

FAMILY INVESTMENT ADMINISTRATION RECOMMENDATIONS

Prepared For:
Moore-Miller Unlocking Opportunities Policy Committee
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Prepared By:



Creating Assets, Savings and Hope



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INTRODUCTION

A coalition of Maryland stakeholders developed recommendations and action steps to help Governor-elect Moore and his Administration work to ensure that the Family Investment Administration (FIA) provides comprehensive, beneficial, and timely service delivery to eligible Marylanders in a trauma-informed, supportive, and innovative manner. The group crafted recommendations on building an inclusive agency that connects Marylanders to resources and support they need and recognizes that agency staff, advocates, service providers, and other state and local agencies are essential to accomplishing those tasks. Workgroup topics of discussion included but were not limited to: building respect for customers, shifting the focus from fraud prevention to helping people in need, improving collaboration with stakeholders particularly organizations who help customers enroll in benefits, effective leadership styles, fully funding benefits that truly support families, and accountability for FIA.

KEY TAKEAWAYS

- Shift Administration language away from language that perpetuates false and harmful assumptions about families living in poverty, such as “personal responsibility,” to center the goals and needs of each individual or family it serves as we collectively work towards widespread economic security for all families in Maryland.
- Build a robust and responsive FIA workforce that is led by inspired, dedicated leaders.
- Improve service delivery for individuals and families with complex and intersecting needs.
- Allocate funding and take advantage of federal waivers to increase benefit amounts to livable levels in Maryland.
- Create a system to expeditiously replace electronic benefits including SNAP, TCA, and TDAP when customers have had their benefits stolen, as well as invest in the security improvements necessary so electronic benefits aren’t vulnerable to theft.
- Develop a comprehensive and flexible workforce development program, designed specifically to work with individuals with complex employment barriers, in collaboration with the Department of Labor (DoL).
- Foster transparency in agency data and processes, including seeking input from individuals with lived experiences.
- Strengthen the Earned Income Tax Credit (EITC) & Child Tax Credit (CTC) and make them permanent.

REPORT GUIDE

[RECOMMENDATION #1:](#) Build a robust and responsive FIA workforce that is led by inspired, dedicated leaders

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[RECOMMENDATION #3:](#) Allocate increased funding - and take advantage of federal waivers - to increase benefit amounts to livable levels in Maryland

[RECOMMENDATION # 4:](#) Create a system to expeditiously replace electronic benefits - including SNAP, TCA, and TDAP - when customers have had their benefits stolen, as well as invest in the security improvements necessary so electronic benefits aren't vulnerable to theft

[RECOMMENDATION #5:](#) Develop a comprehensive and flexible workforce development program, designed specifically to work with individuals with complex employment barriers, in collaboration with the Department of Labor (DoL)

[RECOMMENDATION # 6:](#) Expand the Earned Income Tax Credit and Child Tax Credit and Make Them Permanent

[RECOMMENDATION # 7:](#) Establish a “baby bonds” program to address economic inequality

[RECOMMENDATION #8:](#) Collect and disaggregate data to inform program effectiveness and equity goals

RECOMMENDATIONS

RECOMMENDATION #1: Build a robust and responsive FIA workforce that is led by inspired, dedicated leaders.

Context: Enrollment in Maryland’s safety net programs are still at record highs over two years after the COVID-19 pandemic and its related spikes. It takes the longest for low-income families to recover from economic downturns, especially in the context of record inflation. There have been long standing staffing shortages in FIA, requiring people to spend all day seeking services, whether by phone or in person. The incoming Administration must make it a priority to fully staff up all levels of customer support- from call centers to Local DSS offices. Hiring should be focused on identifying gaps in the Department's workforce, including bilingual staff and staff trained in trauma-informed care.

Furthermore, leadership at FIA has been a revolving door, often led by someone without on-the-ground experience in benefit enrollment and eligibility. FIA needs to be led by someone with a passion for working alongside low-income Marylanders, who believes safety-net programs should be easily accessible, and who understands the systemic causes of poverty and marginalization. As FIA is often overlooked at the Department of Human Services (DHS) given the urgent needs of the Social Services Administration (SSA), it is also critical that FIA leadership work closely with the Administration to ensure the needs of FIA and its customers aren’t forgotten or overshadowed.

Recommended Actions

First 100 Days • Appoint a Secretary for the Maryland Department of Human Services who:

- Has professional qualifications and expertise in child serving systems, including:
 - ◆ A demonstrated ability to set a clear vision;
 - ◆ Experience working with providers and stakeholders in a collaborative manner;
 - ◆ The ability to communicate effectively with numerous constituencies; and
 - ◆ An understanding of the urgent nature of the work
- Believes DHS should:
 - ◆ Be an inclusive, informed, diverse and responsive agency;
 - ◆ Work in concert with the local Departments of Social Services to assess, plan and implement strategies that will improve statewide and local services to children and families;
 - ◆ Collaborate with service providers, advocates and other professionals that work on poverty alleviation, economic self sufficiency, and child welfare to improve the well-being of Maryland’s children and families.
- Preferred experience:
 - ◆ Strong leadership qualities that make them to be an advocate for children and families, lead coordination with other secretaries, and set a vision for the Agency.
 - ◆ Experience with child serving and benefits administration systems.
 - ◆ Good collaborator with internal and external stakeholders with a track record of success.

First 100 Days • **Appoint an Executive Director for the Family Investment Administration who:**

- Has professional qualifications and expertise in working with low-income individuals and families, including:
 - ◆ Experience helping families enroll in public benefits and/or direct case management experience with individuals living in poverty;
 - ◆ Demonstrated experience working with LDSS, community organizations, nonprofits, and policy advocates; and
 - ◆ Has an understanding of the systemic causes of poverty and marginalization, including the impact of racism and oppression.
- Believes that FIA should:
 - ◆ Be an inclusive and supportive agency that centers equity and compassion in their work.
 - ◆ Be a champion for Marylanders who utilize safety-net programs to support their families and make ends meet.
 - ◆ Seek every opportunity to connect Marylanders to safety-net programs and public benefits.
 - ◆ Collaborate with nonprofits and other organizations who serve low-income Marylanders to find common goals and opportunities to address the needs of individuals living in or near poverty.

First Year • **Fully staff FIA in all departments, prioritizing a workforce that is trauma-informed, compassionate, and meets the needs of Marylanders seeking services, including staff who;**

- Are bilingual;
 - Have training in trauma-informed care and other best practices in service delivery;
 - Have a lived experience of poverty;
 - Understand the goal is to enroll as many eligible families in benefits as possible and keep eligible families on benefits without interruption, not gatekeeping benefits by making enrollment difficult; and
 - Value communication and collaboration.
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RECOMMENDATION #2: Improve service delivery and remove barriers to benefits for individuals and families with complex and intersecting needs.

Context: Maryland's safety net programs are vital resources to help individuals and families make ends meet and build economic security. Unfortunately, the process for Marylanders to access benefit programs, particularly those overseen by FIA, requires interacting with a convoluted and fractured system that has been chronically underfunded and understaffed for years. From failures in IT systems to over-reliance on sanctions to language access, there are a myriad of holes, frays, and barriers that individuals encounter when trying to apply and secure benefits. The service delivery system in Maryland is, frankly, broken and there are numerous steps we encourage the Administration to take in order to re-envision and revitalize our state's safety net.

In particular, while we were excited that the state is updating part of its aging IT system, the roll out of the Eligibility and Enrollment (E&E) platform for DHS benefit determination has been fraught with challenges. Since the E&E roll out, families have experienced widespread problems trying to apply for and receive benefits. From blanket rejections with no cause to materials sent in the wrong language to applications that have languished with no updates on processing, families are anxiously waiting for benefits with no clear information or direction from the department on next steps. If and when Marylanders are able to access safety-net programs, we have seen countless families be dropped off benefits with little to no warning. This problem is appallingly common and the current processes require recipients to re-file a new application and go through the benefit determination process again, resulting in months without benefits. Getting and maintaining benefits, especially when families are struggling to make ends meet, should not be this agonizing and complex.

Recommended Actions

First 100 Days • Fully support and implement the requirements of Chapter 506 ([HB 1041](#) from the 2022 Legislative Session, MD Code, Human Services, § 5-323), which required DHS to hire an outside consultant (currently the University of Maryland School of Social Work) to conduct a review of the Family Investment Administration to assess the extent to which the department is implementing policies equitably and employing best practices to achieve the best outcomes possible for children and their parents, including considering that many recipients are experiencing or have experienced significant trauma. This review is due October 1, 2024.

- The Administration should leverage this unique opportunity and provide full support to the University of Maryland School of Social Work to conduct the audit, and allocate resources as necessary to ensure the audit is comprehensive, with a focus on improving services to individuals and families.

First 100 Days • Promulgate regulations to fully implement Chapter 457 ([HB 1313](#) from the 2020 Legislative Session, MD Code, Human Services, § 5-312) and Chapter 509 ([HB 1043](#) from 2022 Legislative Session, MD Code, Human Services, § 5-308, 5-308.1, 5-308.2)

- Without regulations, LDSS staff have been relying on outdated agency regulations that conflict with the new, current law in significant ways.

- Additionally, DHS is currently misinterpreting Chapter 457, closing a significant portion of cases related to initial assessments when individuals are applying for TCA. This is harming children and families.

First 100 Days • **Conduct a review of agency's Eligibility and Enrollment (E&E) system, including but not limited to:**

- When an applicant requests a specific language, all materials - electronic and hardcopy - are deliverable in that language.
- Flexibility in the system for mixed-status households, so that individuals do not need to input a Social Security Number in order to apply for benefits on behalf of eligible family members.
- Redetermination letters are updated into E&E with ample time before the redetermination deadline so families can prepare.
- Conducting the redetermination interview regardless of whether a redetermination has been received first.

First 100 Days • **Streamline application processes across all local DSS offices, such that all DSS offices accept applications in the same ways: in person, by mail, by fax, and by electronic submission.**

- Currently, some jurisdictions allow individuals to submit applications by fax and email, but others do not. There should be parity across counties on multiple methods of how applications are able to be received and processed.

First Year • **Create in the E&E system a clear way for applicants to see where their application is in the process for benefit determination that is regularly updated.**

- This should be bold, easy to read, in the applicant's chosen language, and easy to find in the applicant portal.
- SNAP partners and other community organizations who assist individuals in applying for benefits should also be able to access this information on behalf of their clients.

First Year • **Examine the common codes for case closures, and create a plan for addressing case closures so that more Marylanders are able to access benefits, including but not limited to:**

- Granting widespread good cause exemptions from work requirements for individuals who have significant barriers to work.
- Ensure that applications are appropriately screened for homelessness and housing crisis, and applicants are provided resources, services and exemptions if they qualify.
- Proactively following up with families with case closures due to outstanding application and redetermination materials and encouraging them to resubmit.
 - ◆ Strive to reduce case closures for recertification issues to zero.
 - ◆ If a redetermination or application is received after the closure, reinstating the case without requiring a new application and ensuring benefits are issued in full and not prorated.

First Term • Implement the recommendations from the FIA audit conducted by the University of Maryland School of Social Work, recommendations that will be completed and reported out by October 1, 2024.

First Term • Improve application processes across all programs in FIA, as well as coordinating with other application processes for programs - especially means-tested programs - overseen by other departments such as the Department of Health, Department of Housing and Community Development, Office of Home Energy Programs, and the State Department of Education.

- Maryland has never truly implemented a [“no-wrong door” policy](#) where if someone applies for a single benefit, or interacts with the state through filing taxes, they are automatically screened and enrolled in other programming they may be eligible for.
- The State should examine how to streamline application processes, combining eligibility where possible.
- There will also be program eligibility scenarios where applications need to be decoupled from one another. For mixed-status households, they may be eligible for some state-funded benefits, but not federally funded benefits. For these households, there should still be ways to apply for a single program without being automatically considered for other programming, as if it appears they applied for programs they are ineligible for, it could harm any future possibilities of status.
 - ◆ The Department should work with organizations serving immigrant communities to help think through various scenarios on how to implement a “no-wrong door” policy.
- Instead of utilizing Free and Reduced-Priced Meals (FARMS) forms, the Department of Human Services should coordinate with the State Department of Education to fully implement Direct certification utilizing information from SNAP, TANF and Medicaid
 - ◆ This is the newer, more successful approach of maximizing how many families are in the FARMS program

First Term • Systematically move benefit programs away from punitive policies, arduous paperwork, and quick case closures, including:

- Where federally allowable, remove sanctioning as an option for families receiving benefit programs when they are unable to meet work requirements. Sanctioning practices are rooted in a legacy of racism and entrenched stigma about the individuals and families who have to utilize safety-net programs. Instead of further destabilizing families through punitive policies, the department should strive to identify the barriers the families are experiencing in the pursuit of economic stability, and work to address those barriers.
- Where federally allowable, reduce the amount of paperwork families have to file to access benefits and to keep their benefits. If eligibility or redetermination paperwork is necessary, it should be as short, straightforward, and as easy as possible to complete and submit.

First Term • Center presumptive eligibility throughout the Department, such that applicants are always viewed as eligible for the programs they are applying for until proven otherwise. FIA staff should look for every reason, opportunity, and circumstance that would allow a family to receive safety-net programs when they apply for them, creating doors instead of barriers to service delivery.

First Term • Create a robust training program that is required for all staff on the complex circumstances they may encounter when working with individuals and families seeking benefits, including working with individuals experiencing homelessness, working with mixed-status households, working with individuals living with a disability, working with individuals from the LGBTQ+ community, working with individuals who have experienced intimate partner violence, and other trauma-informed best practices for working with a complex and diverse population.

- This could be a powerful opportunity to collaborate with community partners who would be willing to regularly provide in-depth training on these topics to DHS staff.

Sources & Supporting Resources

- Department of Human Services - Family Investment Program - Contract and Program Review ([HB1041](#))
- Family Investment Program - Temporary Cash Assistance - Eligibility ([HB313](#))
- Family Investment Program – Eligibility, Work Experience, Community Service, and Reports – Alterations ([HB1043](#))
- [State-level Data for Understanding Child Poverty](#) (Child Trends)
- [Department of Legislative Services, Family Investment Administration, Analysis of the FY 2023 Maryland Executive Budget, 2022](#)
- [Lessons from a Historic Decline in Child Poverty](#) (Child Trends)
- [Source: Md Hunger Solutions - Letter To Candidates](#) (MD Hunger Solutions)
- [SNAP Enrollment Drops Sharply In Maryland; Some Say Staffing Shortages, Policy Shifts Partially To Blame](#) (Baltimore Banner)
- [No Wrong Door: A Holistic Approach to Human Services](#) (Governing Institute)
- [Summary of MyMDTHINK Issues](#) (CASH Campaign of Maryland)

RECOMMENDATION #3: Allocate increased funding - and take advantage of federal waivers - to increase benefit amounts to livable levels in Maryland.

Context: During Welfare Reform in 1996, one of the major decisions made was the calculation of the new Temporary Cash Assistance (TCA) benefit amount and the indexing factor. The negotiations resulted in a benefit amount that was close to the amount provided by the predecessor program, Aid to Families with Dependent Children. It was then indexed using a formula taking into account the State's Minimum Living Level (MLL) and the federal SNAP Benefit, such that the TCA Benefit is 61% of the Maryland Minimum Living Level when combined with SNAP. At the time, advocates fought for 100% of the MLL, but parties

agreed to 61% with the expectation that the percentage would inch up over time. It has only been statutorily raised once in 26 years: to [61.25% of the Maryland Minimum Living Level](#).

While the TCA benefit provides a vital purpose in helping Marylanders with the absolute lowest incomes in the state, it is also a broken program that does not meet the needs of its recipients. Unfortunately, we know from the [Life After Welfare](#) report that five years after leaving TCA, 80% of families live in or near poverty and most disturbingly almost 68% of former recipients are living in deep poverty. This not surprising, when benefits fall far below what families need to make ends meet, and build the economic stability necessary to move out of poverty. The Administration should prioritize investing TANF dollars into TCA, instead of the Department's more recent strategy of using TANF surpluses to plug holes elsewhere in the Department and the State's budget.

Insufficient funding is not limited to only the TCA program - the Temporary Disability Assistance (TDAP) caseload is primarily made up of individuals with a disability awaiting federal disability benefits and are simultaneously experiencing homelessness because the benefit they receive from TDAP is too small to secure shelter. Another program, Emergency Assistance to Families with Children, has been significantly underfunded and difficult to obtain for years. This flexible pool of dollars can help families with car repairs, security deposits, and other one-time emergency needs that, if met, can ensure the families maintain their housing, employment, and economic stability.

It is beyond time for Maryland to bolster our safety-net programs so that families are given meaningful benefit amounts that allow them to meet their basic needs. While the State has made some progress in this area by creating parity between TCA and TDAP - so that a caseload of one in either program receives the same benefit amount - there is still along way to go.

Recommended Actions

First Year • Codify the COVID increase to TCA and TDAP, such that this amount becomes the new benefit floor.

- Without action, the extra \$45/per recipient on the caseload per month will expire 6/30/23, during a time of historic inflation & skyrocketing rents. This increase should not be taken away from families, but should be the new baseline benefit.
- Increase funding for the Emergency Assistance to Families and Children (EAFC) so that more families can utilize this program if an emergency strikes

First Term • Improvement to TCA.

- Create a new funding formula for TCA & TDAP that:
 - ◆ Decouples the programs from the SNAP benefit;
 - ◆ Indexes the benefit to inflation; and
 - ◆ Meets 100% of the minimum living level.
- Increase the Earned Income Disregard (EID) in TCA so that individuals can remain on the program longer while they are working and building economic security.

- ◆ Compared to other states with similar TANF programs, Maryland removes people from TCA after the household secures income much quicker. By allowing families to earn more money and keep their TCA benefits, the family can find economic footing - and it helps our state's Workforce Participation Rate (WPR).
- As available, take advantage of any federal waiver that allows Maryland to increase benefit amounts, reduce work requirements, eliminate paperwork, and expedite the receipt of benefits.

Sources & Supporting Resources

- [Life After Welfare - 2022 Update](#) (UMD - School of Social Work)
- [Maryland's Investment in TANF Falls Short of Meeting Core Program Goals](#) (MDCEP)
- [DLS Fiscal Policy Note - Family Investment Administration - Temporary Cash Assistance - Funding](#)

RECOMMENDATION # 4: Create a system to expeditiously replace electronic benefits - including SNAP, TCA, and TDAP - when customers have had their benefits stolen, as well as invest in the security improvements necessary so electronic benefits aren't vulnerable to theft.

Context: Increasingly, Marylanders who use EBT (Electronic Benefit Transfer) cards are having their benefits stolen from skimming and other forms of electronic identity theft. Since 2021, the Department has been well-aware of a rise in reports of EBT card skimming schemes in Maryland. Skimming occurs when an illegal device is placed on an ATM or card machine and collects data. This allows the card to be cloned and later used to steal the benefits without the original card. Families that have been impacted by skimming have lost their entire monthly allocations of Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA) and Temporary Disability Assistance Program (TDAP) benefits. Victims of benefit theft are suffering from hunger, experiencing utility termination, and facing eviction, among other crises that are avoidable.

At the moment, the Department has refused to issue replacement benefits, quickly replace EBT cards for free, or take any basic steps to increase security so Marylanders are less likely to be victims of this type of theft. The Department's overall failure to act not only [places the burden of responsibility on the victims](#), but also forces families to survive the remainder of the month without food and/or income. The Department's inaction stands in stark contrast to their very mission and purpose, as the State's human services provider, to help vulnerable Marylanders buy food and pay for basic life expenses such as rent, utilities, transportation, and diapers.

Recommended Actions

First 100 Days • Direct the Department of Human Services, in consultation with the Department of Budget and Management, to [immediately identify funding that can be used to replace stolen electronic benefits](#).

- There are no legal prohibitions preventing the Department from restoring stolen benefits, rather the State just needs to identify a funding source. Other states and local jurisdictions have issued replacement benefits in similar circumstances. For instance, the state could look at:
 - ◆ SNAP benefits: The Department could use state funds to issue replacement SNAP benefits.
 - ◆ TCA benefits: The Department could use federal or state funds to replace TCA benefits.
 - ◆ TDAP benefits: As this is a State-funded program, there is nothing in Maryland’s TDAP statute preventing the Department from using state funds to issue replacement TDAP benefits.
- When issuing replacement benefits, the Department should offer an individual or family the option to pick up a paper check or [new EBT card in person at their local Department of Social Service office the same day the theft is reported](#).
- The Department should not require a police report in order to issue replacement benefits and must provide clear guidance to all DSS staff that police reports are optional and not required.
- The Department should not charge the \$2.00 fee for issuance of a replacement card for people whose cards have been skimmed or cloned.

First Year • Invest in the technology necessary, including smart chipped EBT cards, to strengthen the security of electronic benefits to reduce theft in the future.

- The Department should coordinate with Conduent, the EBT card company Maryland currently contracts with, to [adopt security measures and practices that protect the EBT cards from skimming and other unauthorized use](#).
 - ◆ In particular, the state should consider investing in EBT cards with smart chip technology, as chipped cards are harder and significantly more expensive for individuals to skim.
- The Department should utilize [mass messaging](#) (email, text messages, and public notices) to alert EBT card holders about the increased risk of card skimming.
 - ◆ These messages should be in easy-to-understand language, made available in multiple languages, and should include visuals of what a skimming device may look like at ATMs and point of purchase machines.
 - ◆ The resources should include simple and fast ways to change a PIN online and by phone, recommendations on how often a PIN should be changed, and information that replacement benefits are available.
- The Department should also [look for patterns in EBT card activity](#) that could be early indicators of skimming, then promptly contact the EBT card holder to determine whether benefits were skimmed and offer support.

Sources & Supporting Resources

- [Letter to Secretary & Governor - Request for Immediate Action to Address Electronic Skimming Theft of SNAP, TCA, TDAP Benefits and Issue Replacement Benefits to Support Victims](#)
- [“Five Ways State Agencies Can Support EBT Users at Risk of ‘Skimming’”](#) (Center for Law & Social Policy)
- [“DHS Identifies Possible Compromised Benefits”](#) (DC Department of Human Services, March 3, 2022)

- See for example this flier by the NY Department of Social Services, [“Protect Your Benefits from Skimming! What is Skimming?”](#)
 - [MD TANF Spending, 2020](#) (Center on Budget & Policy Priorities)
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RECOMMENDATION #5: Develop a comprehensive and flexible workforce development program, designed specifically to work with individuals with complex employment barriers, in collaboration with the Department of Labor (DoL).

Context: [As numerous research and data reports show](#), Maryland’s safety-net programs, while being a critical safety-net for families living in the deepest levels of poverty, are not a pathway to economic stability and mobility. Several benefit programs, like Temporary Cash Assistance (TCA) and Supplemental Nutrition Assistance Program (SNAP), have work requirements for some categories of able-bodied individuals that receive benefits. While the original intent of these requirements might be for recipients to obtain employment after a short period of receiving benefits, [numerous studies show forced work requirements do not result in long-term, stable employment](#). Unfortunately, far too often adult recipients in these programs are forced into temporary, unpaid, low-skill programs with little to no opportunity for future employment and growth.

While the state does have some successful workforce development programs - such as the EARN (Employment Advancement Right Now) program in the DoL, these programs are not open to, or set up to assist, individuals with complex histories and employment barriers. Even the state’s Workforce Innovation and Opportunity Act (WIOA) plan does not take into consideration how to work with individuals and families living in deep, cyclical poverty.

If Maryland is going to truly address reducing and eliminating the number of households living in deep poverty, the state needs to create a bridge out of poverty by developing innovative, comprehensive, and flexible educational, training, and skills-building programs that provide meaningful opportunities for individuals receiving public assistance to obtain employment in high-wage, growing industries.

Recommended Actions

First 100 Days • **Direct the Department of Human Services and Department of Labor to collaborate together on a long-term plan and report that outlines how to build a robust, multi-level, and flexible workforce development program accessible to individuals receiving public benefits, including:**

- Examining what WIOA programs could be immediately opened and offered to individuals in FIA programs.
- Creating opportunities that are on a continuum of options, from intense apprenticeships to opportunities to explore various career paths, without committing to a singular option.
- Ensuring the plan takes into consideration the complex histories and employment barriers of some of the individuals in FIA programs, such as:
 - ◆ Individuals with little or no prior employment experience;

- ◆ Individuals with behavioral health diagnoses;
 - ◆ Individuals with limited-English proficiency;
 - ◆ Individuals who have had past encounters with the carceral system;
 - ◆ Individuals with caregiving responsibilities; and
 - ◆ Individuals who have not completed secondary education.
- Researching the best practices in other states who have developed comprehensive workforce development programs for individuals in their human services program.
 - Collaborating with institutions of higher education, nonprofit organizations, and individuals with lived experience in benefit receipt when developing the plan.
 - Report should be completed and submitted for review and comment by the end of the first year of the term.

First Term • **Have a robust and fully implemented Workforce Development Program for interested individuals that are connected to FIA programs.**

- The program should have a comprehensive menu of workforce development options, including but not limited to:
 - ◆ GED opportunities
 - ◆ Higher educational opportunities
 - ◆ Career exploration opportunities
 - ◆ Apprenticeships
 - ◆ On-the-job training opportunities
 - ◆ Paid internships
- During DHS's intake process for FIA benefit programs, career counselor positions should be created that help individuals explore the opportunities available in the workforce program that align with the individuals' career goals and family needs.
- Materials should be created and regularly updated that detail to anyone connected to DHS programs that there are workforce development opportunities open to them
- There should be a steering committee/board made up of representation from DHS, DOL, MHEC, nonprofits, community members, and individuals with lived experience that help to oversee the workforce development program, and will:
 - ◆ Constantly be looking for new opportunities to expand options in the workforce development program;
 - ◆ Review programmatic data to ensure equity in program access, and identify any areas that need improvement or extra scrutiny; and
 - ◆ Regularly report to the Governor, Comptroller, General Assembly, and the public on programmatic outcomes and future opportunities for growth

Sources & Supporting Resources

- [Life After Welfare - 2022 Update](#) (UMD - School of Social Work)
- [The More Things Change, The More They Stay The Same? The Safety Net And Poverty In The Great Recession](#) (National Bureau of Economic Research)

- [How Weak Safety Net Policies Exacerbate Regional and Racial Inequality](#) (Center for American Progress)
- [Policy Brief: Cash Assistance Should Reach Millions More Families to Lessen Hardship](#) (Center on Budget and Policy Priorities)
- [Work Requirements Don't Cut Poverty, Evidence Shows](#) (Center on Budget and Policy Priorities)
- [Work Requirements Don't Work: A behavioral science perspective](#) (ideas42)
- [Improvements in TANF Cash Benefits Needed to Undo the Legacy of Historical Racism](#) (Center on Budget and Policy Priorities)

RECOMMENDATION # 6: Expand the Earned Income Tax Credit and Child Tax Credit and Make Them Permanent.

Context: As a critical part of the response to the economic downturn that hurt many families across the country from the onset of the COVID-19 pandemic, the federal and state governments passed legislation in 2021 that improved working family tax credits such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC). These have proven to be powerful tools that help mitigate economic hardship for children and their families by supporting low-income households in securing basic needs and covering expenses, especially during unforeseen circumstances. The temporary federal expansion of the Child Tax Credit, along with other income supports, [led to historic reductions in child poverty nationwide](#).

In 2021, the Maryland General Assembly temporarily expanded the state EITC to include thousands of low-income workers who were previously ineligible for the credit—including many individuals without qualifying children, and immigrant Marylanders who file taxes using an individual taxpayer identification number (ITIN)—while increasing the monetary value for all recipients. These expansions made significant changes, for example:

- On average, the state refundable credit for the tax year 2020 increased to more than \$850, allowing over 400,000 Marylanders to benefit;
- More than 90,000 workers not claiming dependents can receive a credit up to \$530, many times greater than the credit they were previously eligible for; and
- Over 100,000 immigrant taxpayers became newly eligible for the credit.

In addition to expansions made to the state EITC, Maryland's creation of the state CTC in 2021 further expanded economic security. Like the federal credits, we know that the combination of EITC and CTC can lift hundreds of thousands of families out of poverty. Maryland's CTC included the following:

- Children under 17 who have a disability are eligible for the credit up to \$500 if their family income is less than \$6,000

- The credit is valid for tax years 2020-2022 so families filing taxes in 2021 and 2023 can claim the credit
- The state CTC is reduced by the amount a family receives from the federal CTC

Unfortunately, the [current provisions for both the EITC and the CTC will expire if policymakers do not take action in the upcoming 2023 legislative session.](#)

Recommended Actions

First 100 Days • Support legislation to make the 2021 expansions of [Maryland's EITC](#) permanent and extend Maryland's CTC and expand the credit so it reaches more families

- [Earned Income Tax Credit legislation](#) should:
 - ◆ Provide a 100% match of the federal credit for single filers unable to claim dependents.
 - ◆ Raise the income limits for single filers.
 - ◆ Provide a 45% match of the federal credit for filers claiming dependents.
 - ◆ Continue providing the EITC to eligible ITIN filers.
- Expanded [Child Tax Credit legislation](#) should, at a minimum:
 - ◆ Extend eligibility to all children under 6 years old.
 - ◆ Increase income eligibility to \$15,000 or less.
 - ◆ Eliminate the requirement that a taxpayer reduce the value of the credit by the amount of the federal CTC claimed.
 - ◆ Extend the credit through 2026.
- [For a greater reduction in child poverty in Maryland](#), Child Tax Credit legislation can be designed to be fully refundable and include older children and children in families with higher incomes.

First Term • Support EITC and CTC outreach and free tax preparation to ensure every eligible individual and family receives the EITC and CTC.

- Every year there are millions of EITC dollars left on the table instead of in the hands and pockets of Marylanders who need it most. Unfortunately, around 20% of EITC eligible Marylanders do not claim the credit. These households are missing out on funds that could lift them out of poverty and provide additional money for things like groceries, housing expenses, childcare, and other necessities. Now more than ever there is a demand for free tax preparation and each tax season many people are waitlisted. Long waitlists also result in households missing out on funds, because they will pay someone to prepare their taxes. Free tax preparation services help low-income individuals and families avoid predatory fees and claim tax credits that will help lift working families out of poverty.

Sources & Supporting Resources

- [EITC Fact Sheet](#), CASH Campaign of Maryland
- [Tax Credits for Maryland Families](#)

◆ [EITC One-Pager](#)

◆ [Protect Tax Breaks For Maryland's Working Families](#)

- Income Tax – Earned Income Tax Credit – Alteration and Sunset Repeal ([HB 992](#))
- Income Tax – Child Tax Credit – Alterations and Sunset Extension ([HB 919](#))
- [A State Child Tax Credit: Maryland should lead the way - Opinion](#) (The Baltimore Sun)
- [Policymakers Should Expand Child Tax Credit in Year-End Legislation to Fight Child Poverty](#) (Center on Budget & Policy Priorities)
- [State Child Tax Credits and Child Poverty: A 50-State Analysis](#) (Institute on Taxation and Economic Policy)

RECOMMENDATION # 7: Establish a “baby bonds” program to address economic inequality.

Context: The Moore-Miller campaign laid out a vision for a “baby bonds” program to break generational poverty and close the racial wealth divide. The purpose of a “baby bonds” program is to address inequalities in the distribution of wealth, especially the racial wealth divide. Through a baby bonds program, the government sets aside money for children in an account, trust or bond and invests it for their future. When the child becomes an adult, the funds are used toward obtaining assets that are wealth generating, such as a home, small business, or higher education. Baby bonds are specifically intended to meaningfully close the racial wealth divide by providing the most resources to children whose households have the lowest amount of wealth.

Recommended Actions

First 100 Days • Pass legislation to establish a baby bonds program and allocate \$70,000,000 in FY’24 funding to support the program.

- Utilize the Prosperity Now [legislative toolkit](#) to develop model legislation.
- Include an investment level of at least \$2,000 per child.
- Establish an income based eligibility threshold such as Medicaid.
- Automatically enroll eligible children using birth records.
- Identify allowable uses of funds including postsecondary education, homeownership, establishing a small business, retirement investments, or other investments that build long term wealth.
- Exempt baby bonds funds from asset limits and state taxes.
- Establish an office and Account Board to administer the baby bonds program.

Sources & Supporting Resources

- [Baby Bonds: Creating a Better Future through Wealth and Equity](#) (CASH Campaign of Maryland)

- [A Brighter Future with Baby Bonds](#): How States and Cities Should Invest in Our Kids (Prosperity Now)
 - Prosperity Now [Legislative Toolkit](#)
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RECOMMENDATION #8: Collect and disaggregate data to inform program effectiveness and equity goals.

Context: Choices about how we use our shared resources as a state can determine whether children can get a good education, determine whether Maryland families and communities have the things they need to thrive, and affect public health and safety. Decisions about the state budget also have the potential to affect who has access to opportunity in Maryland. Even choices that appear neutral on the surface can interact with historical and ongoing forms of discrimination to either obstruct or assist Marylanders of color as they seek to contribute to a thriving state.

To advance racial justice through policy, decision-makers must be guided by good information. **Racial equity analysis** and **data disaggregation** are essential tools to make this possible.

Disaggregated data are often necessary to have a full understanding of the effectiveness of the various programs serving Maryland families. More detailed, or intersectional, data disaggregation can shed light on why inequities exist and how we can advance equity through policy.

Data disaggregation is an important foundation for more broad-based racial equity analysis. For a more robust analysis, people reviewing programs must also interpret the data, research the historical context, and engage with subject matter experts, especially directly affected communities.

Recommended Actions

First Year • **Set improved agency standards for collecting data about program use and outcomes disaggregated by race and ethnicity as well as other characteristics, such as age, disability status, gender, gender identity, and sexual orientation.**

- Wherever possible, public agencies should collect and publish racially disaggregated data. Data should generally be disaggregated at the finest level of detail possible. Because racist systems affect different communities in different ways, finer-grained race and ethnicity categories will generally yield a more accurate picture than broad or heterogeneous categories.
 - ◆ Data collection policies must also be crafted in a way that protects the privacy of participants in state programs and services.
- State agencies must provide relevant data to offices tasked with conducting equity analysis and data should be publicly available, with anonymization or other privacy protections, whenever possible.

First Term • Provide training and set standards for ongoing racial equity analysis of state programs and services as part of the annual budget process.

- Choices across essentially all policy domains have equity implications. Ideally, equity analysis should be part of the process in all policy areas, not just a few. In the context of the state budget, this means conducting equity analysis for all agency budgets or budget functions.
 - ◆ While there is value in having a separate office specifically devoted to equity analysis and staffed with subject matter experts, ideally a broad range of agency staff should be trained in equity concepts and should apply them in day-to-day policy work.
- Staff should use standardized tools to simplify the process of equity analysis and promote consistency.
 - ◆ Effective equity analysis requires significant staff time, training, and likely adding staff with specialized expertise. The body responsible for budget equity analysis – either the Department of Legislative Services or another office – must have adequate staffing and funding to do the job thoughtfully and effectively.

Sources & Supporting Resources

- [Racial Equity Toolkit](#) (Government Alliance on Race & Equity)
- [Racial Equity Impact Assessment](#) (Race Forward)
- [Racial Equity Impact Assessment Tool](#) (if Foundation)