



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

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Deputy Secretary

HOUSE BILL 1434 Department of Human Services - Electronic Benefits Transfer Cards - Restoration of Benefits

STATEMENT OF SUPPORT

DATE: March 5, 2024

COMMITTEE: Appropriations

SUMMARY OF BILL: Marylanders participating in Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), and other benefits programs have been victims of electronic theft. House Bill 1434 would amend the State program for reimbursing stolen benefits (Human Services § 5–609 and 5–610) established by the Prevent Electronic Benefits Theft Act of 2023. House Bill 1434 would prepare Maryland for the federal SNAP stolen benefit replacement program sunset on September 30, 2024.

EXPLANATION: The federal government established a program to reimburse stolen SNAP benefits that will expire on September 30, 2024, unless Congress reauthorizes the program. Further, the federal program that reimburses stolen SNAP benefits is subject to limitations. The Maryland stolen benefits replacement program reimburses stolen SNAP benefits not covered by the federal program, TCA, and other cash benefits. Currently, Human Services § 5–609 and 5–610 obligates the Maryland Department of Human Services (DHS) to reimburse stolen benefits—whether or not funds are appropriated.

Since March 2023, DHS has replaced over \$20 million in stolen benefits to more than 31,000 Maryland households. Funding to cover the replacement of stolen benefits since March 2023 broke down as follows: \$13,549,465 in federal funding and \$7,417,700 in State general funds, as of the morning of February 15, 2024. The anticipated stolen benefit reimbursements in State fiscal year 2025 will likely total \$19,210,348 and \$24,748,390 annually thereafter.

The federal stolen SNAP replacement program is the source of funding for 64.6% of all benefits restored in Maryland as of February 15, 2024. When the federal stolen SNAP replacement program expires, Maryland will be required by Human Services § 5–609 and 5–610 to reimburse all stolen SNAP benefits with no federal funding.

The fiscal 2025 State budget includes \$27,870,168 to reimburse stolen benefits, comprising both State and federal funds. This proposal represents \$26.2 million in State general funds and approximately \$1.6 million in federal funds. If the federal stolen SNAP reimbursement program is not reauthorized by Congress, Maryland will be required to fill the gap. Alternatively, DHS will be forced to hold claims until funding is available which may subject DHS to legal risk.

House Bill 1434 would tie State stolen benefit reimbursement to available funding as appropriated by Congress and/or the State, which would ensure victims of benefit theft in Maryland are reimbursed.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges support on House Bill 1434 to limit the State's exposure to potentially significant general fund spending. It would be challenging for the State to manage this increased spending given the forecasted out-year deficits for the General Fund.

DBM POSITION: SUPPORT

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