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Maryland Families In Income Support Programs Deserve True Pathways to Work and Stability

Position Statement Supporting Senate Bill 828

Given before the House Appropriations Committee

Maryland’s economic security programs provide vital supports that can help families meet their basic needs and set them on a pathway to greater stability and economic opportunity. However, the requirements for people to participate in family income support programs, such as Temporary Assistance for Needy Families (TANF), are often rooted in racist ideas and policies and, resulting in an inadequate system of support. **The Maryland Center on Economic Policy supports Senate Bill 828 in the form it passed the Senate** because it would use the flexibility the federal government provides to improve the workforce components of our TANF program and increase opportunity for families.

Maryland’s Temporary Cash Assistance (TCA) program (our state’s TANF program) is the only cash assistance program that provides economic support to families with children who have very low incomes. Cash assistance is flexible and allows families to address whatever their needs are in the moment, whether that is paying rent, buying clothes or school supplies for the children, or paying utility bills.

However, the program also includes a range of onerous eligibility requirements, including strict work participation requirements. These requirements, put in place when the federal TANF program was created in the 1990s, are the outgrowth of decades of anti-Black racism and stereotypes that have always accompanied family income support programs in the U.S.¹ It is also clear that Maryland’s current program is not helping families in the long term. Almost 68% of former TCA recipients are living in deep poverty five years after they received TCA and 80% of families still live in poverty².

While Maryland does have to meet some baseline federal standards for work participation by parents who receive TCA, the state has flexibility in how it structures its work requirements. Senate Bill 828 makes several important changes that will strengthen Maryland’s TCA workforce participation programs.

SB 828 reforms unpaid “work experience” to improve skills, employability and earnings:

- Maryland often requires parents receiving TCA to participate in unpaid “work experience” programs, in which they work for a private or public employer for a 90-day placement with no pay beyond their TCA benefits. Data show these placements almost never lead to a paying job and don’t equip participants with skills that are useful in the workforce.
- Maryland is an outlier how often it places people in “work experience” programs, which is one of 12 categories of federally allowed work activities. **More than 1 in 4 work-eligible families in Maryland receive unpaid “work experience” assignments, compared to just 2% of TANF participants nationwide.** Many states don’t use this work category at all.
- Hundreds of employers throughout Maryland are benefitting from the labor of TCA participants who receive work experience placements, including hospital systems, state government agencies, major corporations, and small private companies.
- SB 828 would limit unpaid “work experience” placements to one every three years, give TCA families more choice in how they fulfill the work participation requirements of the program, and create incentives for participating businesses to offer permanent employment to people who are assigned to them for “work experience.”

Senate Bill 828 also improves work participation requirements, in line with federal guidelines, by:

- **Allowing all parents with a child under 1 to be exempt from work requirements so they can care for their child.** Federal law allows a parent to be exempt from work when needed to care for an infant. However, Maryland caps this exemption to 12 months in the parent's lifetime, which means if the parent already used the exemption for one infant in the past, the parent would not have the choice to be exempt if needed to care for another infant in the future. SB 828 lifts the 12-month exemption.
- **Conform the definition of a work week to federal standards.** Federal standards and most other states define a parent to be “engaged in work” if they are working at least 30 hours per week. Maryland has set this level at 40 hours. SB 828 would give parents flexibility to work 30 or more hours, depending on their family’s specific needs.
- **Increases flexibility by allowing all families to be exempt from work requirements for up to six months.** Federal TANF requirements allow families to be exempt from work requirements for up to 24 months. While Maryland has a range of specific circumstances that allow families to be exempted from work requirements, the default is for parents to be subject to the work requirement almost immediately. Many families entering the program are experiencing profound trauma and destabilizing situations, such as homelessness or domestic abuse. Providing additional flexibility allows people to stabilize and seek other support before entering the workforce.

SB 828 would make Maryland’s work participation programs for families receiving income supports more equitable and create stronger pathways to long-term economic opportunity. **For these reasons, the Maryland Center on Economic Policy respectfully requests that the Appropriations Committee make a favorable report on Senate Bill 828.**

Equity Impact Analysis: Senate Bill 828

Bill summary

SB 828 would improve experiences and outcomes for Maryland parents receiving essential family income supports through the Temporary Cash Assistance (TCA) program by:

- Placing reasonable limits on the use of unpaid “work experience” programs.
- Removing the lifetime 12-month cap on work requirement exemption for parents who have a child under 1 so that if someone needs to stay home to care for a second child they can still be exempt.
- Conforming to the federal standard of a 30-hour workweek rather than the current 40 hours to meet program work requirements
- Allows all families to be exempt from work requirements for up to one year after enrolling in TCA to have time to address other needs before rejoining the workforce

Background

Congress created the Temporary Assistance for Needy Families (TANF) program 26 years ago as the nation’s primary source of cash assistance to families with children when they fall on hard times or have very low incomes. TANF replaced Aid to Families with Dependent Children (AFDC), a program that had been in existence since 1935. Since TANF’s creation, the accessibility and adequacy of cash assistance has fallen dramatically and, in some states, primarily in the South and where Black children are likelier to live, TANF cash assistance has all but disappeared. Temporary Cash Assistance is Maryland’s TANF program.

TANF provides a vital support to families with the lowest incomes: cash assistance. Other anti-poverty programs, such as SNAP and refundable tax credits, have grown significantly and have had a tremendous impact on reducing hardship, especially for Black and Latinx families and individuals. Yet families with little or no cash income still need monthly cash assistance to be more economically secure.

In large part because of work requirements, TANF today reaches few non-working families and leaves many families with children with no regular cash income. These requirements, put in place when the federal TANF program was created in the 1990s, are the outgrowth of decades of anti-Black racism and stereotypes that have always accompanied family income support programs in the U.S.

In Maryland, the program has had very limited success in moving families to long-term economic stability. 68% of former TCA recipients are living in deep poverty five years after they received TCA and 80% of families still live in poverty.

Equity Implications

- Steep barriers, including discrimination in the labor market and in government policies, have led to disproportionate levels of poverty among Black mothers, so they are more likely to participate in family income support programs like TCA.
- State data on the unpaid “work experience” program shows that 78% of the participants are Black and 90% are women.
- Work requirements and other eligibility requirements that were put in place when the federal TANF program was created in the 1990s, are the outgrowth of decades of anti-Black racism and stereotypes that have always accompanied family income support programs in the U.S.

Impact

Senate Bill 828 would likely **improve racial, gender and economic equity** in Maryland.

¹ Ife Floyd et. al., “TANF Policies Reflect Racist Legacy of Cash Assistance,” Center on Budget and Policy Priorities, August 2021, <https://www.cbpp.org/research/family-income-support/tanf-policies-reflect-racist-legacy-of-cash-assistance>

² “Life After Welfare,” University of Maryland School of Social Work, 2021 update, <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare,-2021-Updated-2-15-22.pdf?&>

