

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

Senate Bill 578

(Senator Exum, *et al.*)

Finance

Appropriations

**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 cash assistance and 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.

Fiscal Summary

State Effect: Federal fund expenditures could increase by \$317,300 in FY 2005 assuming an additional 250 individuals apply for and receive food stamps. Federal fund revenues would increase by an equivalent amount. Future year expenditures reflect annualization and inflation.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
FF Revenue	\$317,300	\$427,200	\$431,500	\$435,800	\$440,200
FF Expenditure	317,300	427,200	431,500	435,800	440,200
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 who is a recipient and under age one and adults or children who are recipients and who are severely disabled; and (5) meet 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 18 individuals who reported having been convicted of a felony involving a controlled or dangerous substance. If the bill is enacted, DHR estimates that 250 additional people statewide could qualify and apply for food stamps.

Adults ineligible for TCA may be eligible for Transitional Emergency Medical and Housing Assistance (TEMHA) if they meet several qualifications including being unemployed and financially in need, and having a disability for which the recovery period is at least three months. TEMHA currently does not prohibit participation by individuals convicted of a felony involving possession, use, or distribution of a controlled dangerous substance. DHR has stopped accepting new TEMHA applications on December 15, 2003 but is expected to begin accepting applications again in fiscal 2005.

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 \$317,250 in fiscal 2005. This estimate assumes 250 individuals become eligible for food stamps and receive the maximum monthly benefit of \$141. 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. TEMHA, 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 it could absorb the substance abuse testing costs for these 250 additional individuals within existing DHMH resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1137 (Delegate Haynes, *et al.*) – Appropriations.

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

Fiscal Note History: First Reader - March 1, 2004
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