



SB 0452 - Family Investment Program - Temporary Cash Assistance - Funding
Senate Budget & Taxation Committee
February 12th, 2020
SUPPORT

Chairman Guzzone, Vice-Chair and members of the committee, thank you for the opportunity to support SB 452. This bill will help families survive while living in poverty by increasing Temporary Cash Assistance (TCA) funding.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy.

Many families in Maryland are struggling to keep up with demands to provide basic necessities for their families. This means that adults along with their children frequently go without fundamental essentials. Programs like TCA help bridge the gaps for those families. Unfortunately, this bridge is not enough to close the distance between a family in deep poverty and a family meeting basic needs. When families do not have enough to provide for basic needs, they must assess which necessity they can go without providing. This can look like choosing food over clothes or choosing which bills do not get paid.

TCA is a program that provides "cash assistance to families with dependent children when available resources do not fully address the family's needs and while preparing program participants for independence through work".¹ Unfortunately, TCA levels have not kept pace with Maryland's cost-of-living, including sharp increases in mortgage and rental costs. Right now, around 50% of Maryland families that are renting are cost burdened and 16.2% of households have zero net worth.² This is why it is crucial that TCA be funded at a more adequate level. For low-income families, even a small increase in cash can lead to dramatic benefits.

SB 452 ensures that TCA is funded at a level more likely to meet families needs.

This bill requires the Governor to provide sufficient funds in the budget to ensure that TCA (plus federal food stamps) is equal to the following percentages of the State minimum living level (MLL):

1. For fiscal 2022, 63%;
2. For fiscal 2023, 65%;
3. For fiscal 2024, 67%;
4. For fiscal 2025, 69%, and
5. For fiscal 2026, and each year thereafter, 71%.

SB 452 allows Maryland the opportunity to help families living in poverty to move to a place of financial stability.

We appreciate your consideration of Senate Bill 452, and encourage a favorable report. Thank you.

¹ Maryland Department of Human Services (2020).

² Prosperity Now Scorecard (2020)