

March 21, 2024

The Honorable William C. Smith, Jr.
Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

**RE: TESTIMONY ON HB0435 - CHILD SUPPORT - INCARCERATED OBLIGORS -
POSITION: FAVORABLE**

Dear Chair Smith and members of the Judicial Proceedings Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide favorable testimony for House Bill 435 (HB0435). With offices in every one of Maryland's jurisdictions, we empower Marylanders to reach their full potential by helping with economic assistance, preventative and supportive services, and protecting children and adults. The Child Support Administration (CSA) within DHS implements the child support program which is affected by HB0435.

During the 2020 legislative session, the Maryland General Assembly passed HB0234 to ensure an obligor's child support payment is not considered past due and arrearages do not accrue for 180 consecutive calendar days while incarcerated. The 2020 bill complied with the federal Flexibility, Efficiency, and Modernization of Child Support Enforcement Programs (FEM) Final Rule of 2017, which required child support programs to implement the 180 calendar days requirement. House Bill 435 expands upon the 2020 bill to limit accrual of arrears while an obligor is incarcerated for more than 180 days. Maryland would be the first state to suspend child support obligations when an incarcerated person does not have the resources to make payments.

House Bill 435 also brings CSA into full compliance with the Flexibility, Efficiency and Modernization (FEM) Rule of 2017 established by the federal Office of Child Support Services. House Bill 435 would bring Maryland into compliance with FEM by clarifying that incarcerated parents are not voluntarily impoverished. If the legislature does not clarify, then Maryland will not be in compliance with our Title IV-D Child Support State Plan.

Noncompliance with Maryland's Child Support state plan will result in immediate suspension of all federal reimbursement for Maryland's \$98 million federal child support grant and \$11 million child support incentives. After a year to correct, further noncompliance could result in quarterly penalties for Maryland impacting the \$229 million Temporary Assistance to Needy Families (TANF) program block grant and \$27 million TANF Contingency funds. The quarterly federal payments would be reduced by the following percentages: one to two percent for the first finding; two to three percent



for the second consecutive finding; and not less than three percent and no more than five percent for the third or subsequent consecutive finding.

We appreciate the opportunity to submit HB0435 to the Committee for consideration during your deliberations. We look forward to the decision of the Committee and welcome continued collaboration on HB0435.

If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,

A handwritten signature in black ink, appearing to read 'Rafael López', written in a cursive style.

Rafael López
Secretary