
TESTIMONY IN SUPPORT OF HB 898

Maryland People's Fund - Establishment

Appropriations

March 5, 2024

Social Work Advocates for Social Change strongly supports HB 898, which establishes the Maryland People's Fund and requires the Comptroller to distribute to the Fund 25% of the Maryland estate tax. The Maryland People's Fund will be used specifically to address the needs of low-income Marylanders to provide a universal basic income through cash payments, allowing them to meet their basic needs. This is a real step towards creating sustainable, long-term assistance for vulnerable people, circulating wealth into our communities and small businesses, and producing real change in Maryland's fight to end poverty.

This bill would make real change in the lives of over half a million Marylander's who live in poverty today. We are proud that Maryland has one of the lowest poverty rates in the country. Still, our poverty rate is nearly 10%, which accounts for over 593,000 people.¹ This is a disastrous number. We cannot rely solely on our existing aid programs to give these Marylanders a hand up; we need to strengthen existing programs while also creating new ones that work. This bill complements new legislation that would establish a universal basic income for youth transitioning out of Maryland's foster care system. We are learning that economic security for our most vulnerable individuals cannot be guaranteed through existing assistance. Long-term, monthly cash assistance is sustainable aid that works to end poverty for good.

Maryland should follow the lead of universal basic income programs throughout the country that have proven effective. Locally, there have been multiple recent programs to report success with guaranteed incomes. MoCo Boost, Montgomery County's Guaranteed Income Pilot, gave 300 households \$800/month without restrictions and made real change in Marylanders' lives.² DC's Strong Families, Strong Futures program, which gave \$10,800 payments to dozens of new moms, has opened the door to new careers, homes, and education opportunities that would have been otherwise impossible.³ At the state level, Alaska has proven for decades that a state can provide monthly cash assistance to every resident to help them cover basic needs and fuel the economy. Cash assistance is a proven method for bringing people out of poverty and supporting communities at the city, county, and state level.

¹ U.S. Census Bureau Quickfacts: Maryland. Census.gov. (2023).
<https://www.census.gov/quickfacts/fact/table/MD/BZA115221>

² About: MoCo BOOST Guaranteed Income Pilot - Montgomery County, MD. (2024, January 4).
<https://mocoboost.org/about/>

³ Brice-Saddler, M. (2024, February 1). D.C. sent \$10,800 to dozens of new moms. Here's how it changed their lives. The Washington Post. <https://www.washingtonpost.com/dc-md-va/2024/02/01/dc-cash-payments-mothers-pilot-program/>.

This bill tackles poverty by addressing Maryland’s regressive tax code and redistributing wealth into the community. Three out of four Marylanders believe it is important for the state to make sure wealthy individuals pay a fair share to fund state programs.⁴ Taxing inherited wealth is one of the most effective ways to fight poverty and produce a fair tax policy. When we redistribute this taxable resource to give assistance to people in need, we circulate money back into businesses and communities and help keep them afloat. Over one third (37%) of Americans in 2022 said they would not be able to afford an emergency expense of \$400.⁵ There is no fair tax policy in Maryland that allows this status quo.

We need creative and bold solutions if we want all Maryland families to thrive. We want to live in a state where every family can weather a \$400 emergency, and every parent can take care of their child. This bill offers an innovative yet tested method to serve Marylanders in need. The Maryland People’s Fund provides us a real opportunity to support our families and communities.

Social Work Advocates for Social Change urges a favorable report on HB 898.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

⁴ Marylanders Support Closing Corporate Tax Loopholes. Fair Share Maryland. (2024, February 15).
<https://fairsharemaryland.org/polling/>

⁵ Economic Well-Being of U.S. Households in 2022. Federal Reserve Board. (2023, May).
<https://www.federalreserve.gov/publications/files/2022-report-economic-well-being-us-households-202305.pdf>