

Senate Bill 703
Family Investment Program and SNAP Benefits - Child Support
In the Senate Finance Committee
Hearing on February 19, 2025
Position: FAVORABLE

Maryland Legal Aid submits its testimony on SB 703 at the request of Senator McCray

Maryland Legal Aid (MLA) urges a favorable report on SB 703, which would allow custodial parents and their children to receive 100% of any child support payments made by the non-custodial parent, even if the custodial parent currently receives Temporary Cash Assistance (TCA) or did so in the past. MLA is a private, nonprofit law firm providing free civil legal services to low-income individuals and families throughout Maryland, many of whom rely on TCA benefits to stay afloat during financially challenging times. As an anti-poverty organization, MLA believes that adopting SB 703 will lift more Maryland children out of poverty, improve co-parenting and parent-child relationships, and keep family resources where they belong – in the family.

When custodial parents in any state apply for public cash assistance (known as TCA in Maryland), federal law requires them to relinquish their right to seek child support from the non-custodial parent and assign that right to their state government.¹ The government then initiates child support cases against noncustodial parents, and in most states, the state and federal governments split and keep the money collected from those cases as repayment for public assistance provided to custodial parents. In 2023, Maryland collected over \$19.2 million in child support that did *not* go to children but was instead kept by the government as compensation for the cost of providing TCA to low-income custodial parents.²

Through cost recovery policies like Maryland's, the government penalizes poor families by robbing poor children of critical support from non-custodial parents. Further, even after a custodial parent stops receiving TCA, any arrears the non-custodial parent accumulated during the TCA period are still owed to the government. In other words, the government often continues to keep child support payments made by the non-custodial parent long after the child and custodial parent have stopped receiving TCA. Aside from taking money out of away from children and families, cost recovery policies engender animosity and resentment between parents, who, in MLA's experience, are often unaware of or opposed to the requirement for non-custodial parents to pay child support to the government as a condition of the custodial parent's receipt of public cash assistance. These policies feel frustrating, unfair, and confusing to low-income families, who

¹ 42 U.S.C. § 608(a)(3).

² Table P-11, FY 2023 Preliminary Data Report and Tables, Office of Child Support Services, available at https://acf.gov/sites/default/files/documents/ocse/fy_2023_preliminary_report.pdf.

often do not understand why they are being forced into court for child support cases where the money does not go to the child.³

Federal law allows states to “pass through” a portion of the money paid by the non-custodial parents to custodial parents receiving public cash assistance in government-initiated child support cases, and over half of American states have enacted pass through policies.⁴ In Maryland, custodial parents receiving TCA receive the first \$100 of any child support payments made by a non-custodial parent in a month, or the first \$200 if they have two or more children, but the rest is kept by the government.⁵ However, because of the vast benefits associated with passing through as much money as possible to children, a growing number of researchers in Maryland and across the country have recommended repealing cost recovery policies, and instead passing through to children the *full* amount of child support paid by non-custodial parents.⁶ When non-custodial parents know that the child support money they are paying is kept by their children rather than the government, they are more likely to comply with their orders.⁷ And, when non-custodial parents pay child support that goes to their children, they are more likely to be consistently involved in their children’s lives.⁸

SB 703 requires Maryland to pass through 100% of the money paid by non-custodial parents in child support cases initiated by the government and to disregard that money in determining the custodial parent’s eligibility for TCA and food stamps, thus ensuring that children living in poverty receive as much financial support as possible. While MLA recognizes that SB

³ L.K. Vogel et al., “‘Let’s Bring It Into the 21st Century’: Perceptions of fairness in child support,” *Children and Youth Services Review*, 163, (2024), available at <https://www.sciencedirect.com/science/article/pii/S0190740924003396>.

⁴ National Conference of State Legislatures, “Child Support Pass-Through and Disregard Policies for Public Assistance Recipients,” 2023, available at <https://www.ncsl.org/human-services/child-support-pass-through-and-disregard-policies-for-public-assistance-recipients>.

⁵ Md. Hum. Serv. Code § 5-310.

⁶ See e.g. Maryland Center for Economic Policy, “More Basic Assistance is Needed to Propel Economic Mobility and Security Among Maryland Families Receiving TANF,” 2023, available at <https://mdeconomy.org/more-basic-assistance-is-needed-to-propel-economic-mobility-and-security-among-maryland-families-receiving-tanf/>; Abell Foundation, “Reforming Child Support to Improve Outcomes for Children and Families,” 2019, available at https://abell.org/wp-content/uploads/2022/02/Abell20Child20Support20Reform20-20Full20Report2020_20_202020edits20v1_3.pdf; Ascend at the Aspen Institute & Good+Foundation, “Ensuring Families Receive Child Support Payments: Child Support Policy Fact Sheet,” 2023, available at <https://ascend.aspeninstitute.org/resources/ensuring-families-receive-all-child-support-payments/>; and Center on Budget and Policy Priorities, “Directing Child Support Payments to Families, Not Government, Would Help Families Afford Basic Needs and Thrive,” 2024, available at <https://www.cbpp.org/sites/default/files/10-8-24tanf.pdf>.

⁷ Maria Cancian et al., “Welfare and Child Support: Complements, Not Substitutes,” *Journal of Policy Analysis and Management*, Vol. 27, No. 2, 354-375, 2008, available at [https://users.ssc.wisc.edu/~gwallace/Papers/Cancian.%20Meyer.%20and%20Caspar%20\(2008\).pdf](https://users.ssc.wisc.edu/~gwallace/Papers/Cancian.%20Meyer.%20and%20Caspar%20(2008).pdf).

⁸ Maureen R. Waller et al., “Money, Time, or Something Else? Measuring Noncustodial Fathers’ Informal and In-Kind Contributions,” *Journal of Family Issues*, Vol. 39, No. 13, July 4, 2018, available at <https://journals.sagepub.com/doi/10.1177/0192513X18783801>.

703 will have a significant fiscal impact on the state's budget, we maintain that the state's loss of *these* particular funds is entirely appropriate and justified. For too long, Maryland and other states have benefitted from punitive cost recovery policies, rooted in racism, that allow governments to fill their coffers with money taken away from low-income families.⁹ It is well past the time to end the harm caused by these immoral policies, and so any budget shortfall resulting from SB 703 must be absorbed.

For the reasons stated above, MLA urges a favorable report on SB 703. If you have any questions, please contact me at: avora@mdlab.org.

⁹ Center for American Progress, "Learning from the United States' Painful History of Child Support," 2022 available at <https://www.americanprogress.org/article/learning-from-the-united-states-painful-history-of-child-support/>.