

ADVOCATES

FOR CHILDREN AND YOUTH

To: Chair Guzzone and members of the Budget and Taxation Committee
From: Shamoyia Gardiner, Education Policy Director
Re: Senate Bill 2: Digital Advertising Gross Revenues - Taxation
Date: January 29, 2020
Position: Support

Income inequality is at the root of many challenges facing Maryland's public school students. In the 2018-2019 school year, 42.7% of students benefited from Free and Reduced-Price Meals, indicating that they live in households earning less than 185% of the federal poverty level annually, or \$47,638 for a family of four.¹ This figure does not include the currently incalculable number of children from mixed-status or immigrant families who would otherwise qualify for the program, but do not enroll for fear of retaliation from the current federal administration. Maryland has achieved no progress on addressing the number of children it has living in concentrated poverty, with 9,000 more children falling into such circumstances between 2012 and 2017.²

From birth, poverty impacts a child's ability to achieve at their maximum academic potential, setting them on a path that will ultimately endanger the likelihood of them growing into a thriving adult. Poverty is correlated with poor birth outcomes, preterm birth, disparate health outcomes, delays in cognitive development, maladaptive behavior, poor academic performance, and a higher likelihood of compounded adverse childhood experiences (ACEs).³ In Maryland, poverty disproportionately affects Black families, who comprise 37.7% of the Marylanders living in poverty and just 29.8% of the state's population.⁴ **The status quo is unconscionable and illogical.**

Senate Bill 2 would take a critical step in mitigating the impact of poverty on Maryland's children—potentially with the long-term impact of eliminating income inequality in the state altogether. SB 2 takes a 21st-century problem—large corporations' use of individuals' personal data to yield private profit—and offers an appropriate solution: imposing a tax on that private profit for investment in a public good.

The Blueprint for Maryland's Future Fund is integral to ushering in a new era of public education in Maryland; one which starts with a world-class system of public education and ensures equitable access to opportunities so all students thrive. For all the reasons above, **ACY strongly urges a favorable report on this bill.**

¹ Maryland State Department of Education. *Free and Reduced-Price Meal Statistics*. SY 2018-2019.

² Annie E. Casey Foundation, Kids COUNT Data Snapshot: *Children Living in High-Poverty, Low-Opportunity Neighborhoods*. September 2019.

³ Larson, Charles P. *Poverty during pregnancy: Its effects on child health outcomes*. Paediatrics Child Health.

⁴ Census Bureau ACS 5-Year Estimate *Maryland*.

Advocates for Children and Youth builds a strong Maryland by advancing policies and programs to ensure children of every race, ethnicity, and place of birth can achieve their full potential.

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