



Welfare Advocates

Founded 1979

228 W. Lexington Street — Suite 220 | Baltimore, Maryland 21201-3432

Phone: 667.600.3356 | lklingenmaier@cc-md.org

Senate Bill 828 Family Investment Program – Eligibility, Work Experience, Community Service, and Reports - Alterations

Senate Finance Committee

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Support

Welfare Advocates is a statewide coalition of community-based organizations, advocacy groups, faith communities, and consumers, whose mission it is to educate ourselves and the wider community and to advocate for an adequate safety net and public policies that support families moving to economic stability.

Welfare Advocates strongly supports SB 828, which adds federally-allowed flexibilities to the Temporary Cash Assistance (TCA) program including streamlining work verification paperwork, codifying that 30-hours is the minimum standard work week for able-bodied adults on TCA, codifying that families who newly receive TCA can optionally have 12 months to stabilize before moving into work placements, and re-envisioning the Work Experience (WEX) program so that TCA recipients have more choice in their placement so that they can gain tangible, marketable skills that lead to quality employment opportunities.

The Temporary Cash Assistance (TCA) program serves families with children who live in deep poverty. TCA, the cash assistance part of Maryland's TANF program, was created as part of Welfare Reform in the mid-nineties. Today, over 22,000 Maryland's families have to rely on TCA to meet their basic needs, and more than 70% of TCA recipients are children.¹ Families use TCA benefits to purchase housing, food, transportation, and other basic needs. These funds are immediately spent in the local economy, generating economic growth.

While TCA is a critical safety-net for those living in the deepest levels of poverty, it is not a pathway to economic stability for the vast majority of recipients. In order to receive TCA, able-bodied adults in the household are required to participate in federally defined work activities. Although the original intent for the work requirement might have been for recipients to obtain employment after a short spell of receiving benefits, numerous studies show the workforce component of cash assistance does not result in long-term, stable employment.² In fact, data from the Life After Welfare report shows that five years after receiving TCA, 80% of Maryland families still live in poverty and, most disturbingly, almost 68% of former recipients are living in deep poverty.³

SB 828 begins the critical process of improving TCA – especially the work requirement - to be a more trauma-informed, anti-racist and client-centered program. The federal TANF program – particularly the strict work requirement - is rooted in a history of racism that perpetuates false and harmful assumptions about families living in poverty.⁴ Far too often, TCA recipients are placed into temporary, unpaid work experience activities with little to no opportunity for employment after they have completed their placement. Of all of the types of work activities TCA recipients can be referred to, recipients in these unpaid work experience (WEX) placements have the most difficulty securing employment after TCA, and overall make the lowest earnings post-TCA.⁵ Maryland – compared to other states – places TCA recipients into unpaid WEX placements at

¹ DHS Caseload Data. FY 2021.

² Ideas 42. Work Requirements Don't Work. 2019. <http://www.ideas42.org/wp-content/uploads/2019/04/ideas42-Work-Requirements-Paper.pdf>

³ University of Maryland School of Social Work. *Life After Welfare Series*. <https://www.ssw.umaryland.edu/familywelfare/safety-net-research/life-after-welfare-series/?&>

⁴ Center on Budget and Policy Priorities. 2022. *Improvements in TANF Cash Benefits Needed to Undo the Legacy of Historical Racism*. <https://www.cbpp.org/sites/default/files/1-26-22tanf.pdf>

⁵ University of Maryland School of Social Work. *Work Activities and Short-Term Employment & Earnings Among TANF Recipients*. 2016. <https://www.ssw.umaryland.edu/media/ssw/fwrwg/welfare-research/work-supports-and-initiatives/workactivities.pdf?&>

much higher rates.⁶ Instead of relegating 30% of our working adults in TCA into WEX placements without any choice, SB 828 recognizes that TCA participants have a wide range of personal experiences, history in the workforce, and family structures that are ill-served by a one-size-fits all work program. Rather than offering the labor of TCA recipients to the lowest WEX contract bidder, SB 828 encourages the state to partner with innovative educational, training and skill-building programs that provide meaningful opportunities for TCA families to locate employment in high-wage, growing industries.

SB 828 additionally enacts a series of changes that are permissible under federal law, which allows families to have more choice and flexibility to meet work requirements. The bill codifies that adults in the household have to work the minimum hours federally required instead of the maximum. Without this flexibility, parents must work 40 hours per week – 10 hours more than required by federal TANF - and the family is punished with a benefit reduction if they are not meeting the maximum weekly hours. Moreover, SB 828 codifies that families can be exempt from the work requirement for the first 12 months while on TCA, and can be exempt when needed to care for a newborn under 12 months. These flexibilities are trauma-informed practices, allowing families time to stabilize after a new baby or a major life crisis before transitioning into work programs.

SB 828 creates tangible progress to improving the TCA program – without any threat to our state’s Work Participation Rate (WPR). If Maryland is going to reduce the number of households living in deep poverty – and truly create a bridge out of poverty for families on TCA - a critical area to focus on is improving the TCA work requirement. The US Department of Health and Human Services provides guidance on the myriad of options states have to meet their Work Participation Rate (WPR), and notes “our goal in issuing guidance continues to be to give States as much flexibility as possible to implement effective, innovative and creative programs that support work and responsibility.”⁷ Maryland has consistently exceeded its WPR every year there is available data, even as we’ve passed legislation to improve the program, like allowing two years of advance education to qualify as work instead of one year. Even in an improbable scenario that Maryland was in jeopardy of not meeting WPR without reasonable cause – which the federal government liberally grants to states – the federal process if a state does not meet its WPR is multi-pronged over the course of several years, with several opportunities for a state to bring up the WPR before losing funding. Moreover, there is a pressure release value build into the bill that the Department can revert to how it currently reports activities toward the WPR if the state is ever in the unlikely scenario the State is out of compliance with federal TANF.

Investing resources and building in flexibilities into the state’s TCA program is a good investment in the future of Maryland families, employers, and our economy as a whole. **For the reasons stated above, we respectfully urge a favorable report on SB 828.**

Submitted by Lisa Klingenmaier, Chair of Welfare Advocates

⁶ U.S. Department of Health & 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*. 2020.

<https://www.acf.hhs.gov/sites/default/files/documents/ofa/wpr2020table04b.pdf>

⁷ U.S. Department of Health & Human Services. Office of Family Assistance. *Q&A: Penalty Process*. <https://www.acf.hhs.gov/ofa/faq/q-penalty-process>

