



Montgomery County Community Action Board Testimony for FY25 Operating Budget

Dr. Jeffery Johnson, Chair

April 8, 2024

Good afternoon, Council President Friedson, Council Vice President Stewart, and members of the County Council. My name is Dr. Jeffery Johnson and I am the Chair of the Montgomery County Community Action Board. We appreciate the opportunity to share our board's priorities for FY25 with you today.

I want to start by thanking the Council for your ongoing support of critical issues impacting lower-income residents, including affordable housing, food security, and child care. The Community Action Agency has appreciated the Council's ongoing support for our Volunteer Income Tax Assistance (VITA) program. Community Action's VITA program provides year-round free tax assistance to low-to-moderate income households, with services for this tax season about to wrap up at four different sites. Last year, the agency's VITA program completed **1,946 tax returns, with a total free tax impact of \$7 million, linking clients with \$3.1 million in Earned Income and Child Tax Credits.** This is all accomplished with just two full-time staff, one broker, two part-time seasonal brokers, and an incredible team of highly-trained volunteers.

We also thank the Council for your support of our board's free advocacy training program, the Community Advocacy Institute. Several of you have participated in CAI workshops and graduation ceremonies and we are excited to share that you will hear from all fourteen of our current participants during these budget hearings, either through in-person testimony or written testimony.

As the governing body for the Community Action Agency, which works to address the needs of lower-income County residents, the first priority we would like to share today is the immediate staffing needs of the agency. For many years, the agency has used its federal Community Services Block Grant funding to pay for brokers who support the agency's day-to-day work. As personnel costs have increased though, we are now faced with a difficult situation. **At our current funding level, we are set to lose one**

**longtime broker, a Human Services Specialist at the TESS Community Action Center, a second full-time broker, a Navigator position that serves the UpCounty region, and we will need to reduce one full-time Human Services Specialist at TESS to half-time.** We will lose all of these positions starting THIS July. The agency simply does not have enough funding to support these positions beyond June.

We want to emphasize that the brokers at TESS are providing the exact same services as their merit staff colleagues. They are linking residents to critical services such as SNAP, rental assistance, and health programs using a whole family approach. Every month, the TESS Community Action Center serves between 500 and 600 residents. This is an astounding number given the Center's small team. There are many reasons these numbers are so high. TESS serves a very diverse area with more significant needs. For example, about 20% of households in the immediate area surrounding TESS are at 200% or less of the Federal Poverty Level and 39% of four-person households are below the Self-Sufficiency Standard<sup>1</sup>. Needs in the Long Branch community also increased during the pandemic and have yet to go down. Furthermore, TESS has seen an uptick in client referrals for application assistance from the Silver Spring DHHS office – clients the Center has absorbed without any additional staffing. It is also important to emphasize that people come to TESS for help because they trust the staff and know that they will receive culturally and linguistically specific services from a Center that has been serving the community for over fifty years.

Likewise, the Navigator the agency will soon lose has been delivering the same critical services to residents as her merit staff counterparts. Navigators are highly trained in a wide variety of services and programs. They address the needs of the entire household using a Two- Generation model that is considered a best practice in human services. Navigators provide hands on application assistance, guidance through the application process, assistance in finding community resources, and connection through the labyrinth of DHHS programs. They often work with residents who are "stuck" and have faced barriers accessing services. The Navigator whose position will end after June serves Germantown residents through partnerships with the UpCounty Hub, WorkSource Montgomery, and the Regional Services Center. When this position ends, we will no longer have a Navigator serving the UpCounty region. The impact will certainly be felt given the fact that last year, this one Navigator connected with 1,234 families, completing over 1,704 client services. Services included the completion of 336 SNAP

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<sup>1</sup> <https://data.census.gov/>

applications and renewals, referrals for 240 families to food pantries, and the completion of 342 housing assistance applications.

We are asking the Council to add \$214,000 to the Community Action Agency's budget so that we will not lose these critical positions. Without these positions, TESS will likely need to reduce walk-in hours and will no longer be able to serve the large number of residents referred to the Center by the Silver Spring Regional Services Center. We will also lose navigation services in UpCounty. Please fund these positions so that Community Action can continue to serve residents at the same level.

Our next request is for full funding for the Working Families Income Supplement. Up until last year, the WFIS was a 100% match of the state EITC for nearly its entire history. While we understand that expansions of the Maryland EITC mean that significantly more funding is needed to keep the WFIS at a full match, we strongly believe that the positive impact of the EITC makes the investment worthwhile. Countless research studies have shown that the EITC and the Child Tax Credit are two of the very best tools available to support lower-income families and help them move towards the Self-Sufficiency Standard, with the EITC and CTC shown to have even greater impacts on reducing poverty for households of color.<sup>2</sup> Research goes even further than the financial aspect and has drawn connections between receipt of the EITC and CTC and higher birthweights<sup>3</sup>, improved maternal health<sup>4</sup>, and decreases in likelihood of children entering the foster care system<sup>5</sup>, just to name a few examples.

The high cost of living here in Montgomery County means that the WFIS is even more critical for lower-income workers. The 2023 Montgomery County Self-Sufficiency Standard, which provides a more accurate measure of the true cost of living, notes that a family of three with one adult, one preschooler, and one school-age child would need an annual income of \$116,864 to cover their basic expenses here in the County - over four and a half times the Federal Poverty Level.<sup>6</sup> The financial support residents, including ITIN taxpayers, receive from the WFIS can therefore have a tremendous impact on households, helping them to pay for basic necessities, reduce debts, and put money into savings.

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<sup>2</sup> <https://www.cbpp.org/research/state-budget-and-tax/state-earned-income-tax-credits-help-build-opportunity-for-people-of>

<sup>3</sup> <https://pubs.aeaweb.org/doi/pdfplus/10.1257/pol.20120179>

<sup>4</sup> [https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC\\_Health\\_Final\\_Draft.pdf](https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC_Health_Final_Draft.pdf)

<sup>5</sup> <https://journals.sagepub.com/doi/full/10.1177/1077559519900922>

<sup>6</sup> [https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023\\_SSS.pdf](https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023_SSS.pdf)

We know that the \$17 million needed to restore the WFIS to a 100% match of the state EITC is a significant request but our board, along with several organizations who have joined our recent sign-on letter that you will receive this week, believe that it is worth every penny. We ask that the Council prioritize the needs of residents who are struggling the most and fully fund the Working Families Income Supplement.

As the governing body for Head Start, along with the Head Start Parent Policy Council, we want to thank the Council for your ongoing support of Head Start and early care and education throughout the County. We continue to advocate for more equity between the Head Start program and County's PreK program so that children in PreK will receive the same high-quality wrap-around services that Head Start children and their families receive. We also note that there are seven Head Start classes that remain part-day programs. These part-day classes pose many challenges for working parents. Our board continues to advocate for transitioning these classes to full-day programs.

Finally, obtaining affordable housing remains a constant struggle for too many in our community. Far too often, residents are one emergency away from falling behind on their rent or one rent increase away from needing to find new housing. Our board appreciates the Council's efforts to address the needs of low-income renters, including passing rent stabilization and changes to zoning regulations to allow for more affordable housing. These are important advances but much more needs to be done. We strongly encourage the Council to make affordable housing, including services to support lower-income renters, a key priority in the FY25 budget.

Thank you for the opportunity to share our board's priorities with you. We look forward to working with you as you finalize the budget and in the year ahead.