



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

Senate Bill 420

Temporary Cash Assistance – Housing Allowance (Human Services)

In the Finance Committee

Hearing on February 23, 2023

Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 420 at the request of bill sponsor Senator Hettleman.

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including housing, family law, and cash assistance to families.

Maryland Legal Aid asks that the Committee issue a favorable report on SB 420, without amendment.

SB 420 establishes a housing allowance for certain households that receive Temporary Cash Assistance (TCA). Households that qualify for TCA are those with dependent children who struggle to meet the needs of their family, even though they utilize available resources.¹

Currently, there is a shortage of affordable rental homes available for low-income households.² In 2021, Maryland was short 85,000 rental units for low-income households, with the shortage expected to worsen in coming years.³ A lack of affordable housing places low-income households in severely cost burdened situations, such as having to spend more than half of their income on housing.⁴ It is estimated that 72% of low-income renter households that do not receive a housing subsidy suffer from severe cost burdens due to the cost of housing.⁵ These families often have to choose between paying rent or being able to afford other necessities. SB 420 aims to address this problem.

¹ See <https://dhs.maryland.gov/weathering-tough-times/temporary-cash-assistance/>

² See <https://nlihc.org/housing-needs-by-state/maryland>

³ See <https://www.npr.org/local/305/2021/02/18/968790273/maryland-must-build-thousands-more-homes-to-keep-prices-affordable-report-says> ; Low-income households are those that are at or below the federal poverty line.

⁴ See <https://nlihc.org/housing-needs-by-state/maryland>

⁵ See <https://nlihc.org/housing-needs-by-state/maryland>

Monthly Housing Allowance

SB 420 would reduce the impact of housing costs on low-income families by providing a monthly housing allowance for households that qualify for TCA, but do not receive another federal, state, or local housing subsidy for rent based on a portion of their income. SB 420 will prevent low-income families from having to make the terrible choice between paying rent or buying food.

Screenings for Housing Allowance

SB 420 requires the Department of Social Services (DSS) to screen all applicants for TCA without a request for screening. This provision is important, because it ensures that individuals who qualify for the housing allowance will receive the financial help they deserve, without needing to be aware of and specifically ask for it. SB 420 provides that DSS cannot count a household's housing allowance when determining the amount of TCA that a household will receive. This provision ensures that households who receive a housing allowance will not have the amount of their TCA reduced simply by qualifying for a housing allowance. This enlightened policy prevents a family from trading one financial burden- the cost of housing- for another, reduced TCA.

Housing Allowance can continue after TCA Termination

TCA is time-limited to 60 months.⁶ SB 420 permits a family to receive their housing allowance for 6 months after termination of TCA, and the family remains eligible for Supplemental Nutrition Assistance Program (SNAP) benefits. This bill will directly impact a great many MLA clients with minor children. It will help to remove financial barriers for Marylanders seeking to stabilize their families, and can help to ensure that a lack of affordable housing does not obscure the chance for a better future.

Maryland Legal Aid urges the Committee to issue a FAVORABLE report on Senate Bill 0420. If you have any questions, please contact Cornelia Bright Gordon, Director of Advocacy for Administrative Law (410) 951-7728; cbgordon@mdlaborg.org.

⁶ See <https://www.peoples-law.org/temporary-cash-assistance-tca>