



**Montgomery County Community Action Board Testimony in Support of HB108
Human Services - Universal Basic Income for Transition-Age Youth – Establishment
January 31, 2023**

TO: The Honorable Ben Barnes, Chair; The Honorable Mark S. Chang, Vice Chair; and Members of the Appropriations Committee

FROM: Dr. Jeffery Johnson, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board, the County’s federally designated anti-poverty group, supports HB108 with a recommended amendment. This bill would establish a Universal Basic Income Program for youth transitioning out of foster care. This population faces numerous challenges and often has no savings and little income. A disproportionate number of transitioning foster youth become homeless, involved with the criminal justice system, and/or live in poverty. According to the Annie E. Casey Center, one in five transiting youth report experiencing homelessness between ages 17 and 19, and over one in four (29%) report being homeless from 19 to 21. Just 57% report being employed (full- or part-time) at age 21.¹

Here in Montgomery County, and in many parts of the state where the cost of living is so high, young adults aging out of foster care struggle to pay for basic necessities. The Self-Sufficiency Standard for a single adult in Montgomery County is \$47,294, over three times the federal poverty level. This number jumps to an astounding \$94,675 for a single adult with an infant, nearly five times the federal poverty level.² For a young adult with no family support and no safety net in place, achieving the Self-Sufficiency Standard is extremely difficult.

This bill offers a new opportunity to support transitioning youth. Providing \$1,000 a month will help participants cover some of their expenses. However, the income participants receive may result in their ineligibility in other programs, such as SNAP, housing assistance, and Temporary Cash Assistance. Our board is very concerned about the potential for unexpected negative consequences for program participants. Based on the experience of Montgomery County’s own Guaranteed Income Pilot program, MoCo Boost³, the Community Action Board recommends an amendment to HB108 that would require participants to receive counseling and/or coaching. This would provide an opportunity for financial education and help participants determine what impact the income they receive will have on their ability to meet basic needs.

¹ <https://www.aecf.org/blog/child-welfare-and-foster-care-statistics>

² <https://maryland-cap.org/the-maryland-2023-self-sufficiency-standard-calculator/>

³ <https://mocoboost.org/>

If this bill becomes law, we encourage the Department of Human Services to take a multifaceted approach to developing the program. The planning for the Montgomery County Pilot program included County government and nonprofit leaders. Members of the low-income community, including graduates of our board's advocacy training program, the Community Advocacy Institute, also participated in the Community Centering Committee. We strongly believe that a wide range of voices, including those of people with "lived experience", is essential to the creation of a successful program.

The Community Action Board applauds this bill for establishing an innovative program to address the needs of an underserved population. We ask for the Committee's favorable report with an amendment to require counseling and/or coaching for all program participants.