

EMILY SHETTY
Legislative District 18
Montgomery County

Appropriations Committee
Chair, Health and
Social Services Subcommittee

Rules and Executive
Nominations Committee



The Maryland House of Delegates
6 Bladen Street, Room 350
Annapolis, Maryland 21401
410-841-3181
800-492-7122 Ext. 3181
Emily.Shetty@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB881

**Appropriations - Family Investment Program and Supplemental Nutrition Assistance
Program Benefits - Child Support**

Chair Barnes, Vice Chair Chang, and esteemed members of the House Appropriations Committee,

Thank you for the opportunity to provide testimony in support of House Bill 881. This important piece of legislation is a step towards improving financial stability for some of our most vulnerable Maryland residents by ensuring families receive the full benefits of child support payments to which they are entitled.

Under current policies in Maryland, families receiving assistance from the Family Investment Program often do not receive the full amount of their child support payments. This is as a direct result of decades-old, harmful federal laws and rules that have long sought to punish poverty. Instead, this money is funneled through the Department of Human Services, where they then pass through only up to \$100 for one child and \$200 for two or more children to the family. The remainder of collections are retained with half used to reimburse the State and half to the federal government. Additionally, child support payments are currently considered as income when calculating Supplemental Nutrition Assistance Program (SNAP) benefits, which also leads to a reduction in the amount of assistance provided to the families.

A University of Maryland study examined the early outcomes of Maryland's child support pass-through program found significant benefits for families participating in Temporary Cash Assistance (TCA).¹ The study reported that the pass-through policy led to an average increase of \$132 per month to families, providing them with direct economic relief. This additional income helps families meet their needs, reducing their reliance on government assistance. Furthermore, the study indicates that parents who owe support are more likely to make child support payments and pay more in formal support when pass-through policies are in place. This increased financial assistance from non-custodial parents provides families with more stability, further reducing the need for welfare assistance.

¹ Smith, Haley, and Lauren A. Hall. *Maryland's Child Support Pass-Through Policy: Exploring Impacts on TCA Families*, Oct. 2021, www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/work-supports-and-initiatives/Pass-Through-Impacts-on-TCA-Families.pdf.

HB881, as introduced, addresses this issue by mandating that all child support payments are directly received by the family, regardless of whether they seek assistance with the Family Investment Program. In addition, this bill prohibits child support funds from being considered when calculating how much SNAP benefits to provide. This allows Maryland families to receive essential food services, regardless of child support funds. It is critical to provide money and services to the families that need it most and ensure that our state's most vulnerable populations have access to the assistance that they need.

Through this bill, Maryland has the opportunity to be an early adopter of a policy which is proven to help alleviate poverty and increase overall stability for the families and their children. Passing through *all* funds raises family income to cover essential needs such as housing and food. This is crucial for Maryland's low-income families as it is often a significant portion of their income. It is insufficient for families to only receive TANF benefits. Increasing child support additionally reduces the risks of child maltreatment and Child Protective Services involvement.

In addition, giving all child support payments to custodial families could reduce reliance on Temporary Cash Assistance (TCA) and SNAP. This could simultaneously help strengthen the resiliency of Maryland families and our social safety net, helping to raise more people out of poverty.²

Ensuring that child support reaches the intended families is both a moral and economic imperative. HB881 will alleviate financial burdens to those benefiting from necessary services designed to help, not harm them.

Thank you for the committee's consideration, and I respectfully request a favorable report on HB 881.

² Azevedo-McCaffrey, Diana. *Passing Through All Child Support to Maryland Families Would Help Them Afford Basic Needs and Thrive*, 19 Feb. 2025, www.cbpp.org/research/income-security/passing-through-all-child-support-to-maryland-families-would-help-them.