



**Testimony to the House Appropriations Committee  
HB935: Emergency Community Services Fund  
Position: Favorable**

March 11, 2021

The Honorable Maggie McIntosh, Chair  
House Appropriations Committee  
Room 121, House Office Building  
Annapolis, Maryland 21401  
cc: Members, Appropriations Committee

Chair McIntosh and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial inclusion and economic justice for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here today in strong support of HB935. HB935 would establish an Emergency Community Services Fund to enable the state to respond without delay for the need for increased community services during a State of Emergency.

HB935 is urgently needed to address the unmet need for a range of supportive services to assist Maryland consumers who face unexpected financial hardship and to support community service providers who face higher demand for their services without additional resources.

This legislation is particularly important today as we grapple with a global pandemic and accompanying recession in Maryland. As the United Way's 2020 ALICE report notes, 39% of Maryland households struggle to make ends meet<sup>1</sup>. Thousands of households have lost jobs, with Black and Latinx households grappling with greater job loss and a higher risk of contracting COVID, and with it, the healthcare costs and potential loss of earnings. Prior to the global pandemic, there was a disparate debt load between white and non-white Maryland households. MCRC's 2018 No Exit report found that 43 percent of non-white Marylanders had at least one debt in collection, while only 19 percent of white borrowers did<sup>2</sup>.

Since the onset of the pandemic, Black unemployment in Maryland was 6.1%, nearly double white unemployment rates of 2.3%<sup>3</sup>. As families experience unemployment, many fall behind on their bills. The need for eviction prevention services, access to food, and support of basic needs has skyrocketed.

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<sup>1</sup> [United Way ALICE report, 2020](#)

<sup>2</sup> [MCRC 2018 No Exit: How Maryland's Debt Collection Policies Deepen Poverty & Widen the Racial Wealth Gap](#)

<sup>3</sup> [EPI State Unemployment, August 2020](#)



There are a number of programs and services that could assist individuals but most have difficulties scaling up to meet increased demand without additional support. Nonprofit financial assistance coaches and counselors can assist consumers in managing their debts, find assets through benefits check-ups, tax credits, and other programs to increase the funds available to the individual, and help the individual with budgeting and financial decision-making. Tenant eviction prevention programs are proven to keep families housed and assist tenants in asserting their rights, while food assistance and utility assistance programs provide vital support in meeting basic needs.

In MCRC's work, we've seen an increased demand for services without funding to support the need. For example, our tenant assistance program which provides support for tenants but does not provide legal assistance saw a 305% increase in clients from 2019. To date, we are on track for a 54% increase in clients from 2020 with no commensurate increase in support. It is important to note that many of the referrals we receive are from MLSC funded legal service providers who are unable to assist these individuals and refer them to us. Therefore, as the General Assembly moves to increase support for legal service organizations, they need to also increase support for all of the organizations that are doing the work that bolsters and complements the legal service providers' efforts. Similarly, our SOAR (Securing Older Adult Resources) program which assists older adults in applying for food, utility, and other benefits, assists with tax credits and provides financial counseling saw a 250% increase in demand for services without additional support. Executive Directors and staff at similar organizations are seeing and dealing with this same strain of trying to meet the need we see at this moment without being able to expand our capacity to do so.

For all of these reasons, we support HB935 and urge a favorable report.

Best,

Marceline White  
Executive Director