



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

February 19, 2025

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

**RE: TESTIMONY ON SB0703 - FAMILY INVESTMENT PROGRAM AND
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS - CHILD SUPPORT -
POSITION: INFORMATIONAL ONLY**

Dear Chair Beidle and Members of the Finance Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide information for Senate Bill 703 (SB 703).

With offices in every one of Maryland's jurisdictions, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. The families we serve are affected by SB 703. Our Family Investment Administration (FIA) implements the Temporary Cash Assistance (TCA) and Supplemental Nutrition Assistance Programs (SNAP), and our Child Support Administration (CSA) collects and distributes child support payments for recipients of TCA.

SB 703 prioritizes full receipt of child support payments for Marylanders participating in the federal Temporary Assistance for Needy Families (TANF); implemented in Maryland as Temporary Cash Assistance (TCA). "Passing through" the full amount of a child support payment to families participating in TCA may effectively help raise families out of poverty. In addition, the bill would exclude child support income when determining the amount of a household's SNAP benefit.

Each state fiscal year, CSA collects child support payments from noncustodial parents for families participating in TCA. Current federal and state law authorizes DHS to pass through to TCA families \$100 of child support paid for one child, or up to \$200 of child support paid for two or more children. The state retains fifty percent of the remaining

child support collected from TCA families to provide DHS services. The other fifty percent is reimbursed to the federal government for its share of the TCA benefits. If CSA passed through the entire child support amount collected to TCA families, the state would still be responsible for reimbursing about half of the amount collected to the federal government. State funds would be needed to reimburse the federal government. Maryland would also need state funds to replace the fifty percent of child support collections currently used for DHS services.

SB 703 would also affect DHS implementation of the federal Supplemental Nutrition Assistance Program (SNAP). SNAP is an income-based program providing food benefits to low-income families to supplement their grocery budget. The United States Department of Agriculture (USDA) and the Food and Nutrition Service (FNS) regulate the SNAP program.

Under federal regulations, child support payments are counted as income for the purpose of determining SNAP eligibility and for calculating the amount of a household's SNAP benefit. Federal SNAP regulations specify that child support income cannot be excluded when determining eligibility and when calculating benefit amounts [7 C.F.R. § 273.9\(c\)\(19\)\(vi\)](#). Currently, the limited child support passthrough of \$100-\$200 is included as income when determining a SNAP benefit amount.

If SB 703 is enacted, DHS would exclude child support for all families when determining the SNAP benefit amount. DHS could implement the bill while maintaining compliance with rules for using federal funds if state funds are used to make up the difference in benefits amount. DHS implements a similar calculation when replacing stolen benefits because state law applies to more situations than federal law allows. For example:

1. DHS would first determine the total SNAP benefit amount excluding child support, then
2. DHS would determine the federal SNAP benefit amount by including the child support amount,
3. The difference between the state benefit and the federal benefit is the amount that must be paid from state funds.

If Maryland does not exclude child support when calculating the amount of a SNAP benefit, the change is likely to negatively affect the amount of the average TCA family's SNAP benefit. Eighty-six percent of TCA families participate in SNAP. According to the Center on Budget and Policy Priorities (CBPP) [quick guide on SNAP eligibility and benefits](#), on average, SNAP benefits are reduced by \$1 for every \$3 applied to the benefit calculation. Therefore, the fiscal impact on a SNAP participant's monthly benefit amount would be one third of the total amount of child support passed through. The average monthly total child support distribution (combined payment and arrears) for a Maryland TCA family is \$1,119. After retaining state and federal portions, an average Maryland TCA household receives \$506 (\$100 to \$200 passthrough and arrears) in child support. Therefore, full child support passthrough would increase the average monthly child support payment to a TCA family by \$613. With the additional \$613 in child support income, the average TCA family may experience a decrease in SNAP benefits of approximately \$204 per month.

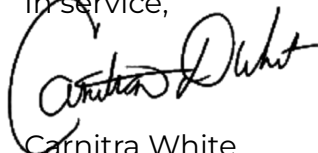
Today, approximately 3,462 TCA households receive the limited child support pass through. After full child support passthrough, Maryland TCA participants' aggregate total monthly SNAP benefits would decrease by \$706,248 (3,462 households x \$204 decrease in SNAP calculated above) or an average of \$8,474,976 per year. If the full passthrough is implemented and DHS disregards child support when determining a benefit amount, the amount of SNAP benefits for TCA families would increase. The SNAP benefit amount would increase because child support passthrough would not count as income.

SB 703 does not require discounting child support payments to determine SNAP eligibility. As a result, fewer TCA families may be eligible for SNAP.

Minnesota and Colorado implement full child support payment passthrough to TANF families. Colorado implemented a full child support pass through with disregard for the child support payments in the calculation for cash assistance benefits. [Colorado found](#) that full passthrough increased the percent of child support payments made and the average child support payment amount. Colorado does not disregard child support payments when determining SNAP benefit amounts. Colorado found TANF families participating in SNAP saw an average \$0.17 reduction in their SNAP benefits for every additional dollar they received in child support as a result of the full pass-through policy.

We appreciate the opportunity to provide more information to the Committee for consideration during your deliberations. 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 "Carnitra White", written over a circular stamp or seal.

Carnitra White
Principal Deputy Secretary