

Testimony for Senate Bill 640.pdf

Uploaded by: Del Guercio, Carmen

Position: FAV



Senate Bill 640

Emergency Community Service Funds

Position: Support

Dear Members of Budget and Tax Committee:

My name is Carmen Del Guercio, CEO and President of the Maryland Food Bank.

I am writing on behalf of the Emergency Community Service Funds sponsored by Senator Elfreth which provides emergency funds to local nonprofits in our state.

A lack of funding in the early days of the pandemic slowed our ability to respond to the sudden and dramatic increase in need for food assistance across Maryland.

Typically, emergency feeding efforts stand up after short-term emergencies like hurricanes, and last less than a week. And the cost of those feeding operations is covered by the nonprofits that specialize in disaster response work, like the Red Cross or the Salvation Army.

When COVID-19 hit, at the Maryland Food Bank analysis showed that we needed to double our food distribution operations for the foreseeable future. Our initial forecast showed that the cost for 90 days of that level of work would be \$12M over and above normal operating expenses.

We began purchasing food on the belief that funding would soon follow. But this is not a model that we should replicate. There is no guarantee that in future emergencies, nonprofit providers will be able or willing to respond at the level required without the guarantee of financial support.

Having dedicated funding ready to deploy immediately to keep critical social service supports flowing during an emergency is a commonsense measure that protects Marylanders during chaotic, and vulnerable events... and ensures that the organizations that are best positioned to provide immediate solutions are able to do so.

The Maryland Food Bank stands behind this bill and we urge the Committee to adopt a favorable report of Senate Bill 640.

SenElfreth_FAV_SB640.pdf

Uploaded by: Elfreth, Sarah

Position: FAV

SENATOR SARAH ELFRETH
Legislative District 30
Anne Arundel County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Chair, Pensions

Senate Chair

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on the Chesapeake and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 17, 2021

Testimony in Favor of SB0640
Emergency Community Services Fund

Chairman Guzzone, Vice-Chair Rosapepe, and fellow members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 640. This timely legislation will create an “Emergency Community Services Fund” of \$10,000,000 to be authorized for use by the Legislative Policy Committee in circumstances of economic downturn and/or in a State of Emergency. The fund would be used to respond without undue delay and provide nimble and necessary funding for food and nutrition assistance, rental and housing assistance, and energy assistance during a prolonged State of Emergency or during prolonged periods of high unemployment.

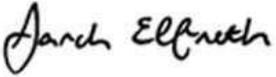
As we all have seen throughout the course of the COVID-19 pandemic and our current 11-month long State of Emergency, Marylanders are struggling - they are struggling to pay rent, put food on the table, and keep the lights on. With that in mind though, I am proud that all levels of government stepped up in many different ways to support Marylanders in these difficult times. At a Federal, State, and Local level we have shown that during times like these we can and should use creative policy and budgetary solutions to provide for our most vulnerable neighbors. This legislation will be another tool in addressing the needs of Marylanders that arise during troubling times.

This Committee just last week provided record support to targeted communities that have suffered the most from this pandemic. While the RELIEF Act will provide critical support in the coming months, this pandemic has shown that we need a proactive tool with which to get critical relief to neighbors in need from the outset of a State of Emergency.

As the people’s body, representative of each distinct corner of this State, we hear directly from our constituents and see firsthand where the greatest needs arise. Yet, our hands are tied when there is an emergency and we are not in legislative session, placing the sole decision-making on where and when to distribute relief to the executive branch. Through the creation of the Emergency Community Services Fund, we would create the opportunity and ability to provide targeted and direct relief in a timely manner to our communities.

Too many of our neighbors and constituents are struggling to keep roofs over their heads and food on the table. Government needs to be more nimble in times of crisis to stand up for those who have the least. I respectfully request a favorable report of Senate Bill 640 to ensure that there is another tool in our tool box in providing targeted, direct relief to Marylanders in a timely and properly communicated manner.

Sincerely,

A handwritten signature in black ink that reads "Sarah Elfreth". The signature is written in a cursive, flowing style.

Sarah Elfreth

MMHA - 2021 - SB640 - Emergency Community Service

Uploaded by: Keller, Jessie

Position: FAV



TO: Senate Budget & Taxation Committee

FROM: Maryland Multi-Housing Association

SUBJECT: Senate Bill 640 – Emergency Community Services Fund

DATE: February 17, 2021

POSITION: Favorable

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 556,000 residents of the State of Maryland and we have 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 640 establishes the Emergency Community Services Fund to enable the State to quickly respond to an increased demand for community services during a state of emergency or during a period of increased unemployment. The bill requires the Governor to appropriate \$10,000,000 to the Fund and allows the Governor to transfer funds to the appropriate executive agency to fund food and nutritional programs, rental assistance and services for residential tenants, and energy assistance programs.

As housing providers, our members witness firsthand the financial hardships that COVID-19 has exacerbated for our low-income residents, many who were already struggling to make ends meet prior to the pandemic. Throughout the pandemic we surveyed our members on delinquency rates. MMHA members have consistently reported that an average of 1/3 of renters in C Class properties are delinquent monthly. This pandemic demonstrates that current federal funding for community services and assistance programs is inconsistent, unpredictable, and clearly insufficient. Senate Bill 640 would ensure that Maryland will be better positioned to provide resources and services for residents struggling financially during the next emergency or period of prolonged unemployment.

For these reasons, we respectfully request a favorable report from the Committee on SB 640.

For more information, please contact Jessie Keller at 410.413.1420

SB 640 -ACDS Testimony in Support - Emergency Svcs

Uploaded by: Sarro, Lisa

Position: FAV



February 17, 2021

Senate Bill 640

Emergency Community Services Fund

Budget & Tax Committee

Position: Favorable

Thank you for the opportunity to provide testimony in support of Senate Bill 640, **legislation that would support the State's ability to quickly provide crucial community services to Marylanders during a state of emergency or periods of increased unemployment.** Arundel Community Development Services, Inc., (ACDS) serves as Anne Arundel County's nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. In fulfilling this role, ACDS administers grants to nonprofit partners, directly develops and implements programming, and advises the County on housing and community development policy initiatives.

As the COVID-19 crisis forced the closing of businesses and so many households saw a huge drop in incomes due to the loss of jobs and childcare and other factors, ACDS stood up the State's first Emergency Rental Assistance (ERA) Program, getting payments to landlords as quickly as possible and keeping low-income families¹ affected by the COVID-19 crisis in their homes. **The ACDS ERA Program and similar ERA programs set up all over the State in response to the COVID-19 crisis have provided crucial financial assistance to renters, keeping rooves over the heads of 1000s of Marylanders who, without that assistance, quite definitely would have been evicted from their homes in the middle of a pandemic.**

There had been some form emergency assistance program for renters facing eviction in some jurisdictions throughout the State prior to the COVID-19 crisis. However, those programs were nowhere near the scale of the current ERA Programs available for Marylanders now. **Government agencies and non-profits administering ERA Programs had to develop comprehensive ERA Programs on the fly when the first CARES Act federal funds began flowing into the State** last spring, and they have been honing and modifying those programs to improve efficiency and effectiveness since that time. **With the influx of more than \$400,000,000 in new federal rental assistance funds already appropriated for the State of Maryland this year through the Consolidated Appropriations Act and the possibility of more, ERA Programs have developed their ERA infrastructure even further to expand**

¹ Financial eligibility for ERA Programs is typically set at or below 80% Adjusted Median Income.

their ability to quickly provide rental assistance to those in need during the current emergency.

Over the past year, the vast majority of the funding for ERA Programs has been federal funding tied directly to the COVID-19 crisis. Thankfully, the COVID-19 crisis will not last forever. This bill would address future States of Emergency, ensuring State funds funding for other crucial resources – rent, utilities and food **The comprehensive infrastructure already set up for ERA Programs during the COVID-19 crisis can be implemented during future emergencies, as well.**

Eviction is a traumatizing, life-altering event in any instance, but eviction during an emergency – any emergency, not just the COVID-19 emergency - is devastating. If a family is unable to remove their personal belongings from their home before the eviction takes place, in addition to losing their home, they likely will lose everything in the house, as well – furniture, clothing, household items and personal belongings are literally put out of the house and are deemed abandoned at the time of eviction.

Options for alternative housing after an eviction are reduced, if not eliminated, after an eviction due to an evicted family’s court record of an eviction and, of course, if the family has been evicted because they cannot pay rent, they would not be in a position to rent a new property anyway. Jobs are interrupted, school is interrupted if children are among the evicted, and supports for the household members that are located near the home are lost. **If there were a funded ERA Program that could quickly kick in to provide rental assistance in the event of an emergency, this devastation could be avoided.**

It should also be noted that landlords are also negatively affected when renters cannot pay their rent. **ERA Programs generally make ERA payments directly to landlords, thus minimizing the negative effects of an emergency not only for tenants, but also for landlords.** Landlords can then pay their mortgages, etc. Accordingly, funding ERAs during an emergency has a broad, positive impact on the overall economy and can be a key element for maintaining financial stability for more than just renters during emergencies.

For the reasons noted above, we urge a **FAVORABLE** report on SB 640.

Lisa Marie Sarro

General Counsel

SB 640 Emergency Community Services Fund (Elfreth)

Uploaded by: Wilkins, Barbara

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

SENATE BILL 640 Emergency Community Services Fund (Elfreth)

STATEMENT OF INFORMATION

DATE: February 17, 2021

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 640 establishes the Emergency Community Services Fund to respond to increased demand for community services during a state of emergency or during a period of increased unemployment and requires an annual appropriation in the amount of \$10 million. Funds may only be used for food, rental and energy assistance programs. Funds may be transferred by budget amendment only after notice to and approval of the Legislative Policy Committee. The Department of Budget Management shall submit an annual report by December 1 that details the amount of funds distributed during the preceding fiscal year and the services provided.

EXPLANATION: Under current law, the Governor has the authority to transfer funds from the Rainy Day Fund (RDF), without General Assembly approval, unless the reserve balance dips below 5% of estimated General Fund revenues (\$991 million). There are no restrictions on how the funds can be used, thereby providing the necessary flexibility in supporting the operations of the State during challenging fiscal times. Dipping below the 5% fund balance does require General Assembly approval.

The RDF has historically been used to fund State operations during a period of economic recession. During the COVID pandemic, \$250 million was transferred from the RDF to provide assistance to businesses and nonprofits with the goal of stabilizing employment. This action, known as the Economic Recovery Initiative, provided prompt relief to a wide variety of urgent needs through use of the RDF.

While the proposed Emergency Community Services Fund limits its use to specific types of expenditures and under a declared state of emergency or during periods of high unemployment, there is nothing authorized by the bill that does not already exist through use of the RDF. Further, the RDF's resources far surpass the proposed \$10 million annual mandated appropriation to the Emergency Community Services Fund.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**