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SUPPORT – SB 787: Family Investment Program – Temporary Cash Assistance - Eligibility

Hearing of the Senate Finance Committee, March 6, 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. Since welfare reform, HPRP has represented thousands of families in appealing unlawful sanctions and terminations of Temporary Cash Assistance (TCA). HPRP strongly supports SB 787, which improves the administration of the TCA program and provides critical income to families living in extreme poverty.

SB 787 would replace the full-family TCA sanction with a partial benefit loss for non-compliance with program rules, directing more money to children living in poverty. Currently, when the Department of Human Services (through local Department of Social Services offices) suspects that a TCA recipient is not participating in the mandatory work requirement, it imposes a sanction on the case, which terminates the entire family's benefit. The sanctions are cumulative and the TCA will not resume until the family participates in the work program for one day (first sanction), ten days (second sanction) or thirty days (third or more sanction). Sanctions are often erroneously imposed on families who are experiencing barriers to employment that would qualify them for an exemption, such as domestic violence, homelessness, illness or disability, lack of transportation and childcare.¹ But because the underlying reasons *why* a family was unable to work are not addressed, the sanctioned family is now even more vulnerable once their TCA income is terminated. As a result, many families who are eligible for TCA end up unable to cure a sanction and go without any TCA income for several months or sometimes permanently. Aggressive sanction policies, such as Maryland's, prolong a family's experience of poverty and homelessness, and make it even more difficult to find unsubsidized employment and become independent from TCA.² Maryland should adopt a partial-family sanction as other states have done, including Illinois, California, Maine, New York and Washington DC, which has been found to be a more effective way to encourage compliance with work requirements.

SB 787 would reduce the occurrence of unnecessary sanctions and benefit terminations. Under SB 787, DSS would engage in a 30-day conciliation process with a family that it suspects has not participated in the TCA work requirement prior to imposing a sanction.³ During this conciliation period, the DSS caseworker would make personal contact with the family to investigate and assess why the family did not participate in the work program. DSS would work with the family to assist and encourage compliance. If the family is experiencing barriers to employment that make compliance difficult, then DSS would provide services to assist the family in addressing the barriers. Families who are sanctioned for noncompliance with work requirements are more likely to have

1 See Ladonna Pavetti, "TANF Studies Show Work Requirement Proposals for Other Programs Would Harm Millions, Do Little to Increase Work," Center on Budget and Policy Priorities (November 2018), *available at* <https://www.cbpp.org/research/family-income-support/tanf-studies-show-work-requirement-proposals-for-other-programs-would>, citing a study by Tennessee's Temporary Assistance for Needy Families (TANF) agency that had a 30% error rate for sanctions.

2 Heidi Goldberg and Liz Schott, "A Compliance-oriented Approach to Sanctions in State and County TANF Programs," Center for Budget and Policy Priorities (October 2000), *available at* <https://www.cbpp.org/archives/10-1-00sliip.htm>.

3 Under the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (commonly known as welfare reform), recipients of T who are able to work are required to work 20 to 30 hours per week in order to receive the benefit. Work-eligible families who do not work may receive a sanction for non-compliance with the requirement.

health problems, lower education levels, lack affordable childcare, and transportation, when compared to the larger TCA population.⁴ This conciliation period will assist families in complying and reduce the likelihood that unnecessary sanctions are erroneously imposed for minor violations.⁵

SB 787 is a critical step toward combating racism in the welfare program. Historically, as more Black families began to receive welfare, the public and media perceived welfare recipients as undeserving, lazy, and unwilling to engage in paid work.⁶ Stereotypes about welfare recipients committing fraud and being dishonest continue to influence the administration and policies of the program today.⁷ Research on TANF programs reveals the states with larger populations of Black TANF recipients are more likely to have stricter welfare policies,⁸ and that racial bias causes Black families to be more likely to be sanctioned for similar instances of non-compliance as white families.⁹ In Maryland Black families are disproportionately sanctioned at higher rates.¹⁰ SB 787 is a step toward eliminating these harmful stereotypes by focusing on addressing the needs of individual families instead of imposing draconian measures that punish vulnerable families.

SB 787 helps families who are experiencing homelessness to access critical income needed to access affordable and stable housing. HPRP has represented families who lose their housing after they lose a job or experience illness or disability that makes them unable to work. When the families have applied for TCA, they are denied or sanctioned for not working. Families without income end up spending far longer in shelters or doubled up in overcrowded housing, while searching for employment or housing. When a family is experiencing homelessness, there are so many time-consuming responsibilities that make it difficult to work, from transporting kids to school, waiting in long lines at shelters and soup kitchens, searching for housing, attending medical appointments, and accessing clothing and laundry services. SB 787 recognizes that families in crisis, such as homelessness or a housing crisis, should be able to turn to DSS for help.

HPRP strongly urges the Committee to issue a FAVORABLE REPORT on SB 787. Please contact Michelle Madaio at 410-685-6589 x16 or mmadaio@hprplaw.org with any questions.

4 *Supra* note 2.

5 See Lisa Thiebaud Nicoli, “Are Welfare Recipients with the Most Severe Work Sanction Particularly Disadvantaged?” University of Maryland School of Social Work Ruth Young Center for Families & Children, (March 2016), available at <https://familywelfare.umaryland.edu/reports1/sanctionscharacteristics.pdf>.

6 See Martin Gilens, *Why Americans Hate Welfare: Race, Media, and the Politics of Antipoverty Policy*, (University of Chicago Press, 1997); see also Jill Quadagno, *The Color of Welfare: How Racism Undermined the War on Poverty*, (Oxford University Press, 1994).

7 Richard M. Coughlin, “Welfare Myths and Stereotypes” in *Reforming Welfare* at pp. 82-83, available at http://www.unm.edu/~coughlin/links/Publications/Welfare_Myths_and_Stereotypes.pdf.

8 Mary R. Mannix and Henry A. Freedman, “TANF and Racial Justice,” *Clearinghouse Review Journal of Poverty Law and Policy*, Volume 47, No. 5-6 (Sept. – Oct. 2013), at 224, available at https://nclej.org/wp-content/uploads/2015/11/TANF_RaceDiscriminationClearinghouseReview.pdf.

9 *Id.* at 222. See also Ladonna Pavetti, *supra* note 1, citing Sanford F. Schram et al., “Deciding to Discipline: Race, Choice, and Punishment on the Frontlines of Welfare Reform,” *American Sociological Review*, (January 2009).

10 See *supra* note 5 at p. 4 (88% of families who received a 30- day TCA work sanction were African American).