



## TESTIMONY IN SUPPORT OF HB 1313

### Family Investment Administration – Temporary Cash Assistance – Eligibility

House Appropriations Committee

March 3, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

#### Member Agencies:

Advocates for Children and Youth  
Baltimore Jewish Council  
Behavioral Health System Baltimore  
CASH Campaign of Maryland  
Catholic Charities  
Episcopal Diocese of Maryland  
Family League of Baltimore  
Fuel Fund of Maryland  
Health Care for the Homeless  
Homeless Persons  
Representation Project  
Job Opportunities Task Force  
League of Women Voters of Maryland  
Loyola University Maryland  
Maryland Catholic Conference  
Maryland Center on Economic Policy  
Maryland Community Action  
Partnership  
Maryland Family Network  
Maryland Hunger Solutions  
Paul's Place  
Public Justice Center  
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**Marylanders Against Poverty (MAP) strongly supports HB 1313**, which eliminates full-family sanctions in the Temporary Cash Assistance (TCA) program and establishes 75% of the TCA grant as the child's portion that cannot be sanctioned, and allows 30% of the remaining adult portion to be sanctioned for TCA work participation sanctions.

**Maryland has one of the highest rates of Deep Poverty in the entire country:** of individuals who live below the poverty line in Maryland, 48% - almost one in two - live at 50% of the poverty line or lower.<sup>1</sup> Regrettably, many of these individuals are the Marylanders receiving public benefits, as our benefit levels fall far short of bringing individuals even close to living near or above the poverty line. Currently, the Temporary Cash Assistance program – when combined with federal SNAP benefits – only equals 61% of the Maryland Minimum Living Level (MLL). Although the TCA benefit does not bring families up to the poverty level, it is still vitally important: families use TCA benefits to purchase housing, food, transportation, and other basic necessities. Without TCA, these low-income households have no cash income.

**Full-family TCA sanctions – like we currently have in Maryland – are far too common, hit marginalized households the hardest, and spiral families further into deep poverty.** A TCA sanction is a suspension of a TCA grant when an adult does not meet certain participation requirements. Sanctions occur at alarmingly high rates, and can be imposed erroneously and inconsistently for minor violations.<sup>2</sup> Maryland imposes immediate full-family sanctions, meaning families lose their entire benefit -for up to 30 days- when an adult is sanctioned. When low-income families lose their full benefits due to sanctions, they face immediate hardships such as inability to pay rent, bills, access transportation for school and work, and meet their household basic needs. Moreover, a study from the University of Maryland School of Social Work found the families most commonly sanctioned in Maryland face significantly more barriers than their peers: limited education, limited transportation access, living in areas of concentrated poverty, and have few job options.<sup>3</sup>

**Full-family TCA sanctions stagnate our local economies.** TCA funds are immediately spent at local businesses, which generates economic growth. Consequently, sanctioning the full TCA benefit not only harms the families receiving it, but it harms Maryland businesses, communities, and local economies. A study from Arkansas' TANF cash program found for every dollar the state spent on benefits resulted in a return of \$1.79 to taxpayers, which is a significant return on investment for the state.<sup>4</sup> However, when families lose their full TCA grant to sanctions, they are effectively taken out of the local economy altogether.

**HB 1313 follows the lead of other states – and the two-generation model – by creating a partial sanctions process in TCA.** HB 1313 establishes a portion of the TCA grant – 75% - as a child benefit, which belongs to the child(ren) and cannot be sanctioned or reduced. As over 70% of TCA recipients in Maryland are children, this is a critically important shift. If and when it is necessary to sanction the adult caregiver, the remaining 25% of the TCA grant is considered the adult portion and can be subject to sanction. For work sanctions, this bill would sanction 30% of the adult portion of TCA. HB 1313 strikes an appropriate, humane balance between signaling to the adult participant that they have fallen out of compliance with TCA, while preserving household income so the family doesn't fall further into deep poverty.

**MAP appreciates your consideration, and strongly urges a favorable report on HB 1313.**

*Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*

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<sup>1</sup> US Census. 2019. American Community Survey Data.

<sup>2</sup> University of Maryland School of Social Work. (2016). *An Overview of Work Sanctions in Maryland*.

<https://familywelfare.umaryland.edu/reports1/worksanctionsbrief2016.pdf>

<sup>3</sup> University of Maryland School of Social Work. (2016). *Are Welfare Recipients with the Most Severe Work Sanctions Particularly Disadvantaged?* <https://familywelfare.umaryland.edu/reports1/sanctionscharacteristics.pdf>

<sup>4</sup> College Counts: Evidence of Impact. (2016). *Measuring a State's Return on Investment*.

[http://www.metisassociates.com/our\\_work/downloads/Measuring\\_a\\_State\\_Return\\_on\\_Investment.pdf](http://www.metisassociates.com/our_work/downloads/Measuring_a_State_Return_on_Investment.pdf)