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Support – HB 1041: Department of Human Services - Family Investment Program - Contract and Program Review

Hearing of the House Appropriations Committee, March 10, 2022

Testimony of Michelle S. Madaio, Homeless Persons Representation Project

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal services organization that provides free legal representation to people who are experiencing homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. Over the last 25 years since welfare reform, HPRP has represented thousands of families in appealing unlawful denials and terminations of Temporary Cash Assistance (TCA). HPRP supports HB1041 because it provides a long overdue redesign of the work vendor contracts used to administer the TCA work program, as well as a review of the TCA program through a trauma-informed and antiracist lens, consistent with recommendations made by the Program Advancement Through Community Outreach Workgroup with the Department of Human Services, including people with lived expertise and directly impacted by Maryland's TCA program.¹

Maryland must redesign its TCA work vendor contracts so that workforce development programs provide parents with high quality jobs and earnings with a living wage.

Maryland spends \$30 million per year in federal TANF dollars on administering its work program.² This is only 6% of Maryland's share of TANF spending and three times less than what it spent on work activities 20 years prior.³ Currently, Maryland's TCA work vendor contracts focus on number of TCA participants enrolled with compensation tied to a fixed price per person enrolled. The contracts heavily emphasize meeting the work participation rate, enrollment, and attendance, but there is little if any reference to what performance or outcomes the work vendors must meet to ensure participants are succeeding during and after completing the program. Work vendor contracts also lack information about compliance with the Americans with Disabilities Act and need for vendors to provide individuals with disabilities (a high percentage of the TCA population) with reasonable accommodations. **In Maryland, "the annual median earnings after exiting TCA do not reach the federal poverty level for a family of three, even four years after exit."**⁴

¹ The Program Advancement Through Community Outreach formed in November 2020 and meets monthly. It includes members from the Maryland Department of Human Services, local Department of Social Services, economic justice advocates and advocates with lived expertise in the TCA program, with the purpose of discussing and recommending ways to improve access to public benefits in Maryland.

² Center on Budget and Policy Priorities, "Maryland TANF Spending," (2020), *available at* https://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_md.pdf

³ Id.

⁴ Lauren A. Hall, Letitia Logan Passarella, "Life After Welfare 2021 Annual Update," University of Maryland School of Social Work, at 38, *available at* <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare,-2021-Updated-2-15-22.pdf?&>

HB1041 will improve Maryland’s work programs like experiences in other states that have redesigned their vendor contracts.

Maryland continues to rely on outdated models of work activities, including 30% of work-eligible families participating in unpaid “work experience” and community service, making Maryland an outlier.⁵ Maryland places 0% of families in some of the work activities that are known to provide better outcomes for TANF recipients, including subsidized employment and on-the-job-training.⁶ HB1041 will help Maryland use the money it is already spending on work programs to focus on outcomes with higher rates of employment and earnings. Other states have revised their TANF vendor contracts and are using evidence-based models of TANF work programs that lead to the acquisition of marketable skills, certificate programs, paid internships and subsidized employment. For example, the LEAP (Learn Earn Advance Prosper) program in DC provides TANF recipients with a paid internship and direct entry into permanent employment in DC Government or a private employer.⁷ Shortly after DC redesigned its vendor contracts in the TANF program, it “resulted in a ten-fold increase in the share of TANF recipients participating in work activities.”⁸ The Pennsylvania KEYS Program assists parents receiving TANF who are in certificate or degree programs in 14 community colleges.⁹

HB1041 proposes a much-needed review of Maryland’s TCA program through a trauma-informed and antiracist lens with recommendations to employ best practices and improve the program’s impact.

The one-time review established by HB1041 is critical given the racist history and policies baked into the design of the TANF program.¹⁰ Given the profound trauma families are experiencing when they enter the TCA program, it is critical that Maryland’s policies, procedures, and communication with families is grounded in an understanding of and responsive to the impact of trauma on an individual. Many states and cities have conducted similar reviews of their TANF program and assessment tools including New York, DC, Rhode Island, Maine, New Jersey, and Philadelphia.

HPRP strongly urges the Committee to issue a favorable report on HB 1041. If you have any questions, please contact Michelle Madaio (she/her) at (410) 716-0521 or mmadaio@hprplaw.org with any questions.

⁵ Nationally, only 1.7% of work-eligible parents are in this category of unpaid “work experience.” See U.S. Department of Health and Human Services, “Percentage of Work-Eligible Individuals Participating in Work Activities for Sufficient Hours for the Family to Count as Meeting the All-Families Work Requirement Monthly Average, Fiscal Year 2020,” Table 4B, available at <https://www.acf.hhs.gov/sites/default/files/documents/ofa/wpr2020table04b.pdf>.

⁶ Id. In FY2020, Maryland placed 0% of families in subsidized employment, on-the-job training, and education related to employment.

⁷ Sarah Anne Hughes, “D.C. Is Trying to Get More Struggling Moms Back to Work as a Benefits Cut Looms,” Washington City Paper (July 28, 2016), available at <https://washingtoncitypaper.com/article/195504/dc-is-trying-to-get-more-struggling-moms-back-to-work-as-a-benefit-cut-looms/>

⁸ Ed Lazere, “DC’s New Approach to the TANF Employment Program: The Promises and Challenges,” DC Fiscal Policy Institute (February 23, 2012), available at <https://www.dcfpi.org/wp-content/uploads/2012/02/2-23-12-TANF-Reform.pdf>

⁹ Josh Bone, “TANF Education and Training: Pennsylvania’s KEYS Program,” Center for Law and Social Policy (April 14, 2010), available at <https://www.clasp.org/sites/default/files/publications/2017/04/KEYS.pdf> YS.pdf

¹⁰ See Ife Floyd, Ladonna Pavetti, Laura Meyer, Ali Safawi, Liz Schott, Evelyn Bellew, Abigail Magnus, “TANF Policies Reflect Racist Legacy of Cash Assistance,” Center on Budget and Policy Priorities (August 4, 2021), available at <https://www.cbpp.org/research/family-income-support/tanf-policies-reflect-racist-legacy-of-cash-assistanceorg>); see also American Public Human Services Association, “Core Principles for TANF Modernization: A Legislative Framework for TANF Reform,” (March 2022) available at <https://files.constantcontact.com/391325ca001/905334d8-53b0-4cae-89a3-7892d31c11b4.pdf> (constantcontact.com)