



SB 160 - Human Services - Temporary Cash Assistance - Calculation of Benefits
Senate Finance Committee
February 2nd, 2023
SUPPORT

Chairwoman Griffith, Vice-Chair, and members of the committee thank you for the opportunity to support Senate Bill 160. This bill helps families who are living in poverty make ends meet by excluding certain housing subsidies in the calculation of the amount of Temporary Cash Assistance (TCA) for eligible recipients.

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. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

While Maryland is often cited as one of the nation's wealthiest states, it is also home to an alarming number of individuals and families living in poverty. Maryland has a poverty rate of 9.5% and an income volatility rate of 21%, which is higher than the national average¹. 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"².

Right now, more than 40% of Maryland families have little or no assets saved in case of a financial emergency and 14% of households have zero net worth. For low-income families, even a small increase of cash can lead to dramatic benefits. The National Bureau of Economic Research (2015) claims that for low-income families, even \$4,000 more per adult, per year can decrease individual and marital stress, lower reported drug and alcohol usage, and increase parental supervision and involvement, and improve child health outcomes.

SB 160 simply removes the amount of government housing subsidies that the TCA recipient receives. This adjustment makes the TCA more accessible to those who need it the most.

We appreciate your consideration of Senate Bill 160 and encourage a favorable report.

¹ Prosperity Now Scorecard (2018).

² Maryland Department of Human Services (2018).