



HOMELESS PERSONS REPRESENTATION PROJECT, INC.

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Support – SB 160

Human Services – Temporary Cash Assistance – Calculation of Benefits

Hearing of the Senate Finance Committee, February 2, 2023

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The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal services organization that provides free legal representation to people who are experiencing homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP has represented thousands of families in appealing unlawful denials and terminations of Temporary Cash Assistance (TCA) and has advocated for reform to harmful policies and practices of the TCA program, Maryland’s federal Temporary Assistance for Needy Families (TANF) program. HPRP strongly supports SB 160 because it ends the practice by the Department of Human Services (DHS) of reducing a family’s monthly TCA benefit by \$60 simply because the family lives in government-subsidized housing.

SB 160 ends a harmful financial penalty that maintains racial disparities in access to TCA.

In 2022, DHS reduced the TCA benefit by \$60 per month in approximately 15% of households that received TCA simply because the family lived in subsidized housing.¹ The \$60 benefit reduction disproportionately impacted Black families: although 64.5% of all TCA households were headed by a Black / African American parent/caregiver, 80% of the head of households receiving the \$60 penalty were Black / African American. Similarly, 91% of all TCA head of households were female, but the head of households receiving the \$60 penalty were 98% female. The overrepresentation of Black families in need of subsidized housing today can be traced back to America’s deplorable history of racism and discriminatory housing policies.² Although TCA is a critical cash support, the origins and basic design of the TANF program are deeply rooted in racist ideas and policies.³ The \$60 benefit reduction simply because a family lives in subsidized

¹ See attached Appendix which includes data obtained from the MD Department of Human Services through a Public Information Act request. In calendar year 2022, there were a total of 32,393 households that received TCA in Maryland, of which 4,999 households had their benefit reduced by \$60 due to receipt of housing subsidy and 27,394 households had no \$60 benefit reduction due to housing subsidy.

² Less than half of Black families own their homes today as a consequence of segregationist practices such as redlining (not insuring homes in Black neighborhoods) and insuring homes with deeds that contained restrictive covenants prohibiting the sale of the home to Black people. See Wilhelmina A. Leigh & Danielle Huff, *African Americans and Homeownership: Separate and Unequal, 1940 to 2006*, JOINT CTR. FOR POL. & ECON. STUD., 9 (2007), http://beta.accessstofinancialsecurity.org/sites/default/files/HomeownershipPaperBrief_JointCenter-1354525951.pdf

³ See Ife Floyd, Ladonna Pavetti, Laura Meyer, Ali Safawi, Liz Schott, Evelyn Bellew, Abigail Magnus, “TANF Policies Reflect Racist Legacy of Cash Assistance,” Center on Budget and Policy Priorities (August 4, 2021), available at <https://www.cbpp.org/research/family-income-support/tanf-policies-reflect-racist-legacy-of-cash-assistanceorg>; see also American Public Human Services Association, “Core Principles for TANF Modernization: A Legislative Framework for TANF Reform,” (March 2022) available at <https://files.constantcontact.com/391325ca001/905334d8-53b0-4cae-89a3-7892d31c11b4.pdf> (constantcontact.com)

housing is an example of a present-day policy that is rooted in the false and harmful belief that families living in poverty are not “deserving” of cash assistance. Maryland should move its program in an antiracist direction by embracing the flexibility in federal law⁴ to disregard housing subsidies when calculating the TCA benefit and end this financial penalty harming Black mothers and children.

By ending the \$60 reduction, SB 160 aligns Maryland with the practices of most states.

Maryland is within a small minority of states that have chosen to consider a portion of a housing subsidy as countable income when calculating the TANF benefit amount. Only seven other states have provisions similar to Maryland (e.g. Connecticut, Minnesota, Nevada, Rhode Island, Tennessee). The remaining 43 states and DC do not reduce the TANF benefit because a family lives in subsidized housing. In fact, at least 19 of those states expressly forbid this practice in their law, regulations, or policy.

SB 160 puts \$60 per month in the pockets of families with children living in deep poverty.

Families living in deep poverty⁵ are still experiencing the extreme hardship and economic crisis exacerbated by the COVID-19 pandemic. The cost of food increased by almost 10% last year.⁶ HPRP has worked with countless families that received a housing subsidy and TCA benefit, yet these families continue to experience food insecurity, struggled to pay utility bills and other household expenses. SB 160 will allow families to have \$60 more per month, which is as much as 10% of the entire TCA benefit for some families. Extra cash assistance will have a positive impact on the lives of children who make up the majority of TCA recipients.⁷

HPRP strongly urges the Committee to issue a favorable report on SB 160. If you have any questions, please contact Michelle Madaio (she/her), Director – Economic Justice at (410) 716-0521 or mmadaio@hprplaw.org.

⁴ According to federal regulation, each state can choose whether it considers a governmental housing subsidy as countable income. *See* 45 C.F.R. 233.20(a)(3)(xii). The DHS regulations authorize the \$60 reduction. COMAR 07.03.03.13(C)(1)(j).

⁵ The U.S. Census Bureau defines “deep poverty” as living in a household with a total cash income below 50 percent of its poverty threshold. The 2022 poverty threshold for a family of two was \$18,310. *See* U.S. Department of Health and Human Services, Annual Update of the HHS Poverty Guidelines, Federal Register Vol. 87, No. 14, at 3316 (January 21, 2022), *available at* <https://www.govinfo.gov/content/pkg/FR-2022-01-21/pdf/2022-01166.pdf>

⁶ USDA, Economic Research Service, “Summary Findings, Food Price Outlook, 2023,” *available at* <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/-:~:text=In%202022%2C%20food%20prices%20increased%20by%209.9%20percent.,Service%20%28ERS%29%20increased%20by%20more%20than%205%20percent.>

⁷ In Maryland, 70% of households that receive TCA have school age kids (6-18 years), and 55% of households have children age 5 or younger. *See* Haley Smith & Letitia Logan Passarella, University of Maryland School of Social Work, “Temporary Cash Assistance: 2021 Jurisdictional Snapshots” (April 2022), at p. 5, *available at* https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-on-welfare/TCA-Snapshots_2021.pdf?&