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Testimony of Michelle Madaio – Director, Economic Justice Supporting HB 898 with Amendment Maryland’s People’s Fund – Establishment Appropriations Committee, March 5, 2024

HPRP is a non-profit civil legal aid organization that provides free legal services to Marylanders who are homeless or at risk of homelessness on issues that create barriers to housing and economic stability. HPRP provides free legal services through offices serving Baltimore City, Montgomery County, and Prince George’s County, and advocates for policies that will prevent and end homelessness statewide.

HPRP supports the creation of a People’s Fund in HB 898, but recommends the bill is amended to specify that the People’s Fund may be used only to provide unrestricted, unconditional (e.g. no strings attached, no work requirement) guaranteed income to low-income Marylanders. Maryland needs innovative responses to address systemic inequities such as the racial wealth gap, employment discrimination, inadequate supply of affordable housing, and lack of livable wages. Guaranteed income is needed to supplement (not replace) Maryland’s current social safety net programs, which do not provide the economic security sufficient to end homelessness and poverty. There are many existing guaranteed income pilots and programs in cities and other states.¹ While the impact of the guaranteed income program depends on the program design, the benefits are well documented and associated with an increase in education outcomes (e.g. increased school attendance, higher test scores, more years of school completed), increased food security, positive impact on employment outcomes, mental and physical health, and a reduction in minor crimes.²

HPRP serves on the leadership roundtable for CARE Baltimore, a pilot program that will provide a monthly direct cash transfer and supportive services to young adults aged 18-24 who are experiencing housing instability or homelessness. The goal of this program is to empower youth to sustainably exit homelessness. As a roundtable member, HPRP helped to recruit youth leaders and consultants to lead the initiative, provided input regarding the RFP for a community-based organization (CBO) to administer the direct cash transfer program, shared expertise about securing waivers for cash transfers from key government safety net programs, and helped to select research methodology to evaluate the pilot initiative.

¹ Some examples in the U.S. include the Alaska Permanent Fund Dividend (using revenue from state’s oil industry), the Eastern Band of Cherokees casino dividend program (using gaming revenue), and the Stockton Economic Empowerment Demonstration (SEED) (using private investment). See [Preliminary Analysis: SEED’s First Year](#) (2019), available at [SEED Preliminary+Analysis-SEEDs+First+Year Final+Report Individual+Pages+-2.pdf](#) ([squarespace.com](#)).

² See e.g. Urban Institute, “Investing in Youth through Direct Cash Transfers” available at <https://www.urban.org/projects/investing-youth-through-direct-cash-transfers>. See also Ioana Marinescu, [No Strings Attached: The Behavioral Effects of U.S. Unconditional Cash Transfer Programs](#), Roosevelt Institute (May 2017), p. 5, available at <http://rooseveltinstitute.org/no-strings-attached/>. See also Evelyn L. Forget, [The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment](#), 37 *Canadian Public Policy* 3 (September 2011), available at <https://utpjournals.press/doi/full/10.3138/cpp.37.3.283>, showing a 8.5% reduction in the hospitalization rate for MINCOME, a guaranteed annual income experiment in Canada.