



Welfare Advocates

Founded 1979

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House Bill 1041

Department of Human Services - Family Investment Administration – Contract and Program Review

House Appropriations Committee

March 10, 2022

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 HB 1041, which requires the Department of Human Services to hire an outside consultant to conduct a thorough review of the Temporary Cash Assistance Program – through a trauma-informed, anti-racist, client-centered assessment - to ensure the program is employing best practices that will achieve meaningful outcomes for family economic stability. Moreover, the bill requires the Department to annually review all of their contracts with workforce vendors to examine if the programs are providing tangible, marketable skills that lead to quality employment opportunities for TCA recipients.

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 families still live in poverty and, most disturbingly, almost 68% of former recipients are living in deep poverty.³

HB 1041 requires DHS to hire an outside consultant to review Maryland's TCA workforce program, and make suggestions on how the program can be improved. 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 workforce development programs. Far too often, TCA recipients are placed into temporary, unpaid work activities with little to no opportunity for employment after they have completed their placement. Instead of offering the labor of TCA recipients to the lowest contract bidder, we can partner with innovative educational, training and skill-building programs that provide meaningful opportunities to locate employment in high-wage, growing industries. Investing resources into an independent, thorough examination of our 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 HB 1041.

Submitted by Lisa Klingenmaier, Chair of Welfare Advocates

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/?&>

