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SUPPORT – HB 1086: Workgroup to Study Basic Economic Security

Hearing Before the House Economic Matters Committee, March 10, 2020

Testimony of Michelle Madaio, Senior Attorney, Homeless Persons Representation Project, Inc.

Homeless Persons Representation Project, Inc. (HPRP) is a non-profit legal services organization that provides free legal representation to people who are experiencing or at risk of homelessness, on legal issues that will lead to an end to homelessness. HPRP supports HB 1086, which establishes a workgroup to examine how Maryland can provide residents with better economic security.

The workgroup in HB 1086 is important because Maryland's current social safety net does not provide the economic security to end homelessness and poverty. In the face of job loss due to automation, wage stagnation, and inadequate investment in affordable housing, Maryland must explore innovative solutions to ensure that all Marylanders have a guaranteed basic income to cover basic life necessities such as food, water, utilities, rent, transportation, etc.

HB 1086 will also examine the feasibility of introducing a guaranteed basic income in Maryland: an unconditional monthly cash transfer to people without a work requirement or spending restrictions. The rise in automation and reliance on machines over human labor will eliminate many jobs and increase poverty if we do not respond.¹ There are many existing guaranteed income pilots and programs around the world.² While the impact of the basic income depends on the program design, there generally is an increase in education outcomes (e.g. increased school attendance, higher test scores, more years of school completed), positive impact on mental and physical health, and a reduction in minor crimes and drug related activities.³

The workgroup established under HB 1086 includes three experts who should be people with lived experience with economic insecurity. People with experience living in poverty and accessing Maryland's social safety net programs should have a platform to share their valuable insights and expertise at every stage. Meaningful involvement of people with lived experience would ensure that the workgroup benefits from socio-economic and racial diversity, as unfortunately people of color, Black, and Latinx families over represent those who have experience living in poverty. Workgroup members who have lived experience should have the option of being compensated for their work to avoid inequitable reimbursement for labor among members who are able to fold their participation on the workgroup into their fulltime salaried job.

Please contact Michelle Madaio, Senior Attorney, HPRP, at 410-685-6589 x16 or mmadaio@hprplaw.org with any questions.

1 Andy Stern, Raising the Floor: How a Universal Basic Income can Renew our Economy and Rebuild the American Dream, (Public Affairs 2016).

2 Some examples in the U.S. include the Alaska Permanent Fund Dividend (using revenue from state's oil industry), the Eastern Band of Cherokees casino dividend program (using gaming revenue), and the Stockton Economic Empowerment Demonstration (SEED) (using private investment). See Our Vision for SEED: A Discussion Paper, Stockton Economic Empowerment Demonstration (2017), available at <https://www.stocktondemonstration.org/discussion-paper>.

3 Ioana Marinescu, No Strings Attached: The Behavioral Effects of U.S. Unconditional Cash Transfer Programs, Roosevelt Institute (May 2017), p. 5, available at <http://rooseveltinstitute.org/no-strings-attached/>. See also Evelyn L. Forget, The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment, 37 *Canadian Public Policy* 3 (September 2011), available at <https://utpjournals.press/doi/full/10.3138/cpp.37.3.283>, showing a 8.5% reduction in the hospitalization rate for MINCOME, a guaranteed annual income experiment in Canada.