

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 799

(Senator Exum, *et al.*)

Finance

Appropriations

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Family Investment Program Recipients - Child-Specific Benefit - Repeal

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This bill repeals provisions that limit the eligibility of a temporary cash assistance recipient to receive an increment in cash benefits as a result of the birth of a child 10 or more months after an initial application for benefits.

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Fiscal Summary

**State Effect:** None. The bill codifies current practice.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Temporary cash assistance may not include an increment in cash benefits for a child born 10 or more months after a recipient's initial application for temporary cash assistance, with the exception of births resulting from rape or incest. If ineligible for an increment due to this provision, the Department of Human Resources must provide a child-specific benefit, not to exceed the amount of the increment, for the purchase of goods suitable for the child. If this benefit is managed by a third-party payee, a local department of social services is authorized to pay an additional fee to cover the payee's administrative costs.

**Background:** The Family Investment Program in the Department of Human Resources assists temporary cash assistance applicants and recipients in becoming self-sufficient.

After assessing each family's specific needs and resources, program staff identify services required to move clients into work. Applicants for cash assistance are required to cooperate with child support enforcement staff as a condition of eligibility and must undertake job search activities if asked to do so. Healthy adults must participate in a work activity to continue receiving benefits and a substance abuse assessment is mandatory. Federal law limits families to five years of federally funded assistance, but provides a hardship exemption for a specified percentage of the caseload.

The child-specific benefit was designed to remove any perceived incentives for having additional children while receiving temporary cash assistance. Under current law, the value of additional assistance for another family member must be transferred to a third-party payee, such as a faith-based or nonprofit organization, to manage on behalf of a client. DHR advises that the provision had no effect on the number of children born to recipients of temporary cash assistance. The department indicates that efforts to recruit third-party payees were largely unsuccessful and fees were high for participating organizations. Three counties that complied with requirements reported administrative fees of approximately \$100,000 in fiscal 2002. In December 2002, the Secretary of Human Resources suspended the child-specific benefit for each of the local departments of social services. Increments for additional children have been paid to recipients of temporary cash assistance since the Secretary's 2002 order.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1356 (Delegates Branch and Conway) – Appropriations.

**Information Source(s):** Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2008  
mll/hlb

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