

**Date:** February 23, 2023

**Bill number:** SB0420

**Committee:** Senate Finance Committee

**Bill Title:** **Human Services - Temporary Cash Assistance - Housing Allowance**

**DHS Position:** **LETTER OF INFORMATION**

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The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide written information regarding Senate Bill 420.

Senate Bill 420 would require a Local Department of Social Services to provide a housing allowance to households that are receiving Temporary Cash Assistance (TCA) or transitional support services and are not receiving a certain housing subsidy where the tenant's portion of rent is based on a percentage of the tenant's income. It would also require the continuation of a housing allowance for 6 months following the termination of TCA if the household is receiving or is eligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits.

DHS is committed to identifying supports that would benefit Maryland consumers who are challenged with the high costs incurred by current limited housing options and has the following points for consideration if Senate Bill 420 was passed: First, the housing allowance would be counted as income in determining SNAP eligibility - thereby reducing the SNAP benefit amount. Second, DHS has reviewed current data and as of February 2, 2023 has identified 10,248 households who participate in the Temporary Cash Assistance Program who would qualify for the housing subsidy. In order to meet the fiscal costs to implement the program it would cost DHS an additional \$100 million annually. The TANF block grant does not have adequate funds to support this cost, therefore, the bill would need to be supported with general funds.

Additionally, DHS wanted to make clear that the housing allowance would be provided in one of two ways:

1. Cash loaded on the customer's EBT card or deposited in the customer's bank account. Not all customers have a bank account, therefore, direct deposit is not an option everyone can consider. Customers are able to withdraw money loaded on to their EBT card from ATM machines. With the cash, they can purchase a money order to pay for rent. With this option, customers will be able to use the cash for non-rental costs, if they so choose.
2. Vendor payment made directly to the landlord or mortgage company. With this option, there would be a direct link to ensure that the funding was used as intended within Senate Bill 420.

DHS appreciates the opportunity to offer the aforementioned information for the Committee's consideration during your deliberations. DHS welcomes collaboration with the Committee on Senate Bill 420.

