



**Testimony in Opposition of House Bill 1434
Department of Human Services – Electronic Benefit Transfer Cards – Restoration of
Benefits**

**House Appropriations Committee
March 5, 2024**

Maryland Rise opposes HB 1434, which removes the requirement to reimburse Marylanders who have had their public benefits stolen off their Electronic Benefit Transfer (EBT) card. It makes such reimbursement to some of Maryland’s most vulnerable residents discretionary rather than an entitlement.

Maryland took decisive, powerful action last legislative session by passing the Prevent Electronic Benefits Theft Act of 2023, guaranteeing that individuals who have had their public benefits stolen will have their benefits replaced. We thank and applaud the work of the Administration, General Assembly, and stakeholders who came together last year to champion the Prevent Electronic Benefits Theft Act of 2023, which created a mandate: if a Marylander loses their public benefits due to theft, our State will make the family the whole. Social safety-net programs that are loaded onto EBT cards – like Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), and Temporary Disability Assistance Program (TDAP) – are entitlement programs that provide vital resources to low-income individuals and families. Subsequently, when these funds are stolen through acts of theft, replacing the benefits must also be entitled to the victims.

Unfortunately, HB 1434 rolls back the protections for families who are victims of EBT theft, moving the reimbursement of benefits from an entitlement to a discretionary expense. Replacing the benefits families use to put food on the table and a roof over their head should not be discretionary. When low-income families have had their public benefits stolen off their EBT cards, it is imperative the State immediately replace benefits. Just like dollars are quickly replaced when individuals have their credit card number stolen, we must rapidly replace benefits for low-income families when their entire monthly income has been stolen. Individuals on public benefits live far below the federal poverty line, so if a household’s benefits are stolen without replacement, it’s catastrophic. Without replacement, families are forced to survive the remainder of the month without food and income.

Reimbursement of stolen benefits should not be left open to the shifting winds of politics: guaranteeing the replacement of EBT benefits is a critically important policy decision that should be maintained in statute. By adding language into the statute that replacing benefits are “subject to the limitations of the State budget” and are “as provided for by an appropriation for purposes of electronic benefit theft restoration” – without a corresponding minimum appropriation in statute – means that this program can be minimized and zeroed out at any time by any future administration. Moving benefit theft restoration to a discretionary spending category without a



dedicated appropriation ultimately guts the protection for low-income families who are victims of theft. Without an entitlement to benefit replacement, the state opens the door to returning to a policy posture that perpetuates the societal costs of hunger, homelessness, and poverty.

HB 1434 is unnecessary during this legislative session, as it's a solution to a problem that may not come to fruition. While there might be storm clouds looming over DC and an uncertainty if the federal government will continue to provide federal funding for SNAP fraud reimbursement, nothing is for certain. Changing the underlying functionality of this vital entitlement is not necessary at this moment in time: if the worst-case scenario happens and Maryland receives zero federal dollars for theft replacement in the future, we'd be eager to work together with the General Assembly and Administration to identify funding for this program that could be proposed for the 2025 Legislative Session.

Maryland shouldn't shift any fiscal uncertainty it faces to its poorest residents – making their ability to secure basic needs more uncertain. The majority of safety-net programs are mandated spending categories that the state annually budgets funding for based on case-load projections: reimbursement of these same safety-net programs should not be treated differently. Looking for cost-savings in a program that replaces stolen income so that low-income families can maintain their nutrition and housing should not be a solution to budgetary challenges.

We remain committed to working with the Administration, General Assembly, and stakeholders to reduce the likelihood of future theft through improvements to the EBT card and system processes. We are also happy to participate in any task force that focuses on ensuring all Marylanders who are victims of theft can feel secure knowing their benefits will be replaced. We cannot, however, support any legislation that contains provisions that leave the restoration of benefits up to a discretionary appropriation that is not mandated in statute.

Maryland Rise appreciates your consideration and urges the committee to issue an unfavorable report on HB 1434.

Submitted by: Lisa Klingenmaier, Executive Director

Maryland Rise works to promote economic opportunity for all Marylanders.