

Cash Assistance Helping Children in Poverty Should Remain Protected

Given before the Senate Finance Committee

Position Statement in Support of Senate Bill 787

Reshaping the way Temporary Cash Assistance recipients are sanctioned for not meeting the program work requirement will keep families from going deeper into poverty. In Maryland, when an adult does not meet a TCA program requirement, the whole family may receive a financial penalty. Families in which an adult has not met a requirement could receive no benefits for up to 30 days after the adult has resolved the issue. This harsh practice has become outdated as many states have already implemented policies that sanctions only part of the family's TCA benefit. The Maryland Center on Economic Policy supports Senate Bill 787, which eliminates full family sanctions in the 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.

Maryland currently has one of the highest rates of deep poverty in the nation. Of families with income below the federal poverty level, about 48 percent have incomes below 50 percent of the federal poverty level (often referred to as "deep poverty")ⁱ. When low-income families lose their TCA benefits as a result of a sanction, they face immediate hardships such as lack of access to transportation for school or work, the inability to pay their rent and other bills for their household.ⁱⁱ Increasing financial stability for families has a wide range of benefits for children, such as improving health and educational outcomes, research shows. Additionally, sanctioning the full TCA benefit harms Maryland's local economy as families have little to no money to spend in businesses in their community.

Evidence suggest that work sanctions are the most common type of sanction in Maryland and are used frequently, with 60 percent of cases receiving a sanction at least once a year. The fact that work sanctions are so common in Maryland shows that the state takes the work requirement seriously. However, many work sanctions are imposed with little to no investigation or consideration as to the reason why the requirement was not met. Research shows that the most common reasons for a violation under this requirement are lack of child care, domestic violence, homelessness, utility shut off and disability. This means that Maryland is penalizing families already in crisis and pushing them deeper into poverty. If approved, Senate Bill 787 would exempt these most common reasons for a violation under the TCA sanction requirement.

Research shows that Maryland families that are frequently sanctioned by the TCA program face significantly more barriers than their peers, are often younger and less educated and will more than likely return to TCA benefits in their lifetime compared to others that left the program. Frequent sanctions could indicate that a family needs further supports from community organizations to comply with the rigid TCA standards. However, families are often left without help resolving the problem that caused the sanction. As a result, the problem often repeats itself

triggering further repeated sanctions as some families are not able to meet the programs expectations and lose their benefits as a result pushing them deeper into financial crisis.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee give a favorable report to Senate Bill 787.

Equity Impact Analysis: Senate Bill 787

Bill summary

Senate Bill 787 eliminates full-family sanctions in the 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.

Background

Currently, Maryland employs an immediate full family sanction for TCA program violations. This is problematic, because the sanctions are imposed with little to no regard as to why the violations occurred. Often times, program violations occurred as a direct result of the families being in poverty such as lack of child care, homelessness, and utility shut off. Frequent sanctions could indicate that a family needs further supports from community organizations to become program compliant. However, families are often left without help resolving the problem that caused the sanction. As a result, the problem often repeats itself triggering further repeated sanctions as some families are not able to meet the programs expectations and lose their benefits as a result pushing them deeper into financial crisis.

Equity Implications

Research shows that sanctioned families are more likely to:

- Be Black or African American
- Have limited access to transportation
- Have limited education
- Live in areas of concentrated poverty
- Have fewer employment options

Impact

Senate Bill 787 would likely **improve racial and economic equity** in Maryland.

ⁱ US Census. 2019. Merican Community Survey Data

ⁱⁱ University of Maryland School of Social Work. (2016). An Overview of Work Sanctions in Maryland. <https://familywelfare.umaryland.edu/reports1/worksanctionsbrief2016.pdf>