing factor. The negotiations resulted in a benefit amount that was close to the amount provided by the predecessor program, Aid to Families with Dependent Children. It was then indexed using a formula taking into account the State's Minimum Living Level and the federal Food Stamp Benefit.

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Increasing the benefit amount would reduce the likelihood TCA recipients will need to return to the program. In order to continue to receive TCA, a recipient's income (after certain disregards) cannot be more than 140% above the maximum benefit level. An increased benefit would allow families to receive Temporary Cash Assistance until their income reaches a higher level, creating financial stability for low-income families. Under the current benefit amount, half of families returned to TCA within five years of exit. Of those returning, most came back within one year.² If families are in a more stable position when leaving TCA, they will be less likely to return.

It is time for Maryland to reexamine our Temporary Cash Assistance program and make policy changes to benefit families in need of temporary assistance. By increasing benefit levels, SB 452 would be a step in the right direction.

For the reasons stated above, we respectfully urge a favorable report on SB 452.

Submitted by Lisa Klingenmaier

² *Life After Welfare Report: 2018 Annual Update*. Letitia Logan Passarella and Lisa Thiebaud Nicoli.
<https://www.familywelfare.umaryland.edu/reports1/life2018.pdf>

HPRP Testimony SB452

Uploaded by: Madaio, Michelle

Position: FAV



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SUPPORT - SB 452: Family Investment Program – Temporary Cash Assistance - Funding

Hearing of the Senate Budget and Taxation Committee, February 12, 2020

Testimony of Michelle Madaio, Senior Attorney, Homeless Persons Representation Project, Inc.

Homeless Persons Representation Project, Inc. (HPRP) is a non-profit legal services organization that provides free legal representation to people who are experiencing or at risk of homelessness, on legal issues that will lead to an end to homelessness. HPRP has represented hundreds of families and individuals in appeals to obtain and preserve public benefits, including Temporary Cash Assistance (TCA). HPRP strongly supports SB 452, which would gradually increase the TCA benefit amount and provide families with critical financial support.

SB 452 would assist with efforts to reduce and end homelessness in Maryland. A conservative estimate of the number of people experiencing homelessness on any given night in Maryland is 6,561.¹ Maryland is the eighth least affordable state in the nation for rental housing.² According to a 2019 report, fair market rent for a two-bedroom apartment in Maryland is \$1,431.³ As the maximum TCA benefit for a three person family is \$727⁴ per month, it is not surprising that many families receiving TCA are also experiencing homelessness.⁵ Families rely on their TCA benefit to pay for their rent, utilities, transportation, food, toiletries, diapers, and child care, among other basic needs. An increase to a family's monthly income would increase housing opportunities for families and decrease the likelihood that a family is evicted from their home because they are unable to pay monthly rent.

Maryland can increase the TCA benefit using existing funding streams. Funding for TCA comes from state and federal Temporary Assistance for Needy Families (TANF) dollars. But Maryland only spends 24% of its combined TANF dollars on basic assistance that goes directly to families.⁶ The majority of Maryland's TANF dollars goes to the state Earned Income Tax Credit (EITC), pre-kindergarten programs, and various social service programs (including child welfare, foster care, adult and community services).⁷ These are very important programs that we should continue to invest in, however, TANF dollars should not be the funding source as the programs are not core to TANF's

1 Maryland Interagency Council on Homelessness, 2019 Annual Report on Homelessness (November 2019), p. 4, available at <https://dhcd.maryland.gov/HomelessServices/Documents/2019AnnualReport.pdf>.

2 National Low Income Housing Coalition, Out of Reach: 2019 (2019), p. 16, available at https://reports.nlihc.org/sites/default/files/oor/OOR_2019.pdf.

3 Id. at 116.

4 Family Investment Administration Action Transmittal #20-06 (effective October 1, 2019), available at <http://dhs.maryland.gov/documents/FIA/Action%20Transmittals/AT2020/20-06%20AT-TCA%20Benefit%20Increase.pdf> (DHS documents → FIA → Action Transmittals → AT2020).

5 U.S. Department of Health & Human Services, Administration for Children & Families, Use of TANF Funds to Serve Homeless Families and Families at Risk of Experiencing Homelessness, (February 20, 2013), available at https://www.acf.hhs.gov/sites/default/files/ofa/tanf_acf_im_2013_01.pdf, citing the U.S. Department of Housing and Urban Development multi-city study *The Impact of Housing and Services Interventions on Homeless Families*, which indicated that 41% of families experiencing homelessness receive TANF.

6 Shamekka Kuykendall, Maryland's Investment in TANF Falls Short of Meeting Core Program Goals, Maryland Center on Economic Policy (February 2018), p. 5, available at <http://www.mdeconomy.org/wp-content/uploads/2018/03/Maryland-TANF-Brief-February-2018.pdf>.

7 Id. at 2.

purposes of funding basic assistance, work-related activities and supports and child care.⁸ Maryland could fund SB 452 by shifting TANF dollars from non-core programs into the pockets of families living in poverty who are struggling to barely survive.

SB 452 would assist families in making the transition from welfare to work. Studies with families who receive TCA in Maryland show that over a quarter (27.2%) of families receiving TCA are also employed.⁹ Many of these jobs only have part time hours or low wages, which does not leave families with enough income to be independent from TCA. When families are able to leave TCA, about 14% of families return within three months of exit and 9% return within the first six months.¹⁰ A family not having sufficient income to sustain independence is among the most common reasons for a former recipient to return to TCA.¹¹ This research suggests that the post-exit welfare period is the time when families are most vulnerable to circumstances that precipitate a return to TCA. Adults who find employment the first year after receiving TCA are typically employed in low-wage industries and earn a median income of \$8,300 per year.¹² SB 452 would provide families receiving TCA with a greater financial cushion to assist in becoming financially independent from TCA.

HPRP strongly urges the Committee to issue a FAVORABLE REPORT on SB 452. Please contact Michelle Madaio at 410-685-6589 x16 or mmadaio@hprplaw.org with any questions.

8 Center for Budget and Policy Priorities, Policy Basics – Temporary Assistance for Needy Families (August 2018), p. 7, available at <https://www.cbpp.org/sites/default/files/atoms/files/7-22-10tanf2.pdf>

9 Lauren A. Hall, Letitia Logan Passarella, Life on Welfare: Trends in the 2014 TCA Caseload, University of Maryland School of Social Work (February 2016), p. 17, available at https://familywelfare.umaryland.edu/reports1/caseload_trends2014.pdf. This study examined earnings during the fourth quarter of 2014. Their median total earnings was \$2,443 (over the three month quarter).

10 Letitia Logan Passarella & Lisa Thiebaud Nicoli, Life After Welfare: 2017 Annual Update, University of Maryland School of Social Work (2017), p. 28, available at <http://www.familywelfare.umaryland.edu/reports1/life2017.pdf>.

11 Letitia Logan Passarella & Catherine E. Born, Welfare Recidivism in Maryland: A Review of Administrative Case Narratives, University of Maryland School of Social Work (October 2013), available at <http://www.familywelfare.umaryland.edu/reports1/TANFnarratives.pdf>.

12 Letitia Logan Passarella & Lisa Thiebaud Nicoli, *supra* at 17.

MAP - SB452 - TCA Increase

Uploaded by: Quinlan, Margo

Position: FAV



TESTIMONY IN SUPPORT OF SB 452

Family Investment Administration – Temporary Cash Assistance - Funding

Senate Budget and Taxation Committee

February 12, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

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Margo Quinlan, Co-Chair
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Marylanders Against Poverty (MAP) strongly supports SB 452, which increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, combined with federal food stamps, reaches 71% of the State Minimum Living level by FY 2026.

Maryland has one of the highest rates of Deep Poverty in the entire country: of individuals who live below the poverty line in Maryland, 48% - almost 1 in 2 – live at 50% of the poverty line or lower, which is \$6,380 for an individual.¹ Regrettably, many of these individuals are the Marylanders receiving public benefits, as our benefit levels fall far short of bringing individuals even close to living near or above the poverty line. Currently, the Temporary Cash Assistance program – when combined with federal SNAP benefits – only equals 61% of the Maryland Minimum Living Level (MLL).

TCA provides vital resources to children and their caretakers – as well as strengthen our State's economy. Families use TCA benefits to purchase housing, food, transportation, and other basic needs. These funds are immediately spent in the local economy, generating economic growth. Consequently, increasing the TCA benefit amount not only assists the families receiving it, but it also benefits Maryland's 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.²

Increasing TCA helps parents transition from welfare to work. A recent study from the School of Social Work found that almost 2/3rds of families who have left TCA after five (5) years are still living in deep poverty. Increasing the benefit amount will allow families to have a greater financial stability, which can assist in locating work, moving off of TCA permanently and building economic security.

In the wealthiest state in the country, it's a moral imperative to increase TCA to a level that provides a more livable income. An increase in the TCA benefit is long overdue – the program has been at 61% of the MLL since Welfare Reform in 1996. As the cost of living continues to rise, families on TCA are left with few options on how to even attempt to make ends meet on a benefit that reaches 61% the Maryland Minimum Living Level. Without an increase, Marylanders will continue to bear the societal costs of homelessness and abject poverty among this vulnerable population.

MAP appreciates your consideration, and strongly urges a favorable report on SB 452.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

¹ US Census. 2019. American Community Survey Data.

² College Counts: Evidence of Impact. (2016). *Measuring a State's Return on Investment*.

http://www.metisassociates.com/our_work/downloads/Measuring_a_State_Return_on_Investment.pdf

MDCEP - SB456 - Family Investment Program - TCA

Uploaded by: Schumitz, Kali

Position: FAV

Increasing Temporary Cash Assistance Would Move More Maryland Families out of Poverty

Position Statement in Support of Senate Bill 452

Given before the Senate Budget and Taxation Committee

Increasing the funding for Temporary Cash Assistance helps ensure that very-low-income Maryland families are better able to meet their basic needs. Maryland's Temporary Cash Assistance currently provides only a portion of what the state determines to be the minimum standard of living for a family in Maryland. In order to make Maryland a state with widely shared prosperity and a rising standard of living for every Marylander, the Maryland Center on Economic Policy supports Senate Bill 452 to increase Temporary Cash Assistance levels.

Currently, the maximum benefit for TCA is set at 61 percent of what the state determines to be Maryland's Minimum Living Level. This translates into \$709 per month for a family of three, which is 39.9 percent of the federal poverty line.ⁱ For federal fiscal year 2017, the Maryland Department of Human Services determined the Minimum Living Level for a family of three was \$1,900 per month, or \$22,800 annually, just slightly higher than the 2017 federal poverty level of \$20,420.ⁱⁱ Given the changes Maryland has experienced in this past decade, including the Great Recession and a rising cost of living, it is necessary to strengthen Maryland's safety net for those who are vulnerable to changing economic conditions.

The idea of increasing funding for TCA is not new. In fact, in 2016 the *Joint Chairmen's Report* requested that the Department of Human Services examine the feasibility of incrementally increasing the amount of monthly assistance over 10 years to 70 percent of the Minimum Living Level, similar to the goals proposed in SB 452. The Department of Human Services estimated that the maximum benefit for a family of three would increase from \$648 per month in fiscal year 2017 to \$919 per month in fiscal year 2027, which is \$210 higher than the Department of Human Services would otherwise project.ⁱⁱⁱ This increase would make a difference in the lives of families in poverty – especially since Maryland's cost of living has increased over this time period.

In addition, TCA also reaches a very small share of low-income Maryland families. This is a sharp contrast from its predecessor, Aid to Families with Dependent Children, which reached nearly all low-income families in the state. In 1995-1996, Aid to Families with Dependent Children's cash assistance reached 97 of every 100 families with incomes below the federal poverty line in Maryland. In contrast, in 2015-2016, Temporary Cash Assistance reached only 30 of every 100 Maryland families experiencing poverty.^{iv} It is important that the state continue to invest in TCA to help families afford housing, food, and other necessities as they transition to work and climb the economic ladder.

Maryland can be a state with opportunity for everyone if we make sufficient investments in programs and services that support families in poverty. Increasing our investment into Temporary Cash Assistance would greatly benefit families that are experiencing poverty and their local communities. Furthermore, there is increasing evidence that giving greater support to families in poverty helps improve children’s long-term education and health outcomes.^v

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Budget and Taxation Committee make a favorable report on Senate Bill 452.

Equity Impact Analysis: Senate Bill 452

Bill summary

SB 452 requires the Governor to provide sufficient funds in the budget to ensure that the value of temporary cash assistance, combined with federal food stamps, is equal to at least 61% of the State minimum living level for fiscal year 2021, increasing to at least 71% of the State minimum living level by fiscal year 2026 and each fiscal year thereafter. Currently, the maximum benefit for TCA is set at 61 percent of what the state determines to be Maryland’s Minimum Living Level.

Background

Maryland’s Temporary Cash Assistance currently provides only a portion of what the state determines to be the minimum standard of living for a family in Maryland. Currently, Maryland’s TCA benefit for a family of three is approximately \$648 per month, which is 38 percent of the federal poverty line. For federal fiscal year 2017, the Maryland Department of Human Services determined the Minimum Living Level for a family of three was \$1,900 per month, or \$22,800 annually, just slightly higher than the 2017 federal poverty level of \$20,420. Given the increased cost of living, it is necessary to strengthen Maryland’s safety net for those who are vulnerable to changing economic conditions

Equity Implications

Policies in the past have led to a system of unequal opportunities for marginalized groups within Maryland. Although the most obvious racially discriminatory policies have long been overturned or mitigated, the impact of these policies continue to persist in both society and public policy, and have led to significant racial and wealth disparities. More than 20 percent of Maryland households of color have zero net worth, and nearly 40 percent of Black households don’t have enough assets to get by at the poverty level for three months without an income. Overall, people of color experience much higher rates of economic insecurity and poverty, and are more likely to have to rely on TCA to get by during times of hardship.

Current TCA benefit levels are not enough to help families meet their basic needs, let alone build economic security. By increasing our investment into Temporary Cash Assistance, Maryland can help break cycles of poverty for people of color.

Impact

Senate Bill 452 would likely **improve racial and economic equity** in Maryland.

i Center on Budget and Policy Priorities. More States Raising TANF Benefits to Boost Families Economic Security. December 2019. <https://www.cbpp.org/research/family-income-support/more-states-raising-tanf-benefits-to-boost-families-economic-security>

ii Overview of the Temporary Assistance for Needy Families Program in Maryland. Maryland Department of Legislative Services. November 2017. <http://dls.maryland.gov/pubs/prod/HHS/Overview-of-the-Temporary-Assistance-for-Needy-Families-Program-in-Maryland.pdf>

iii Overview of the Temporary Assistance for Needy Families Program in Maryland. Maryland Department of Legislative Services. November 2017. <http://dls.maryland.gov/pubs/prod/HHS/Overview-of-the-Temporary-Assistance-for-Needy-Families-Program-in-Maryland.pdf>

iv Center on Budget and Policy Priorities. Maryland's TANF Cash Assistance Disappearing for Poor Families. https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_md.pdf

v "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find." The Center on Budget and Policy Priorities. July 2017. <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over>

Cash Campaign_ SB 452- _FAV_ SB 452

Uploaded by: Senator McCray, Senator McCray

Position: FAV



SB 0452 - Family Investment Program - Temporary Cash Assistance - Funding
Senate Budget & Taxation Committee
February 12th, 2020
SUPPORT

Chairman Guzzone, Vice-Chair and members of the committee, thank you for the opportunity to support SB 452. This bill will help families survive while living in poverty by increasing Temporary Cash Assistance (TCA) funding.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy.

Many families in Maryland are struggling to keep up with demands to provide basic necessities for their families. This means that adults along with their children frequently go without fundamental essentials. Programs like TCA help bridge the gaps for those families. Unfortunately, this bridge is not enough to close the distance between a family in deep poverty and a family meeting basic needs. When families do not have enough to provide for basic needs, they must assess which necessity they can go without providing. This can look like choosing food over clothes or choosing which bills do not get paid.

TCA is a program that provides "cash assistance to families with dependent children when available resources do not fully address the family's needs and while preparing program participants for independence through work".¹ Unfortunately, TCA levels have not kept pace with Maryland's cost-of-living, including sharp increases in mortgage and rental costs. Right now, around 50% of Maryland families that are renting are cost burdened and 16.2% of households have zero net worth.² This is why it is crucial that TCA be funded at a more adequate level. For low-income families, even a small increase in cash can lead to dramatic benefits.

SB 452 ensures that TCA is funded at a level more likely to meet families needs.

This bill requires the Governor to provide sufficient funds in the budget to ensure that TCA (plus federal food stamps) is equal to the following percentages of the State minimum living level (MLL):

1. For fiscal 2022, 63%;
2. For fiscal 2023, 65%;
3. For fiscal 2024, 67%;
4. For fiscal 2025, 69%, and
5. For fiscal 2026, and each year thereafter, 71%.

SB 452 allows Maryland the opportunity to help families living in poverty to move to a place of financial stability.

We appreciate your consideration of Senate Bill 452, and encourage a favorable report. Thank you.

¹ Maryland Department of Human Services (2020).

² Prosperity Now Scorecard (2020)

MGA_Sen. McCray_FAV_SB 452

Uploaded by: Senator McCray, Senator McCray

Position: FAV

TESTIMONY IN SUPPORT OF SB 452
Family Investment Program – Temporary Cash Assistance – Funding
Senate Budget and Taxation Committee
Wednesday, February 12, 2020

SB 452 is a simple bill that increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, when combined with federal SNAP benefits, reaches 71% of the State Minimum Living level by FY 2026. **SB 452 is a long overdue investment in families who are working and struggling in deep poverty in Maryland.**

Temporary Cash Assistance is the cash assistance part of Maryland’s TANF program, which created as part of national Welfare Reform in the mid-nineties. One of the major decisions made during reform was the calculation of the benefit amount. Negotiations of how to calculate the benefit centered around the amount and indexing factor of the benefit. After deliberation with advocates and legislators, it was negotiated that the benefit would start off at 61% of the newly-created Maryland Minimum Living Level when combined with then-named Food Stamps, with the understanding that percentage of 61% would increase over time to eventually reach 100% of the Maryland Minimum Living Level. **Regrettably, the indexing factor has not been changed since it was negotiated in 1996 – over 24 years ago. Passing SB 452 would begin to rectify the terrible delay in fully supporting our lowest income families in Maryland.**

Today, over 17,000 of Maryland’s families have to rely on TCA to meet their basic needs, and 74% of TCA recipients in Maryland are children.ⁱ The maximum benefit for a household of three on TCA is \$727 a month, meaning these families are by definition living in deep poverty below 50% of the Federal Poverty Line. TCA families aren’t debating how to meet their basic needs, but negotiating which basic needs they can forgo all together. Our neighbors on TCA are living in homeless shelters, standing in line at diaper banks, visiting food pantries at the end of the month for meals, and accepting school supply donations from local charities. We can – and must – do better for these families.

SB 452 strengthens Maryland’s children, families, and our economy. SB 452 puts more income directly into the hands of working families in deep poverty. The additional TCA dollars are used to purchase housing, food, transportation, and other basic needs. The funds we allocate for this increase will be immediately spent in the local economy, generating economic growth with a strong return on investment. Moreover, increasing the benefit amount will allow families to have a greater financial stability, which can assist in locating full-time work, moving off of TCA permanently, and building economic security. **If families are in a more stable position when they leave TCA, they will be less likely to return.**

It is time for Maryland to reexamine our Temporary Cash Assistance program and make policy changes to improve the lives of families and children in deep poverty. By increasing benefit levels, SB 452 is a step in the right direction. Without it, Marylanders will continue to bear the societal costs prolonged and persistent deep poverty among this vulnerable population.

Thank-you for your consideration, and I urge your consideration for a favorable report on SB 452.

ⁱ Department of Human Services. (2019). Data and Reports – FIA – Statistical Report. *2019 All Program Monthly Statistical Report*. <http://dhs.maryland.gov/business-center/documents/>

Maryland Catholic Conference_FAV_SB452

Uploaded by: Wallerstedt, Anne

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 12, 2020

SB 452

Family Investment Program – Temporary Cash Assistance – Funding

Senate Budget and Taxation Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch)dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 452 would increase the levels of Temporary Cash Assistance (TCA) incrementally to meet to meet and exceed the state minimum living level when combined with federal food stamp assistance. The Maryland state minimum living level (MLL) is the minimum standard of living for a family, based on a household size of three. The Governor must include in his annual budget enough funding for the TCA program that, when combined with federal food stamp benefits, is equal to at least sixty-one percent of the state MLL.

The Conference frequently advocates for the protection of social safety net programs included in the state budget to promote the common good in Maryland. Given budget challenges that may arise in coming fiscal years, it is especially important now to evaluate how current funding is or is not meeting the needs of all programs and how they grow in its capacity to assist Marylanders. Without adequate funding for programs and grants like TCA, vulnerable Marylanders will face additional obstacles to self-sufficiency due to their inability to meet their basic needs. Increasing TCA will allow the program to be stabilized and grow proportional to the needs of its recipients.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 452.

DBM_INFO_SB452

Uploaded by: Wilkins, Barbara

Position: INFO



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 452 Family Investment Program-Temporary Cash Assistance-Funding (McCray, et al)

STATEMENT OF INFORMATION

DATE: February 12, 2020

COMMITTEE: Senate Budget & Taxation Committee

SUMMARY OF BILL: SB 452 requires the Governor to budget Temporary Cash Assistance (TCA) benefits, combined with federal food stamps, at an amount that incrementally increases by 2% annually, from the current 61% of the Maryland minimum living level (MMLL) in FY 21 to 71% in FY 2026.

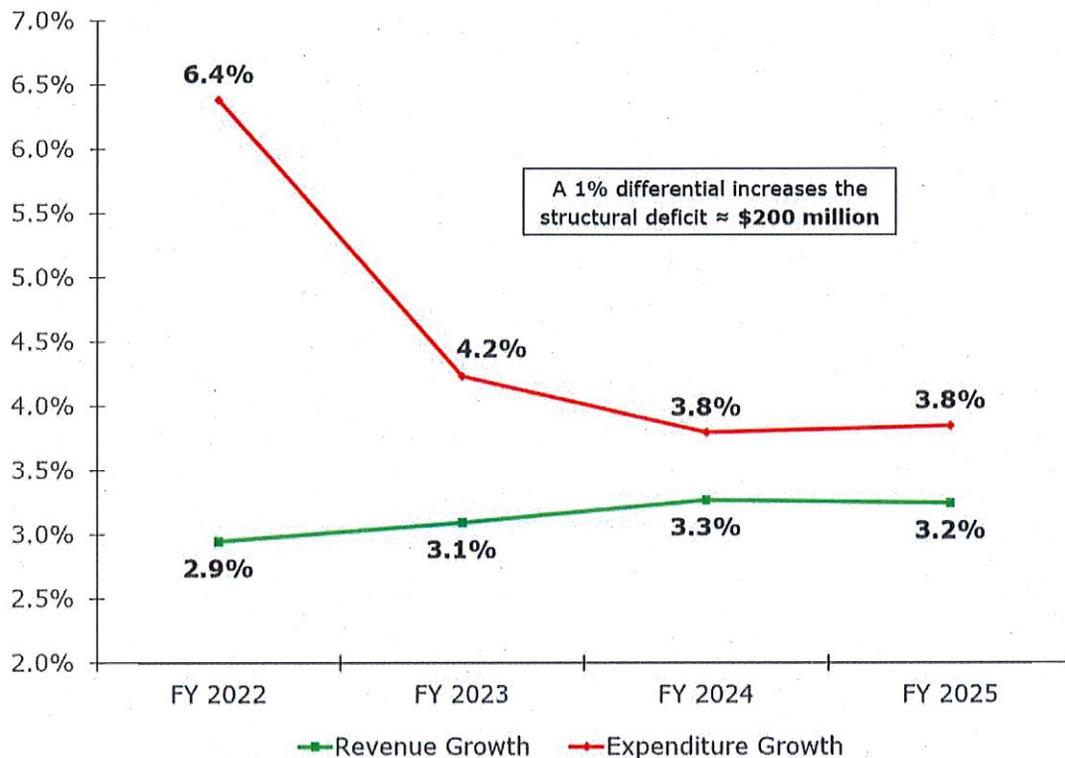
EXPLANATION: The FY 2022 increase to 63% of MMLL is estimated to cost an additional \$6.1 million; \$12.4 million in FY 2023, \$18.9 million in FY 2024, and \$25.6 million in FY 2025.

DBM's focus is not on the underlying policy proposal being advanced by the legislation, but rather on whether the aggregate increased spending is sustainable when spending growth continues to exceed revenue growth.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and strives to create a structurally balanced budget, in which the growth in spending is less than the growth in revenues. Actions by the General Assembly to increase entitlement spending levels makes it exceedingly difficult for the Administration to achieve structural balance.

The FY 2022 General Fund forecast shows spending growth of 6.4%, whereas revenue growth is forecast to be 2.9%. Growth in State spending will outpace otherwise healthy revenue growth not only next year, but also for the foreseeable future. The result is a short and long-term structural gap that will continue to strain State resources until the underlying causes have been resolved.

Future Spending Outpaces Revenue Growth



Source: Department of Budget and Management, FY 2021 Budget Highlights Book, Appendix F (January 2020)

General Fund Budget Outlook Fiscal 2022 - 2025

	Est. 2022	Est. 2023	Est. 2024	Est. 2025
Cash Balance	-\$833	-\$1,135	-\$1,201	-\$1,298
Structural Balance	-\$701	-\$905	-\$984	-\$1,071

Department of Legislative Services, January 2020 Fiscal Briefing

For FY 22 – FY 25, the cumulative impact of an ongoing imbalance between spending and revenues is a \$3.6 billion structural gap. Our structural budget problem reflects a spending problem; not a revenue problem.

The ever-increasing use of mandates and entitlement spending by the General Assembly is a more recent practice, making the State's structural budget deficit a chronic challenge. According to the Department of Legislative Services (DLS), 70.2% of the FY 2020 General Fund allowance is mandated or entitlement spending.

Until we achieve long-term structural balance, programs cannot rely on a consistent funding level. Constituencies for these proposed programs or enhanced spending bills should be forewarned that passage

of this legislation does not guarantee future funding. Whatever specific funding is mandated will likely be repealed or otherwise modified in a subsequent Budget Reconciliation and Financing Act (BRFA) – this action is necessary to ensure a constitutionally required balanced budget in the next fiscal year.

The Administration is cognizant of the downside risks facing our economy and, in the FY 2021 Budget, has set aside \$1.3 billion in reserves. The Rainy Day Fund balance is equal to 6.25% of revenues, \$48 million more than recommended by the Spending Affordability Committee (SAC). Moody's Analytics has recently advised of a slowdown in employment growth in the latter part of FY 2021, which DLS estimates would add \$241 million to the structural budget gap in FY 2021 and \$419 million in FY 2022. Historic increases in funding for both K-12 education, as proposed by the Kirwan Commission, and school construction will further aggravate the budget gap.

The 2019 SAC commentary encourages a cautious fiscal approach -- **“Out-year fiscal stress is anticipated despite the expectation that personal income and employment will continue to grow steadily, and entitlement and prison caseloads will hold steady or decline. An imbalance is forecast before accounting for any recommendations from the Commission on Innovation and Excellence in Education.”**

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