



POVERTY

LEGISLATION: Budget Bill

COMMITTEES: House Appropriations/Senate Budget & Taxation

MCC POSITION: Oppose cuts to programs that serve those in most need.

KEY LEGISLATORS: 25 (Sen. Currie) 38B (Del. Conway)
12 (Sen. Kasemeyer) 34A (Del. James)

TALKING POINTS:

- The budget reflects the state's priorities. The highest priority should be assigned to preserving programs that help vulnerable Marylanders meet their most basic needs.
- As the economy has worsened, Maryland's social services safety net has become increasingly strained. A system that was already challenged is now tasked with catching those who are newly in need of help.
- Repairs to the safety were needed even before the most recent rounds of budget cuts. When it comes time to make the repairs, a simple restoration of recent cuts will not be enough. Funding decisions should be based on Marylanders' needs, not on historic funding levels.



LEARN MORE:
POVERTY

LEGISLATION: Budget Bill

POSITION: Oppose cuts to programs that serve those in most need.

BACKGROUND:

Poverty in Maryland

According to the U.S. Census Bureau's 2006-2008 *American Community Survey*, 449,460 Marylanders – one in 12 people in the state, more than the entire population of Maryland's Eastern Shore – live in poverty. For a family of four, "living in poverty" means having an annual income of no more than \$22,050. These figures, however, capture few of the effects of the current recession. According to the U.S. Department of Labor, Maryland's December 2009 unemployment rate stood at 7.5% – more than double its rate of 3.4% just two years before. This is the highest reported level of unemployment in Maryland since 1983.

The Budget

Maryland's budget starts with the governor; his administration develops the bill that will be considered by the legislature. Once the budget bill is introduced, it is sent to the General Assembly's two budgetary committees: the Senate Budget and Taxation (B&T) Committee and the House of Delegates Appropriations (APP) Committee. In committee, the budget is broken up and considered by issue-oriented subcommittees. In B&T, the Health, Education, and Human Resources Subcommittee handles poverty-related programs. In APP, the programs are considered by the Health and Human Resources Subcommittee. B&T and APP members wield more influence over the budget than their colleagues on other legislative committees.

Recent Budget Cuts

Three-fourths of Maryland's general fund revenues come from income and sales taxes. As both sources have dropped off considerably in the current recession, the Governor has had to resort to a series of budget cuts to keep Maryland's budget balanced. Since the (current) Fiscal Year 2010 budget was passed at the end of the 2009 legislative session, it has already suffered three major rounds of cuts. At the end of July, the budget was cut by some \$281 million; just a month later, it was cut by an additional \$454 million. In November, \$364 million more was cut. The combined \$1.1 billion in cuts include the following measures that will have real and negative impacts on Marylanders in need:

- **Prescription drug assistance** – Elimination of the Maryland Medbank Program, which provided prescription drug assistance to low-income patients who were uninsured or under-insured.
- **Mental health** – Closure of the Upper Shore Community Mental Health Center and the closure of units at three other facilities.

- **Health and community services** – Reductions in rates paid to health care and community services providers, including *nursing homes*, providers of *mental health* and *substance abuse* treatment, Medicaid *Managed Care Organizations*, and providers of *developmental disabilities* services. Rate reductions can cause providers to go out of business, or to stop accepting Medicaid patients and state agency referrals.

Even with these cuts and an influx of federal stimulus dollars, it has been estimated that the State will face a shortfall of \$2 billion in Fiscal Year 2011. Certainly, more programs will be vulnerable to budget cuts in the coming months. Federally-funded programs, which are not under direct threat from State budget cuts, will still face indirect threats in the form of staffing cuts to the State departments that administer them.

Challenges to Assisting Marylanders in Need

A fair number of State and Federal programs exist to serve Marylanders in need. However, even before the recent rounds of budget cuts, the efficacy of most of the programs – State and Federal alike – was limited by a number of factors:

- **Low levels of assistance** – Many programs provide such low levels of assistance that they are inadequate to meet people’s needs. Temporary Cash Assistance (TCA), for instance, provides a monthly grant of just \$695 for a family of four. This is often all a family has to provide for its non-food needs. The Temporary Disability Assistance Program (TDAP) provides just \$185 a month to disabled adults who are not working or collecting unemployment, SSI or SSDI.
- **Waiting lists** – Programs that provide more adequate levels of assistance (and even some that don’t) often have lengthy waits before they can be accessed. The Housing Choice Voucher Program (formerly known as Section 8) fills in the gap between the cost of housing and the rent a family can afford. However, families generally wait years before they receive a voucher. The waiting list in Baltimore County is currently seven years. Waiting lists in some jurisdictions have closed entirely.
- **Low income eligibility** – Some programs are accessible to very few because their income eligibility guidelines are so low. In order for a disabled, single, childless adult to qualify for Medicaid in Maryland, he or she must have an income of less than \$2,500 annually.
- **Inadequate staffing** – Departments of Social Services (DSS) – where Marylanders go to apply for assistance for their housing, energy, medical, food, and income needs – are terribly short-staffed. Though social workers can feel busy with a caseload of fewer than 50, some DSS employees now have caseloads of 1,000. The situation has had a major impact on Marylanders’ ability to access services – even services that are fully funded by the federal government.

CHURCH TEACHING

“It is the proper function of authority to arbitrate, in the name of the common good, between various particular interests; but it should make accessible to each what is needed to lead a truly human life: food, clothing, health, work, education and culture, suitable information, the right to establish a family, and so on.” (*Catechism of the Catholic Church, paragraph 1908*)

MCC staff: Julie Varner Walsh. 410-269-1155, 301-261-1979, jwalsh@mdcathcon.org