
TESTIMONY IN OPPOSITION TO HOUSE BILL 1434
Department of Human Services - Electronic Benefits Transfer Cards -
Restoration of Benefits
Senate Finance Committee
March 21, 2024

Social Work Advocates for Social Change strongly opposes HB 1434, which removes the obligation that the Department of Human Services (DHS) must reimburse Marylanders whose Electronic Benefit Transfer (EBT) funds are stolen regardless of how much is specifically appropriated for that purpose. In 2023, Maryland took bold action by passing the Prevent Electronic Benefits Theft Act of 2023, requiring the Department of Human Services (DHS) to re-pay anyone with stolen EBT funds. HB 1434 would make the restoration of benefits contingent on whether funds are available in the state budget, leaving many Maryland families unable to meet their basic needs.

HB 1434 removes protections for victims of EBT fraud. The bill adds language to the statute that makes reimbursement “subject to the limitations of the State budget” and “as provided for by an appropriation for purposes of electronic benefit theft restoration.” However, HB 1434 does not add a minimum appropriation to the statute, meaning that any future Administration could eliminate reimbursement by failing to fund the program. Because of their vital importance, most safety-net programs are mandated spending categories. Reimbursement should be as well.

EBT benefits are essential to the stability of Maryland families. They provide cash assistance for critical social safety-net programs such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Cash Assistance (TCA). Families use these benefits to put food on the table and a roof over their heads. In 2022, the median income of adults receiving SNAP was less than \$20,000 per year.¹ This is not enough money for an adult to take care of their own needs, let alone those of any children in the household. As a result, when EBT benefits are stolen, families are at risk of hunger, homelessness, and financial catastrophe. Immediate and guaranteed repayment of benefits is critical. When people have their credit card stolen, they are refunded immediately. Marylanders who use EBT benefits should not be treated differently.

¹ Gagliardi, J., Hall, L. A., & Passarella, L. L. (2023, June). Maryland SNAP Households, 2022. *University of Maryland School of Social Work Public Policy Research*.
[https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/supplemental-nutrition-assistance-program-snap/Maryland-SNAP-Households,-2022.pdf?&#:~:text=The%20typical%20adult%20recipient%20was, had%20never%20married%20\(66%25\).&text=Despite%20waived%20work%20requirements%2C%20three,time%2Dlimit%20was%20in%20place.](https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/supplemental-nutrition-assistance-program-snap/Maryland-SNAP-Households,-2022.pdf?&#:~:text=The%20typical%20adult%20recipient%20was, had%20never%20married%20(66%25).&text=Despite%20waived%20work%20requirements%2C%20three,time%2Dlimit%20was%20in%20place.)

EBT theft is still occurring at an alarmingly high rate. In 2023, over \$18.3 million in EBT benefits were stolen from Maryland residents.² EBT theft typically occurs due to phishing scams and “skimming” of EBT account information from card-swiping machines that have been hacked.³

Maryland should continue to be a national leader in EBT benefit security. Last year’s legislation made Maryland the first state to reimburse benefits using federal funds and required the state to improve fraud security. As a result, Maryland plans to be the first state to issue EBT cards with microchips to prevent skimming.⁴ This investment in security should reduce the amount of stolen benefits that need to be reimbursed. In addition, Maryland receives federal funding for benefit reimbursement, making the cost-cutting measures in this bill unnecessary. If the state loses federal funding for reimbursement, a task force could be commissioned at that time to identify a funding source.

As a coalition, our opposition to this bill is rooted in our experiences working with individuals and families most vulnerable to financial insecurity and who benefit from social safety-net programs. We have witnessed the relief that cash assistance offers families and have seen how harmful it is when funds are stolen with no reimbursement. It is vitally important that Marylanders continue to have benefit reimbursement.

For these reasons, Social Work Advocates for Social Change urges an unfavorable report on HB 1434.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

² Smith, Brenna. (2023, December 14). Maryland isn’t paying back all the stolen SNAP benefits it should. *The Baltimore Banner*. <https://www.thebaltimorebanner.com/politics-power/state->

³ Addressing Stolen SNAP Benefits. *U.S. Department of Agriculture*.
<https://www.fns.usda.gov/snap/stolen-benefits>

⁴ Sofastaii, Mallory. (2023, October 3). *Maryland launches new security feature to combat millions in benefit theft*. <https://www.wmar2news.com/matterformallory/maryland-launches-new-security-feature-to-combat-millions-in-benefit-theft>