

**TESTIMONY IN SUPPORT OF SB 452**  
**Family Investment Program – Temporary Cash Assistance – Funding**  
Senate Budget and Taxation Committee  
Wednesday, February 12, 2020

SB 452 is a simple bill that increases the appropriation for the Temporary Cash Assistance (TCA) program by requiring the Governor to provide funds in the budget to ensure that the value of TCA, when combined with federal SNAP benefits, reaches 71% of the State Minimum Living level by FY 2026. **SB 452 is a long overdue investment in families who are working and struggling in deep poverty in Maryland.**

Temporary Cash Assistance is the cash assistance part of Maryland’s TANF program, which created as part of national Welfare Reform in the mid-nineties. One of the major decisions made during reform was the calculation of the benefit amount. Negotiations of how to calculate the benefit centered around the amount and indexing factor of the benefit. After deliberation with advocates and legislators, it was negotiated that the benefit would start off at 61% of the newly-created Maryland Minimum Living Level when combined with then-named Food Stamps, with the understanding that percentage of 61% would increase over time to eventually reach 100% of the Maryland Minimum Living Level. **Regrettably, the indexing factor has not been changed since it was negotiated in 1996 – over 24 years ago. Passing SB 452 would begin to rectify the terrible delay in fully supporting our lowest income families in Maryland.**

Today, over 17,000 of Maryland’s families have to rely on TCA to meet their basic needs, and 74% of TCA recipients in Maryland are children.<sup>i</sup> The maximum benefit for a household of three on TCA is \$727 a month, meaning these families are by definition living in deep poverty below 50% of the Federal Poverty Line. TCA families aren’t debating how to meet their basic needs, but negotiating which basic needs they can forgo all together. Our neighbors on TCA are living in homeless shelters, standing in line at diaper banks, visiting food pantries at the end of the month for meals, and accepting school supply donations from local charities. We can – and must – do better for these families.

**SB 452 strengthens Maryland’s children, families, and our economy.** SB 452 puts more income directly into the hands of working families in deep poverty. The additional TCA dollars are used to purchase housing, food, transportation, and other basic needs. The funds we allocate for this increase will be immediately spent in the local economy, generating economic growth with a strong return on investment. Moreover, increasing the benefit amount will allow families to have a greater financial stability, which can assist in locating full-time work, moving off of TCA permanently, and building economic security. **If families are in a more stable position when they leave TCA, they will be less likely to return.**

It is time for Maryland to reexamine our Temporary Cash Assistance program and make policy changes to improve the lives of families and children in deep poverty. By increasing benefit levels, SB 452 is a step in the right direction. Without it, Marylanders will continue to bear the societal costs prolonged and persistent deep poverty among this vulnerable population.

**Thank-you for your consideration, and I urge your consideration for a favorable report on SB 452.**

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<sup>i</sup> Department of Human Services. (2019). Data and Reports – FIA – Statistical Report. *2019 All Program Monthly Statistical Report*. <http://dhs.maryland.gov/business-center/documents/>