



HOMELESS PERSONS REPRESENTATION PROJECT, INC.

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Testimony in Support of SB 703

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

Senate Finance Committee, February 19, 2025

HPRP is a non-profit civil legal aid organization that provides free legal services to Marylanders who are experiencing homeless or at risk of homelessness on issues that create barriers to housing and economic stability. HPRP has helped thousands of individuals and families to obtain benefits through administrative appeals and advocacy around the Temporary Cash Assistance (TCA) program, Maryland's federal Temporary Assistance for Needy Families (TANF) program. HPRP supports SB 703 which will allow all child support received by a family who receives TCA to pass through to the family. Currently, the Department of Human Services (DHS) only passes up to \$100 of paid child support orders (one child) and \$200 (two or more children) and retains the rest to recoup TCA program costs.

SB 703 would assist with efforts to reduce homelessness in Maryland by putting more money into the pockets of families with children living in poverty. According to a 2024 report, fair market rent for a two-bedroom apartment in Maryland is \$1,909.¹ As the maximum TCA benefit for a three person family is \$727 per month, it is not surprising that 1,145 families that received TCA in 2023 were also experiencing homelessness.² HPRP has worked with countless families who receive TCA and struggle to pay rent, utility bills, transportation, child care, among other basic needs. SB 703 would increase a family's monthly income, which would increase food and housing security. Extra cash assistance will have a positive impact on the lives of children who make up the majority of TCA recipients.³

Adopting full-child support pass through is consistent with recent recommendations to improve MD's TCA program and economic opportunities for families with children living in poverty. Maryland adopting full-pass through of child support was one of the recommendations that resulted from a comprehensive two-year review of the TCA program by the University of Maryland School of Social Work's Family Welfare Research Department.⁴ Similarly, a 2023 report by the Maryland Center on Economic Policy also recommended the adoption of full child

¹ National Low Income Housing Coalition, *Out of Reach: 2024*, p. 124, available at <https://nlihc.org/oor>.

² Data obtained from the Department of Human Services (DHS) through a Public Information Act request.

³ In Maryland, 74% of households that receive TCA have school age kids (6-18 years), and 52% of households have children age 5 or younger. See Haley Smith, Tristan Jackson-Brown, Lauren A. Hall, & Letitia Logan Passarella, University of Maryland School of Social Work, "Temporary Cash Assistance: 2023 Jurisdictional Snapshots" (May 2024), at p. 4, available at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-on-welfare/TCA-Jurisdictional-Snapshots,-2023.pdf>.

⁴ The MD General Assembly passed HB 1041 / SB 829 in 2022, which required a comprehensive evaluation of the TCA program. See Md. Code Ann., Human Services, § 5-323 (2022). The report that resulted from this legislation was published in October 2024. See Schuyler, L.A., Garcia, K., Smith, H., & Passarella, L.L. (2024). *Maryland's TANF program: A comprehensive review*. University of Maryland School of Social Work, at 237, available at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/comprehensive-tca-review/ComprehensiveTCARew2024.pdf>.

support pass through to maximize economic mobility and success for families.⁵ Although Maryland would be required to pay the federal share of child support that passed through to families after the \$100/\$200 current caps, directing child support payments to families with children is a TCA spending choice that is more in alignment with TCA program goals than prior spending history. While Maryland has the flexibility and funds to direct more TCA to families, it has not gone in that direction. The TCA benefit levels have not increased in several years⁶ and typically less than 30% of Maryland's cash assistance spending is in the form of basic assistance that families receive.⁷ Most recently, Maryland has spent an alarmingly high percentage of TANF funds to cover other state budget areas detached from TANF's goals, such as Child Welfare Services and Foster Care Maintenance Payments.⁸ This has resulted in a significant decline in Maryland's unspent TANF funds from approximately \$63.5 million (at the close of FY22)⁹ to \$7.4 million (by close of FY26).¹⁰ SB 703 will redirect income to families with children living in poverty.

SB 703 would assist families who exit TCA from returning to the program. Studies with families receiving TCA in Maryland show that over half (58%) of families were employed the year prior to receiving TCA.¹¹ Many families who receive TCA are employed in low-wage jobs that are difficult to sustain due to unpredictable schedules, part-time hours, and little or no benefits, which does not leave families with enough income to be independent from TCA.¹² When families are able to leave TCA, about 10% of families return within two to five months of exit.¹³ Child support is a critical income for low-income families and reduces the likelihood that a family will return to TCA in the future.¹⁴ SB 703 would provide many families receiving TCA with a greater financial cushion to assist them in becoming independent from TCA.

HRP strongly urges the Committee to issue a favorable report on SB 703. If you have any questions, please contact Michelle Madaio (she/her), Director – Economic Justice at (410) 716-0521, 410-685-6589, or mmadaio@hprplaw.org.

⁵ Jasmin Aramburu, Maryland Center on Economic Policy, More Basic Assistance is Needed to Propel Economic Mobility and Security Among Maryland Families Receiving TANF, (October 26, 2023), available at <https://mdeconomy.org/more-basic-assistance-is-needed-to-propel-economic-mobility-and-security-among-maryland-families-receiving-tanf/>.

⁶ Department of Human Services, FIA Action Transmittal #22-31 (September 1, 2022), available at <https://dhs.maryland.gov/documents/FIA/Action%20Transmittals-AT%20-%20Information%20Memo-IM/AT-IM2022/22-31%20IM%20-%20TCA.%20TDAP%20BENEFITS%20INCREASE%20UPDATE.pdf>.

⁷ Center on Budget and Policy Priorities, *Maryland TANF Spending* (2022), available at https://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_md.pdf; see also Department of Legislative Services, Department of Human Services Fiscal 2026 Budget Overview, p. 20.

⁸ Id. at 21.

⁹ Id. at 16.

¹⁰ Id. at 17.

¹¹ Haley Smith, Lauren A. Hall, Letitia Logan Passarella, Life on Welfare: Temporary Cash Assistance Families & Recipients, 2023, University of Maryland School of Social Work (March 2024), p. 17, available at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-on-welfare/Life-on-Welfare.-2023.-updated-12-2024.pdf>.

¹² Haley Smith, Lauren A. Schuyler, and Letitia Logan Passarella, Life After Welfare 2024 Annual Update, at 38, available at <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare.-2024.pdf>.

¹³ Id. at 39.

¹⁴ Id. at 34.