

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1363

(Delegate McKay)(By Request - Study Group on
Economic Stability)

Appropriations

Finance

Human Services - Two Generation Family Economic Security Commission

This bill establishes the Two Generation Family Economic Security Commission in the Department of Human Services (DHS). DHS must provide staff for the commission. Members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations. Each executive unit of the State must cooperate fully with the commission. The Governor must include the commission in DHS's annual budget. The commission must submit an annual report, including recommendations based on the commission's studies, to the Governor and the General Assembly.

Fiscal Summary

State Effect: DHS can provide staff to the commission, and various State agencies can participate in the commission, using existing budgeted resources. To the extent additional resources are necessary to complete the commission's required tasks, DHS general fund expenditures increase by an indeterminate amount. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission consists of two members of the Senate; two members of the House of Delegates; the secretaries of Human Services, Housing and Community Development, Disabilities, Health, Labor, and Juvenile Services (or their designees); the Superintendent of the Maryland State Department of Education (or the superintendent's

designee); and other members appointed as specified. To the extent practicable, appointments must ensure geographic diversity among the commission. The Secretary of Human Services must serve as the *ex officio* chair of the commission.

The commission must:

- investigate policy challenges, opportunities, and recommendations regarding the mitigation of multigenerational poverty;
- identify services and policies within State programs that can support a multigenerational approach to addressing poverty;
- identify program and service gaps and inconsistencies among federal, State, and local policies;
- identify, test, and recommend best practices to be implemented at the federal, State, and local levels;
- solicit information and guidance from sources with knowledge and experience in addressing multigenerational poverty;
- identify tools to measure and predict the impact of the benefit cliff on an individual family basis;
- measure the impact of multigenerational programs;
- identify opportunities to coordinate multigenerational services across multiple State agencies; and
- collect data to be used in evaluating the effectiveness of programs.

The commission may (1) utilize federal and State funding to establish and implement programs to address multigenerational poverty and (2) partner with local jurisdictions and community action agencies, local departments of social services, and local workforce development areas in implementing programs to address intergenerational poverty.

Current Law: DHS is the State’s human services provider. The department is composed of the Child Support Administration, Family Investment Administration, Social Services Administration, and the Maryland Commission for Women. DHS helps vulnerable Marylanders buy healthy food, pay energy bills, obtain medical assistance, and provide stable environments for at-risk children and adults.

Two-Generation Family Economic Security Commission

The commission was established by Executive Order [01.01.2017.03](#) on March 9, 2017, and terminated on December 31, 2018. The commission was charged with investigating policy challenges, opportunities, and recommendations regarding the mitigation of multigenerational poverty by (1) identifying services and policies within State programs that can be coordinated to support a multigenerational approach; (2) identifying program

and service gaps and inconsistencies between federal, State, and local policies; (3) identifying, testing, and recommending best practices utilized on federal, State, and local levels; and (4) soliciting input and guidance regarding “Two-Generation Approach” practices and policies from external sources such as, private foundations, community action partnerships, and welfare advocacy organizations. The commission was chaired by the Lieutenant Governor and staffed by DHS.

According to the commission’s December 2018 [final report](#), a realignment of current service delivery is imperative to create the most effective model for poverty intervention in the State. The commission studied the implementation of the Two-Generation Model in Western Maryland to evaluate the effectiveness of such an approach. The final report recommended the creation of a Two-Generation Program Officer within DHS to remain focused on the Two-Generation mission and approach in the State. The commission recommended that the State explore transitional benefits to assist families with their transition from welfare to work and lessen the effect of the benefits cliff immediately upon obtaining employment.

Background: According to the commission’s report, poverty is measured as the utilization of public assistance for at least one year as an adult or child. Situational poverty does not continue to the next generation and is generally traceable to a specified incident or is time limited. Intergenerational poverty occurs when two or more successive generations of a family continue in the cycle of poverty. The report notes that 40% of Maryland adults who received Temporary Care Assistance in fiscal 2016 and fiscal 2017 received Food Supplement Program benefits as a child.

According to the National Conference of State Legislatures, the “benefit cliff” refers to the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. As income increases, families lose some or all economic supports, resulting in a net loss of income or only a small overall increase. This reduction is often a disincentive to work, stalling progression in jobs and careers.

Study Group on Economic Stability

In January 2019, the Speaker of the House formed the Study Group on Economic Stability to assess the impact of poverty on Marylanders, including factors that cause and contribute to poverty and its future impact. The study group considers all factors in alleviating poverty through employment and economic opportunity, accessible and affordable housing, asset building and financial stability, access to healthcare, food security, and access to transportation.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Montgomery County; Maryland State Department of Education; Department of Budget and Management; Maryland Department of Disabilities; Maryland Department of Health; Department of Housing and Community Development; Department of Human Services; Department of Juvenile Services; Maryland Department of Labor; National Conference of State Legislatures; Department of Legislative Services

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