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Support – HB 1043: Family Investment Program – Eligibility, Work Experience, Community Service, and Reports – Alterations

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) and has worked to change harmful policies and practices of the TCA program, Maryland’s federal Temporary Assistance for Needy Families (TANF) program. TANF has a long history rooted in false stereotypes, anti-Black narratives, and racist ideas that continue to shape the program design to this day, including the strict work requirement, behavioral requirements, harsh penalties and time limits. HPRP supports HB1043 because it moves Maryland’s TCA work program in a client-centered, trauma-informed and antiracist direction by exercising the broad discretion, flexibility, and encouraged innovation that exists within the federal TANF framework.¹

HB1043 reforms Maryland’s use of unpaid “work experience,” a TANF work activity no longer used by most states in the country because there is no evidence that it leads to employment.²

Over 1 in 4 of all work-eligible parents who receive TCA participate in unpaid “work experience” in Maryland, making the state an outlier in its use compared to all other states which either do not use it at all or in less than 2% of cases.³ The federally stated purpose of unpaid “work experience” is “to improve the employability of those who cannot find unsubsidized full-time employment,”⁴ however, this is not what is happening in Maryland. In the year after exiting TCA, only 1 in 2 people who participated

¹ 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](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](https://files.constantcontact.com/391325ca001/905334d8-53b0-4cae-89a3-7892d31c11b4.pdf).

² Research finds that unpaid “work experience” has negative or no impact on earnings. See Davis, B.C., Lim, Y., & Livermore, M. (2011). A fresh look at an old debate: Assigned work activities, employment, and post-program earnings in TANF work programs. *Journal of Policy Practice*, 10, 108- 127; see also Greenberg, D., Cebulla, A., & Bouchet, S. (2005). Report on a meta-analysis of 12 welfare-to-work programs. Retrieved from the Office of Planning, Research & Evaluation, Administration for Children & Families, U.S. Department of Health & Human Services website: http://www.acf.hhs.gov/sites/default/files/opre/meta_analysis.pdf.

³ Nationally, only 1.7% of work-eligible parents are in this category of unpaid “work experience.” Only a handful of states use unpaid “work experience” more than Maryland: Georgia, Guam, Montana, Ohio, Virgin Islands, and Wyoming. 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](https://www.acf.hhs.gov/sites/default/files/documents/ofa/wpr2020table04b.pdf).

⁴ See 45 C.F.R. § 261.2(e).

in unpaid “work experience” are employed and have median annual earnings of \$4,499,⁵ which means they are still living in deep poverty below 50% of the poverty line.⁶ HPRP has worked with countless families who receive TCA and are required to perform up to 40 hours a week of unpaid “work experience” where they are mopping floors, cleaning toilets, performing manual labor, greeting customers, filing papers, preparing food, without ever being hired by the employer for paid work.⁷ The employers who benefit from hundreds of hours of free labor annually include large private companies (McDonalds, CVS, Amazon, Giant), a wide range of private businesses, state and local government agencies (including the Department of Human Services and local Departments of Social Services), hospital systems, schools, nursing homes, and many more. HPRP’s clients have described the shame, stigma, and inequities they feel as the unpaid worker at their job who is living in deep poverty, experiencing housing and food insecurity, yet showing up every day to work extremely hard alongside people who are performing the same labor in exchange for fulltime salaries, health insurance and other benefits of being a paid employee. Parents who receive TCA must have their employer sign weekly timesheets for the Department, a stigmatizing, obtrusive, and unnecessary method for verifying participation. HB1043 will provide participants with marketable skills necessary to obtain employment in local high growth industries, increase the number of TCA participants who are hired for employment and limit unpaid “work experience” to one 90-day placement in a three-year period.

HB1043 will require the Department of Human Services to offer parents three choices in work activities that will better meet parents’ career interests and goals.

HPRP’s clients who have been required to perform unpaid “work experience” have not been offered a choice in their work activity or placement and are deprived of meaningful and effective work activities. Federal law provides broad discretion to states in different kinds of work activities that satisfy the required work program, including subsidized employment or on-the-job training –two categories with better outcomes yet not used at all in Maryland.⁸ While Maryland has a number of WIOA (Workforce Innovation and Opportunity Act) funded workforce programs across the state that are designed to help job seekers with employment, education, training, and support services to succeed in the labor market, parents receiving TCA are rarely connected to WIOA workforce development programs.⁹ HB1043 will require the Department to only offer a parent a referral to an unpaid “work experience” activity if it will provide skills that match the individual’s personal, career, and family goals to support economic mobility. And the Department must also present two other work activity options: a WIOA funded work option and another work activity. Allowing parents to choose their work placement is trauma-informed and will result in parents feeling more engagement, inclusion, and connection with their work activity.

⁵ Lisa Thiebaud Nicoli, University of Maryland School of Social Work’s Ruth Young Center for Families & Children, “Work Activities and Short-Term Employment & Earnings Among TANF Recipients” (June 2016) at p. 8-9, available online at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/work-supports-and-initiatives/workactivities.pdf?&>

⁶ The U.S. Census Bureau defines “deep poverty” as living in a household with a total cash income below 50 percent of its poverty threshold. In 2021, the poverty threshold for one person was \$12,880 and a family of two was \$17,420. See U.S. Department of Health and Human Services, Annual Update of the HHS Poverty Guidelines, 88 FR 7732 (February 1, 2021), available at <https://www.govinfo.gov/content/pkg/FR-2021-02-01/pdf/2021-01969.pdf>

⁷ These experiences are consistent with the Department’s data on program use across the state. Between FY2018 to FY2021, there were 17,814 TCA participants in an unpaid “work experience” activity and only 99 people gained paid employment by the unpaid “work experience” employer during that time (less than 1%).

⁸ In FY2020, Maryland placed 0% of families in subsidized employment, on-the-job training, and education related to employment. 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, *supra* footnote 3.

⁹ In 2019, only 139 TCA participants were in WIOA workforce development programs.

HB1043 offers parents the choice to be exempt from work for the first 12 months, giving time to develop and pursue personal and family goals.

Many parents who apply for TCA are in the middle of a crisis, like domestic violence or homelessness or another major life event that often caused them to lose their employment in the first place. Although federal law allows states the flexibility to not require participation in work activities until recipients have received assistance for 24 months,¹⁰ Maryland immediately funnels families into work activities, reinforcing the false and racist stereotype that parents receiving TCA will only work if coerced by public policy to do so.¹¹ HB1043 adopts a trauma-informed approach by allowing parents the **choice** to be exempt from work activities for the first 12 months on TCA. Maryland allowed this flexibility for the first 24 months on TCA in the late 1990s.¹² A few other states have this flexibility as well.¹³ The approach of pushing families to work as soon as they receive TCA is not effective and fuels occupation segregation, often keeping families in the same unstable and low-wage jobs after TCA as when they entered.¹⁴ HB1043 refocuses the TCA work requirement to help families address immediate crises, improve their short-term well-being, and prepare for quality jobs that align with their career goals.

HB1043 allows parents the choice to work out or in the home caring for their newborn.

Federal law allows parents to be exempt from the work activity to care for a child under the age of one.¹⁵ Currently, Maryland offers this exemption but only allows a parent to use the exemption for one 12-month period in a parent's lifetime. This means if a parent has a second baby they must participate in a work activity immediately if they already used the exemption in the past. This will allow parents time to heal from childbirth, postpartum, to care for the many needs of their newborns, including establish feeding schedules, attend doctors' appointments, bond with their baby and provide high quality care during this critical time for brain, emotional, and childhood development.¹⁶

HPRP strongly urges the Committee to issue a favorable report on HB 1043. If you have any questions, please contact Michelle Madaio (she/her) at (410) 716-0521 or mmadaio@hprplaw.org.

¹⁰ 45 C.F.R. § 261.10(a)(1).

¹¹ See Elisa Minoff, "The Racist Roots of Work Requirements," Center for the Study of Social Policy (February 2020); available at <https://cssp.org/wp-content/uploads/2020/02/Racist-Roots-of-Work-Requirements-CSSP-1.pdf>; see also LaDonna Pavetti and Ali Safawi, "States Have Flexibility to Move TANF Work Programs in an Antiracist Direction," Center on Budget and Policy Priorities (September 9, 2021) at 7, available at https://peerta.acf.hhs.gov/sites/default/files/public/uploaded_files/Pavetti%20Using%20TANF%20Work%20Programs%20to%20Promote%20Equity-508.pdf

¹² See Maryland Department of Human Resources Action Transmittal #97-61 (issued December 1, 1996), "Temporary Cash Assistance Time Limits," ("An adult caretaker in the assistance unit needs to be in a State defined work activity by the 24 month time limit. The 24 months of TCA benefits do not have to be consecutive)." See also Maryland Department of Human Resources Action Transmittal #99-05 (issued July 1, 1998), "Twenty-Four Month Time Limit Work Requirement Customer Reports."

¹³ Mississippi and Missouri allow an adult to engage in work within 24 months of receiving TANF. See Welfare Rules Databook: State TANF Policies as of July 2019, at page 161, available at "Welfare Rules Databook: State TANF Policies as of July 2019," available at [The Welfare Rules Databook: State TANF Policies as of July 2019 \(urban.org\)](http://TheWelfareRulesDatabook.org); California (does not distinguish between core/non-core work activities for 24 mo but still requires participation. See California Department of Social Services TANF Program Work Verification Plan, available at https://www.cdss.ca.gov/CDSSWEB/entres/pdf/TANF_WorkVerificationPlan.pdf

¹⁴ Top industries after exit from TCA include: administrative and support services (20%), restaurants (14%), nursing homes (7%), and general retail (7%). See Haley Smith & Lauren A. Hall, University of Maryland School of Social Work, "Temporary Cash Assistance 2020 Jurisdictional Snapshots," (April 2021), at 5, available at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-on-welfare/TCA-2020-Jurisdictional-Snapshots-.pdf?&>

¹⁵ 45 C.F.R. § 261.22(c)(1).

¹⁶ Elizabeth Lower-Basch and Stephanie Schmit, Center for Law and Social Policy (CLASP), "TANF and the First Year of Life: Making a Difference at a Pivotal Moment" (October 2, 2015), available at https://www.clasp.org/sites/default/files/public/resources-and-publications/body/TANF-and-the-First-Year-of-Life_Making-a-Difference-at-a-Pivotal-Moment.pdf