



**Montgomery County Community Action Board Testimony in Support of SB420
Temporary Cash Assistance – Housing Allowance
February 23, 2023**

TO: The Honorable Melony Griffith, Chair; The Honorable Katherine Klausmeier, Vice Chair; and Members of the Senate Finance Committee

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

The Montgomery County Community Action Board, the County's local, state, and federally designated anti-poverty group, supports SB420 and asks the Committee for a favorable report. This bill would allow Temporary Cash Assistance (TCA) recipients who are not already receiving a local, state, or federal housing subsidy to receive a monthly housing allowance in addition to their TCA benefit.

Our board supports this bill because it works to address one of our longstanding priorities, which is access to affordable housing. Many lower-income residents struggle to find adequate affordable housing in Montgomery County and many other parts of the state. There is a very long waiting list for HOC housing vouchers and other housing subsidy programs. Many households are therefore on their own trying to find affordable housing from a very limited supply. Nearly half of all renters in the County are cost-burdened, meaning that they spend 30% or more of income on housing alone.¹ This bill can provide some much-needed support for County households who are struggling the most.

In addition to the lack of affordable housing options in our County, there is an overall extremely high cost of living that poses many challenges for lower-income households. The Montgomery County Self-Sufficiency Standard for a single adult with one infant and one school-age child is \$116,864, which is over four and a half times the federal poverty level.² By comparison, the maximum TCA benefit for this same family is just a few hundred dollars per month, a fraction of the \$9,739 monthly Self-Sufficiency Standard. The housing assistance offered by SB420, \$350 for a household of one, and an additional \$100/month for every additional household member, can therefore make a real difference for families.

¹ <https://montgomeryplanning.org/wp-content/uploads/2020/07/MoCo-HNA-July-2020.pdf>

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

Our board also supports the inclusion of a requirement in SB420 that if a household's TCA is terminated, they can continue to receive the housing allowance for six months if they receive or are eligible for SNAP. This is significant because it helps to address the cliff effect, which is *the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings*.³ Households often find themselves in a very difficult position where their earnings are suddenly higher, but not quite high enough to cover their basic necessities. We applaud this bill's effort to address this issue by ensuring that the housing assistance can continue, even if a household's TCA benefits do not.

SB420 can provide some critical assistance to many in our community. We ask the Committee for a favorable report and encourage the Committee to explore other potential policy changes that will support lower-income Marylanders.

³ [https://www.ncsl.org/human-services/introduction-to-benefits-cliffs-and-public-assistance-programs#:~:text=Benefits%20cliffs%20\(the%20%E2%80%9Ccliff%20effect,a%20small%20increase%20in%20earnings.](https://www.ncsl.org/human-services/introduction-to-benefits-cliffs-and-public-assistance-programs#:~:text=Benefits%20cliffs%20(the%20%E2%80%9Ccliff%20effect,a%20small%20increase%20in%20earnings.)