



## **Community Action Board's Testimony to the Montgomery County Delegation**

### **Joint House and Senate Priorities Hearing**

November 15, 2022

Good evening. My name is Dr. Jeffery Johnson and I am the Chair of the Montgomery County Community Action Board, the governing body for the Community Action Agency and the County's Head Start program. Thank you for the opportunity to share our board's statewide priorities.

I want to start by thanking the delegation for your support and leadership on so many issues. We were excited to have so many victories during the last legislative session on bills addressing paid family leave, SNAP expansion, a new program to connect EITC-eligible residents with the credit, and a pilot program to distribute feminine hygiene products at Community Action Agencies. We are very fortunate to have a delegation that is so committed to addressing the needs of lower-income residents.

### **Community Action Fund**

As many of you know, the Montgomery County Community Action Agency is part of a larger network of Community Action programs across the state and country, all working to reduce poverty and increase self-sufficiency. CAAs in Maryland rely heavily on federal Community Services Block Grant (CSBG) funds to provide critical services to residents. As part of the Maryland Community Action Partnership, we are requesting the delegation's support for a Community Action Fund in the amount of \$9,194,967 to be added to the state budget. Before the great recession, there was a state CSBG fund, and we ask that you restore it, and follow the

lead of other progressive states, including Massachusetts, Connecticut and Washington, that currently provide a match. State support would allow CAAs, many of which are the main nonprofit provider in their region, to better serve the community, providing food and transportation assistance, housing, emergency services, free tax preparation, supports for seniors, and numerous other services to residents.

## **2-Gen/Whole Family Approach**

Community Action Agencies across the state of Maryland, many of which deliver Head Start and Early Head Start programs, have long been at the forefront of efforts to incorporate a whole-family approach into service delivery. Our agency, along with our colleagues throughout the state, have greatly appreciated funding to the Maryland Community Action Partnership from DHS to strengthen whole-family practice, which also improves service integration. The whole-family approach, considered a best practice, is based on the idea that human services programs should not operate in silos and the needs of everyone in the family should be addressed using a “no wrong door” approach. Our own TESS Community Action Center in the Long Branch community has been utilizing this approach for many years, ensuring that staff members are highly trained on a wide range of County and nonprofit services and can assist families to apply for these supports all in one location. We are requesting your help in assuring that the \$950,000 in state funding be maintained in the Department of Human Services budget to specifically serve each of the Community Action Agencies, as our network works to align this work with the goals of Maryland's Two-Generation Family Economic Security Commission.

## **Earned Income Tax Credit and Child Tax Credit**

The Community Action Board has been a longtime supporter of free tax preparation services and tax credits that lift working adults and families out of poverty. Our own Community Action Agency oversees the County’s only year-round Volunteer Income Tax Assistance (VITA) program, connecting Montgomery County residents with \$5.8 million in tax refunds and credits in FY22. Our board advocates for expansion of federal, state, and local Earned Income Tax Credits and Child Tax Credits because they are some of the most effective tools to reduce poverty. We were thrilled by the passage in 2021 of legislation to expand the Maryland EITC,

raising the state match to 45% of the federal EITC, increasing the EITC for single adults, and, for the first time ever, including taxpayers who file with an ITIN. This expansion was estimated to impact 45,000 County residents filing tax returns including dependents, 21,000 County filers without dependents, and 5,300 ITIN filers in the County. Since the EITC expansion will end after this upcoming tax season, we ask that you make the expansions permanent. The expanded Maryland EITC has a particularly significant impact here in Montgomery County, where the Working Families Income Supplement matches the state EITC for eligible filers – doubling the impact of this credit for households that can greatly benefit from the added support.

We also ask that you consider expanding the Maryland Child Tax Credit, which currently has very narrow eligibility requirements. The MD CTC is extremely helpful to families because it is refundable, it is available to ITIN filers, and it complements the EITC. This statewide credit is especially important now that the historic expansions of the federal Child Tax Credit, which cut the national poverty rate in half, will no longer be available.<sup>1</sup> Our board thanks Delegate Palakovich Carr, who has been a leader on the MD CTC.

### **Early Childhood Education**

As the governing body for Head Start, along with the Head Start Parents Policy Council, our board has been closely monitoring the Maryland Blueprint for Maryland's Future. While we are excited about the expansions of preschool programs, we are concerned about the implementation of these programs and what it will mean for Montgomery County. We have been longtime advocates for a mixed delivery system where private child care providers have the opportunity to offer state-funded PreK spots alongside the public schools. Current teacher certification requirements written into the Blueprint make this incredibly challenging for family child care providers and child care centers. We encourage the delegation to explore opportunities to change the law to make it easier for private child care providers to participate in this historic initiative.

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<sup>1</sup> <https://www.aecf.org/blog/new-data-show-that-the-child-tax-credit-fueled-a-substantial-reduction-in-child-poverty>

## **Self-Sufficiency Standard**

As representatives for Montgomery County, we know that you are well aware of the challenges lower-income residents face living in an area where the cost of living is so high. The Federal Poverty Level is simply inadequate when it comes to measuring how many of our neighbors are struggling to make ends meet. This is why Community Action has been such a strong proponent of the Self-Sufficiency Standard, which is a more accurate measure of the cost of living, taking into consideration the local costs of basic necessities and specific family structures. We are excited to share that in partnership with the University of Washington and Maryland Community Action Partnership, we are in the process of updating the Montgomery County and Maryland Self-Sufficiency Standards. An interactive Self-Sufficiency Standard using some available data has already been updated by our colleagues. It reflects a significant increase in costs for all households in the County. For example, the 2022 Self-Sufficiency Standard for a household with one adult, one infant, and a preschooler is an astounding \$127,589. This includes \$3,335 for child care and \$1,873 for housing each month.<sup>2</sup> We look forward to sharing the full Self-Sufficiency Standard with the delegation in the coming months and ask that you consider using this tool in considering funding and policies that support affordable child care, housing, utilities, food, and other necessities.

Thank you for the opportunity to speak with you this evening about the Community Action Board's priorities. We look forward to working with you during the legislative session.

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<sup>2</sup> <http://www.selfsufficiencystandard.org/>