

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

March 25, 2025

The Honorable Pamela Beidle, Chair Senate Finance Committee 3 East Miller Senate Office Building 11 Bladen Street Annapolis, Maryland 21401

## RE: TESTIMONY ON HB0881 - FAMILY INVESTMENT PROGRAM AND SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS - CHILD SUPPORT - POSITION: INFORMATIONAL ONLY

Dear Chair Beidle and Members of the Finance Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide information for House Bill 881 (HB 881).

With offices in every one of Maryland's jurisdictions, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. The families we serve are affected by HB 881. Our Family Investment Administration (FIA) implements the Temporary Cash Assistance (TCA) and Supplemental Nutrition Assistance Programs (SNAP), and our Child Support Administration (CSA) collects and distributes child support payments for recipients of TCA.

HB 881 prioritizes full receipt of child support payments for Marylanders participating in the federal Temporary Assistance for Needy Families (TANF); implemented in Maryland as Temporary Cash Assistance (TCA). "Passing through" the full amount of a child support payment to families participating in TCA will help raise families out of poverty. In addition, the bill as amended would exclude child support income when determining the amount of a household's assistance benefits, to ensure that families have the best chance of success.

Each state fiscal year, CSA collects child support payments from noncustodial parents for families participating in TCA. Current federal and state law authorizes DHS to pass through to TCA families \$100 of child support paid for one child, or up to \$200 of child support paid for two or more children. The state retains fifty percent of the remaining child support collected from TCA families to provide DHS services. The other fifty percent is reimbursed to the federal government for its share of the TCA benefits. If CSA passed through the entire child support amount collected to TCA families, the state would still be responsible for reimbursing about half of the amount collected to the federal government. State funds would be needed to reimburse the federal government. Maryland would also need state funds to replace the fifty percent of child support collections currently used for DHS services.

HB 881 would also affect DHS implementation of the federal Supplemental Nutrition Assistance Program (SNAP). SNAP is an income-based program providing food benefits to low-income families to supplement their grocery budget. The United States Department of Agriculture (USDA) and the Food and Nutrition Service (FNS) regulate the SNAP program. Under federal regulations, child support payments are counted as income for the purpose of determining SNAP eligibility and for calculating the amount of a household's SNAP benefit. Federal SNAP regulations specify that child support income cannot be excluded when determining eligibility and when calculating benefit amounts 7 C.F.R. § 273.9(c)(19)(vi). Currently, the limited child support passthrough of \$100-\$200 is included as income when determining a SNAP benefit amount.

Minnesota and Colorado implement full child support payment passthrough to TANF families. Colorado implemented a full child support pass through with disregard for the child support payments in the calculation for cash assistance benefits. Colorado found that full passthrough increased the percent of child support payments made and the average child support payment amount. Colorado does not disregard child support payments when determining SNAP benefit amounts. Colorado found TANF families participating in SNAP saw an average \$0.17 reduction in their SNAP benefits for every additional dollar they received in child support as a result of the full pass-through policy.

We appreciate the opportunity to provide more information to the Committee for consideration during your deliberations. If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at <a href="mailto:rachel.sledge@maryland.gov">rachel.sledge@maryland.gov</a>.

In <del>s</del>ervice,

Carhitra White

Principal Deputy Secretary