

**Department of Legislative Services**  
 Maryland General Assembly  
 2005 Session

**FISCAL AND POLICY NOTE**

House Bill 1024  
 Appropriations

(Delegate Haynes, *et al.*)

Finance

**Public Assistance - Eligibility for Residents Convicted of a Felony Involving a Controlled Dangerous Substance**

This bill allows the Department of Human Resources (DHR) to provide food stamps to State residents (not just custodial parents) who were convicted of a felony involving the possession, use, or distribution of a controlled dangerous substance and who are otherwise qualified for the assistance. Such individuals are subject to substance abuse testing for two years starting from the benefit application date. The bill retains eligibility for custodial parents so convicted to obtain cash assistance and food stamps.

**Fiscal Summary**

**State Effect:** Federal fund expenditures could increase by \$2.3 million in FY 2006 assuming an additional 963 individuals apply for and receive food stamps. Federal fund revenues would increase by an equivalent amount. Future year expenditures reflect annualization and inflation.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
FF Revenue	\$2.3	\$2.3	\$2.3	\$2.3	\$2.4
FF Expenditure	2.3	2.3	2.3	2.3	2.4
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** The individuals affected by this bill currently are not qualified to receive Temporary Cash Assistance (TCA), nor would they become qualified to receive TCA as a result of this bill.

To qualify for TCA an individual must meet the requirements of the Family Investment Program. A family is potentially eligible for assistance only if the family includes a minor child who resides with a custodial parent or other adult caretaker relative of the child or a pregnant individual. Additional requirements include: (1) residing in the State at the time of application; (2) applying for child support services with the local child support enforcement office at the time of application and complying with the child support enforcement office; (3) engaging in job search activities as DHR requests; (4) participating in work activities, with certain exceptions including an adult required to care for a child younger than one who is a recipient and adults or children who are severely disabled recipients; and (5) meeting other requirements set by regulation.

A custodial parent who has been convicted of a felony involving the possession, use, or distribution of a controlled dangerous substance since August 22, 1996, and applies for or receives TCA and food stamps is subject to drug testing and treatment for two years starting from the application date. The custodial parent must be a resident and have physical custody of one or more children.

If a custodial parent receiving TCA or food stamps is found in violation of State statute regarding crimes involving controlled dangerous substances and paraphernalia and federal prohibited acts regarding drugs, the recipient is ineligible for cash assistance or food stamps for one year from the date of conviction and must be subject to drug testing and treatment for two years starting from the latter of: (1) the date the individual is released from incarceration; (2) the date the individual completes any term of probation; or (3) the date the individual completes any term of parole or mandatory supervision.

An applicant or recipient who fails to comply with the drug testing or treatment requirement or who tests positive for abuse of controlled dangerous substances is subject to sanctions.

**Background:** Under the federal food stamp program, individuals who are convicted of a felony involving possession, use, or distribution of a controlled dangerous substance are not allowed to receive benefits unless the individual's state has opted out of this requirement. Maryland has opted out of this requirement for custodial parents with one or more children but not for adults without children. As a result, these individuals have had their food stamp applications denied.

DHR reports that, in the last 12 months, it has denied food stamp applications to 963 individuals who reported having been convicted of a felony involving a controlled or dangerous substance. Last year, DHR reported denying food stamp applications to 18 such individuals during the prior 12-month period. At that time, DHR estimated that it would accept food stamp applications of 250 individuals who otherwise would be denied if a similar bill was enacted. DHR attributes the increase in actual denied food stamp applications to several factors:

- greater than normal food stamp applications as a result of the transitioning of the Transitional Emergency Medical and Housing Assistance program into the Temporary Disability Assistance Program (TDAP) at the beginning of fiscal 2005;
- publicity generated from similar legislation last session; and
- a potential increase in individuals released from prison who were convicted of a felony involving a controlled and dangerous substance.

Local departments of social services refer all individuals who apply for TCA and food stamps and who are in need of addiction treatment to local health departments for treatment services.

**State Fiscal Effect:** Federal fund expenditures could increase by \$2,262,087 in fiscal 2006. This estimate assumes 963 individuals become eligible for food stamps and each individual receives an average grant of \$195.75 per month (\$2,349 annually). Federal fund revenues would increase by an equivalent amount. Food stamps are 100% federally funded. Future years reflect annualization and 1% inflation.

General fund expenditures would not increase as a result of this bill because these individuals still would not qualify for TCA. TDAP, for which they may qualify, currently does not prohibit these individuals from receiving assistance if they meet other program qualifications.

The Department of Health and Mental Hygiene (DHMH) advises that this bill would not have a fiscal impact on DHMH because programs funded by the Alcohol and Drug Abuse Administration do not prevent any individual from receiving services because the individual was convicted of a felony involving a controlled dangerous substance. Further, DHR already refers individuals subject to testing for substance abuse into the Maryland addictions treatment system.

## **Additional Information**

**Prior Introductions:** SB 578 of 2004 passed in the Senate and passed with amendments in the House. The bill went to conference committee, but no further action was taken. Its cross file, HB 1137 of 2004, passed in the House with amendments and passed in the Senate with further amendments. The bill went to conference committee, but no further action was taken.

**Cross File:** None identified but SB 463 is identical.

**Information Source(s):** Department of Human Resources, Department of Health and Mental Hygiene, Department of Public Safety and Correctional Services, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2005  
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