



TESTIMONY IN SUPPORT OF SB 787

Family Investment Administration – Temporary Cash Assistance – Eligibility

Senate Finance Committee

March 6, 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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Marylanders Against Poverty (MAP) strongly supports SB 787, which eliminates full-family sanctions in the Temporary Cash Assistance (TCA) program and establishes 75% of the TCA grant as the child's portion that cannot be sanctioned, and allows 30% of the remaining adult portion to be sanctioned for TCA work participation sanctions.

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 one in two - live at 50% of the poverty line or lower.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). Although the TCA benefit does not bring families up to the poverty level, it is still vitally important: families use TCA benefits to purchase housing, food, transportation, and other basic necessities. Without TCA, these low-income households have no cash income.

Full-family TCA sanctions – like we currently have in Maryland – are far too common, hit marginalized households the hardest, and spiral families further into deep poverty. A TCA sanction is a suspension of a TCA grant when an adult does not meet certain participation requirements. Sanctions occur at alarmingly high rates, and can be imposed erroneously and inconsistently for minor violations.² 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.³

Full-family TCA sanctions stagnate our local economies. 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.⁴ However, when families lose their full TCA grant to sanctions, they are effectively taken out of the local economy altogether.

SB 787 follows the lead of other states – and the two-generation model – by creating a partial sanctions process in TCA. SB 787 establishes 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. For work sanctions, this bill would sanction 30% of the adult portion of TCA. SB 787 strikes an appropriate, humane balance between signaling to the adult participant that they have fallen out of compliance with TCA, while preserving household income so the family doesn't fall further into deep poverty.

MAP appreciates your consideration, and strongly urges a favorable report on SB 787.

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 University of Maryland School of Social Work. (2016). *An Overview of Work Sanctions in Maryland*.

<https://familywelfare.umaryland.edu/reports1/worksanctionsbrief2016.pdf>

³ University of Maryland School of Social Work. (2016). *Are Welfare Recipients with the Most Severe Work Sanctions Particularly Disadvantaged?* <https://familywelfare.umaryland.edu/reports1/sanctionscharacteristics.pdf>

⁴ 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