Maryland’s Budget Leaves Unmet Needs

Investing in Maryland supports a healthier state economy

Maryland’s budget is perhaps its most important policy document – a reflection of our values as a state. The spending decisions that the Governor and General Assembly make each year lay the foundation for future economic opportunity in Maryland. However, with a growing list of unmet needs across the state, that foundation is not as sturdy as it once was.

After years of cuts following the national recession, and no concerted effort to restore services since then, it is clear the state is no longer meeting many Marylanders’ needs. There are long waiting lists for things that help people make ends meet so they can climb the economic ladder, like child care and utility assistance. There is inadequate support for programs that help groups facing some of the greatest challenges, like low-income senior citizens and people with disabilities.

Now is the time to invest in Maryland’s future. Things like repairing our aging roads and school buildings and strengthening our educational system will help repair the cracks in our economic foundation and promote good-paying jobs. We need bold leadership from our state’s policymakers to keep our economy moving in a way that ensures everyone has a chance to succeed.

The following list reflects just some of the opportunities Maryland has missed in recent years to invest in the things that support a healthy economy.

Education

Targeted investments in education – from preschool to job skills training – are some of the best investments we can make for our state. While Maryland avoided the large cuts to schools funding and skyrocketing tuition costs seen in some other states, the state has cut per-pupil spending on K-12 schools. Tuition at state colleges has also increased as the state is investing 4 percent less per student in higher education.

K-12

Many of Maryland’s schools are among the best in the nation, but that doesn’t mean every student has access to a great education. The ongoing revision of the state’s education funding formulas represents an opportunity to ensure that schools in poor communities receive as adequate funding as schools in wealthy communities. Correcting the current imbalances will require greater state investment.
A state consultant recently estimated that Maryland needs to invest $2.6 billion more just to address current needs in Maryland public schools. That does not include new investments in things that would make our educational system stronger, like expanding access to high-quality preschool programs and increasing the number of schools that incorporate the “community schools” model.

Research shows that investing in high-quality preschool education yields benefits for children, schools, and communities. Children who attend a high-quality preschool program not only do better in school, they are also more likely to be successful later in life. The state has been working to expand access to pre-K education, having increased the maximum income limits in 2014 and increased funding by a few million dollars. However, to truly prepare all students and support working families, Maryland should phase in universal pre-K within a few years.

Another well-tested approach to helping all students succeed is community schools. Using public schools as hubs, community schools bring together many partners to offer a range of supports and opportunities to children, youth, families, and communities. This approach helps close the gaps in opportunity that can act as barriers to success in school. Expanding the already successful community schools program to all communities of the state that would benefit from it would increase opportunity for thousands more students and their families.

Other areas for investment:

- School construction: Funding for school construction and renovation is necessary to ensure a high-quality and safe teaching and learning environment. The existing capital improvement plans submitted by each local school system indicate a need of state funding for school construction of over $4.5 billion for the next five years.
- Increase access to successful school meals programs: Research shows addressing child hunger can lead to gains in student success as the most basic of barriers to a student’s academic achievement is removed. The state should expand its nationally recognized school breakfast program, Maryland Meals for Achievement ($4.9 million), and invest $2.5 million in eliminating reduced price meal fees that make school lunches unaffordable for many families.

Higher Education

Now more than ever, people just entering the workforce need a degree to find a job that can realistically support a family. It is essential that Maryland invest in affordable, quality higher education to make good jobs accessible.

While Maryland leaders attempted to maintain investments in higher education in the years following the recession, per-student state spending still declined, shifting more of the cost of a degree to students. Rising tuition costs deter some low-income students from even enrolling in a four-year school and leaving others with unsustainable levels of debt once they graduate. On average, tuition in Maryland went up a total of almost 10 percent between 2007 and 2015—outpacing the growth in median income for families.

There has been an even greater failure to invest in the state’s community college system, causing tuition for a full-time student to go up by 29 percent during the same period.
Community colleges are essential for workforce training and helping people get the skills they need for good-paying jobs that don’t require a four-year degree.

In addition to keeping overall tuition costs down, Maryland should strengthen its financial aid programs:

- Increase the maximum award amounts for loan assistance repayment programs.
- Eliminate the waitlist for state need-based financial aid, which contained more than 19,000 students in fiscal year 2016.
- Ensure growth in need-based financial aid spending keeps pace with tuition increases. Currently, financial aid is lagging behind increased costs, meaning the help students do receive is less meaningful.

**Basic Needs**

Maryland’s safety net offers an essential hand up to help families trying to get back on their feet. The benefits of nutrition assistance, public health programs, tax credits and other economic supports are clear, but right now they are inaccessible to many people who need them. Insufficient funding levels mean some families still can’t meet their basic needs, even with assistance. Long wait lists keep people from accessing child care assistance, services that help low-income seniors live independently, and supportive services for people with disabilities.

Providing short-term help to families and individuals experiencing a rough patch benefits all of us. Money that helps people struggling to make ends meet is invested right back into our economy, paying for things like food, rent, and utility bills. It also helps ensure the next generation is set up for success.

**Children and Youth**

- Eliminate the waiting list for child care assistance to allow parents to work. At the end of 2016, nearly 4,000 children whose families qualify for assistance were on the state’s waiting list.
- Further increase Child Care Assistance Program funding levels so families receiving child care assistance can access high-quality child care. Currently child care assistance vouchers are far below the market rate, potentially forcing parents to choose substandard care.
- Hire sufficient child welfare case managers and supervisors to meet Child Welfare League of America staffing and supervisory guidelines statewide.
- Convert the operation of the Baltimore City Office of Child Support Enforcement from a private contractor back to state control.

**Senior Citizens**

- Clear the waiting list for seniors to receive community-based support services. More than 2,100 people were on the waiting list for services as of June 2015.
- Increase support for the Congregate Housing Services Program. This program provides low-income seniors living in senior apartment buildings with supportive services they need, such as meals, housekeeping, and personal assistance. This program, which also has a wait list of more than 200 people, saves the state
money by reducing the need for more intensive care, such as assisted living and nursing homes.

**People with Disabilities**

- Clear the waiting list for community-based services for people with developmental disabilities. One program, which provides supportive services to people with autism, serves just 1,000 people and has a waiting list of about 3,800 people.
- The state should increase its reimbursement rate for Medicaid-funded home care services from $16.48/hour to $20/hour and require that the increase be passed through to home care workers. As of now, workers who provide home care through Medicaid earn $9 to $10 per hour, leading to high turnover rates and a lower quality of care for clients.

**Other needs**

- Adopt the “pass through and disregard” state child support plan, which would allow parents receiving temporary cash assistance to also keep a portion of their child support payments. Currently, child support payments to someone receiving cash assistance go to the state and federal government, rather than the family. The federal government allows states to instead pass child support payments (up to $100 for one child and $200 for multiple children) through to the custodial parent and disregard that income when determining the benefit amount. If a state chooses to adopt the pass through and disregard option, the federal government waives its half of the child support collection, so every additional dollar going to families only costs the state 50 cents.
- Increase access to fresh fruits and vegetables by increasing funding for the Maryland Market Money Program. Maryland Market Money is a statewide program that provides a dollar-for-dollar match for purchases made using federal nutrition benefits at participating farmers markets. This program doubles the purchasing power of low-income households to access fresh food and generates revenue for farms. A $500,000 investment would allow the program to expand to more areas.
- Increase funding for utility assistance. Less than one-third of eligible households are receiving assistance paying their utility bills, according to state estimates. Unpaid utility bills can leave low-income families facing increasing debt, put their housing at risk, and lead to unsafe living conditions if services are turned off. Maryland needs a more robust program to ensure that low-income families are able to afford water and electricity.
- Support 100 percent of Minimum Living Level. Maryland sets an annual “minimum living level” – how much it costs for a family of three to afford the basics in Maryland. Currently, cash and food assistance combined only put a family at 61 percent of that income level – about $1,159 per month for a family of three. Increasing cash assistance would provide families greater stability.
Health Care

Improving the health of the community reduces costly emergency room visits, reduces the amount that individuals must spend on health care, and supports a more productive workforce. With the fate of the Affordable Care Act uncertain, Maryland must be prepared to invest in the health of its residents.

While Medicaid helps many Marylanders get essential health care they need, there are steps Maryland could take to make sure the program works better. Increasing the rates paid to doctors who see Medicaid patients to the national average would improve access to health care for those patients.

Maryland’s Medicaid program also provides almost no coverage for adult dental care – only providing treatment for pain and infection in emergency situations. As of 2016, 32 states provided more extensive dental coverage to allow people to get preventative care and treatment of dental problems before they become emergencies. As the home of the first dental college in the world, Maryland should be more of a leader in this area.

Finally, Maryland must adequately address mental health care through legislation such as the Keep the Door Open Act. Allowing funding for community providers to rise along with inflation would address the increasing need for mental health services. When the state neglects to pay for mental healthcare it foots a much higher bill through emergency services and destabilized families.

Other health care needs:

- Fully fund efforts to address the opiate/heroin epidemic, including the recommendations of the Heroin and Opioid Emergency Task Force.
- Help low-income seniors afford their medication by increasing the coverage gap subsidy for the Senior Prescription Drug Assistance Program.
- Continue Medicaid-funded services and supports in supportive housing beyond the pilot program in the HealthChoice waiver.
- Expand school-based health centers, which allow students to get comprehensive annual and sports medical physicals, immunizations, treatment of acute illnesses, chronic disease management, behavioral health, oral health, nutrition and health counseling at their community school.

Housing

Maryland is behind many other states in its approach to housing services. Many jurisdictions lack tools and funding sources needed to expand affordable housing and reduce homelessness.

Despite its wealth, Maryland has the fifth highest foreclosure rate in the nation. Almost one-third of homeowners and more than half of renters pay more than 30 percent of their income in housing costs – the amount that housing experts consider affordable. This leaves people with fewer resources to pay for other necessities like food, transportation and health care.

Ensuring people have access to stable housing allows them to address other needs. Research shows the “Housing First” model, providing individuals experiencing
homelessness with stable housing before addressing other needs, increases their chances of successful, long-term stability. The positive effects of this approach reverberate into other parts of the economy, reducing taxpayer burden for emergency services including jails, hospitals and shelters.

Strategies to improve:

- Increase the number of homeless individuals or individuals at risk of homelessness who receive housing assistance from the current level of approximately 7,000 people.
- Expand foreclosure prevention assistance to reduce the state’s foreclosure rate, which is the fifth highest in the nation.
- Enact tax credits and other mechanisms to fund additional housing for low-income people.
- Pass the HOME Act prohibiting discrimination based on income source, which would expand rental options for people using housing vouchers
- Further expand the Homeowner’s and Renter’s Property Tax Credits. The Renter’s Credit is excessively limited, only reaching about 1 percent of renters in 2014.

State Employees

The state government is one of the largest employers in Maryland. The state can’t provide good quality public services if it isn’t able to attract employees. Marylanders also suffer when state employees have to manage extreme caseloads, resulting in waitlists, backlogs, and the erosion of services. Paying public employees adequate wages is essential for the state to compete in the labor market and deliver high-quality service, and is also good for the state’s economy overall.

Specific needs:

- Regular salary increases for state employees that account for rising living costs, reflect growth in an employee’s experience and seniority, and reward good performance.
- Undo ongoing hiring freeze in state agencies and allow state agencies to hire the staff they need to do their work effectively.
- Better fund retiree health and workers’ compensation liabilities.
- Upgrade information technology for better efficiency.
- Convert contractual staff to state employees.

Public Safety

Maryland’s justice system is overburdened, which is not good for anyone. Effectively implementing the Justice Reinvestment Act and continuing to build on that legislation will in the long term reduce the stress on the system. One major issue right now is that caseloads that are too high across the board – for judges, public defenders, parole and probation officers, and correctional facilities. The state should increase hiring to reduce caseloads, as well as increase investment in diversion and crime prevention programs.
Cost savings from reform efforts should also be reinvested in community-based programs that create opportunity.

Specific needs:

- Hire additional parole and probation agents to bring caseloads in line with other states and to reduce caseload to national average.
- Hire additional staff in state correctional and detention facilities to reach the minimum standard of staffing – currently estimated at an additional 455 regular positions.
- Support Safe Streets. Safe Streets is a public health campaign to reduce shooting and homicides that currently operates in several Baltimore communities, where homicide is one of the greatest risk factors for teenagers and young adults. The program hires individuals who had previous encounters with the criminal justice system, and utilizes their experience to reach out to young adults in the community. It is a violence prevention initiative with proven success.
- Fund additional resources identified by the state department of education needed to improve delivery of education services to youth detained in juvenile detention facilities.
- Reform Maryland’s cash bail system to account for a defendant’s ability to afford bail, as well as their level of flight risk and the potential threat to the community.