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Maryland Should Ensure Family Economic Stability by Removing Barriers to Temporary Cash Assistance

Position Statement Supporting House Bill 1490

Given Before the Senate Finance Committee

Maryland's Temporary Cash Assistance (TCA) program is a vital lifeline for families with children, yet rigid administrative requirements can often penalize the very households the program is designed to protect. House Bill 1490 strengthens the integrity of this safety net by prohibiting the denial or reduction of benefits when a parent applying for TCA has good cause or an adequate reason for noncooperation with child support. By codifying clear exceptions for short- or long-term reasons for not working with the child support agency to pursue child support payments—such as domestic violence, illness, or childcare breakdowns—this legislation ensures that Maryland children are not punished for circumstances beyond their parents' control. Protecting access to these modest but essential resources is a proven strategy for reducing childhood poverty, stabilizing households in crisis, and ensuring that all Maryland families have the foundation necessary to pursue long-term economic mobility. **For these reasons, the Maryland Center on Economic Policy supports House Bill 1490, as amended in the House.**

House Bill 1490 addresses a critical gap in our state's safety net: the rigid child support cooperation requirements that often penalize families facing the most extreme hardships. By codifying "good cause" and "adequate reason" exceptions, HB 1490 ensures that Maryland's the TCA program functions as a bridge to stability rather than a source of further harm.

Cash assistance is intended to help families with children afford basic necessities when they fall on hard times. However, the program currently reaches only a fraction of families in need, and many who do receive help are living in "deep poverty"—defined as income below 50% of the federal poverty line.

- **Deep poverty in Maryland:** Families receiving TCA and SNAP combined still only reach approximately **61.25% of the Maryland Minimum Living Level**.
- **High denial rates:** Recent data from the Department of Legislative Services (DLS) indicates that TCA application denial rates as of late 2025 exceeded **85%**, far higher than the denial rates for SNAP (often under 30%).¹
- **Financial penalties:** Under current law, noncompliance with child support requirements—even for reasons out of the parent's control—results in a **25% reduction of the entire family grant**. For a family already struggling to pay for basic essentials, this is a catastrophic loss.

- **Non-compliance impact:** 14,821 TCA cases were closed due to “non-cooperation”, which includes work requirements, child support, and other administrative hurdles, between July 2021 and October 2024.

House Bill 1490 is a necessary corrective to ensure that we are not punishing children for their parents' inability to navigate complex administrative hurdles during a crisis.

Most of the provisions in HB 1490 align with existing state regulations. However, data suggest that local Department of Social Services offices are likely failing to grant good cause exemptions to many people who qualify:

- Federal child support data show Maryland reporting only a few good cause exemptions each year while states like Massachusetts, New Jersey and Connecticut grant hundreds of exemptions per year.²
- A 2024 report the University of Maryland School of Social Work produced for DHS found that fewer than 1% of TCA participants received “good cause” exemptions from work requirements even though research suggests the majority of participants have a history of domestic violence that could qualify them for an exemption.³
- Failure to participate in seeking child support is one of the top reasons applicants have their TCA applications denied or cases closed. The DLS analysis of the Family Investment Administration FY 2027 budget showed a spike in the number of applications denied due to child support in 2024, reaching about 15% of cases. In the most recent months, about 6% of denied applications cited noncompliance with child support as the cause.

The 2024 School of Social Work analysis also found that there are significant variations between counties in how they consider good cause exemptions. **Passing HB 1490 would help standardize practices across the state.** It would also ensure that all people applying for TCA are aware that “good cause” exemptions are available by requiring DSS offices to notify people at several points in the application process.

One of the most significant barriers to child support cooperation is concerns about safety. For survivors of domestic abuse, the requirement to cooperate with the state to pursue child support can cause concerns about provoking dangerous confrontations with an abuser.

- **Protecting survivors:** HB 1490 prohibits the department from contacting a noncustodial parent while a "good cause" claim is pending. This is a vital safety measure.
- **Removing barriers to relief:** The bill allows "good cause" to be established via an oral or written statement from the recipient, rather than requiring burdensome third-party verification. This recognizes that survivors may not have immediate access to police reports or court records while in flight from an abuser.

The definition of "good cause" must reflect the modern challenges Maryland families face. In SFY 2024, **27,028 families** received TCA; of these, **80% had at least one child under the age of 13.** These families are often one crisis away from total instability.

HB 1490 expands "good cause" to include:

- **Homelessness:** Recognizing that a family lacking a "fixed, regular, and adequate nighttime residence" cannot reasonably be expected to prioritize administrative paperwork over finding shelter.
- **Family crises:** Situations that "threaten normal family functioning," such as critical illness or severe family trauma.
- **Administrative failures:** The bill includes "adequate reason" exceptions for circumstances beyond an individual's control, such as mail being delivered to an incorrect address or natural disasters.

When families are not granted TCA benefits or lose a portion of their assistance due to sanctions, the economic impact ripples through our communities:

- **Local spending:** TCA benefits are spent immediately on local necessities like groceries, clothing, and transportation.
- **Long-term outcomes:** Research shows that providing stable income to children in poverty leads to better health outcomes, higher graduation rates, and increased earnings in adulthood.

Conversely, sanctions do not encourage cooperation; they more often lead to "churning," where families lose benefits, fall deeper into crisis, and eventually re-apply, creating a cycle of administrative waste and human suffering.

Every Marylander should be able to afford basic necessities. House Bill 1490 is a compassionate, data-driven approach to social services. It protects the most vulnerable children from losing their safety net because of administrative barriers or safety concerns.

The Maryland Center on Economic Policy supports the clarifying amendments the House made in conversation with the Department of Human Services and community organizations supporting the bill, and urges the committee to provide a favorable report on House Bill 1490.

Equity Impact Analysis

Summary

HB 1490 establishes "good cause" and "adequate reason" exceptions for child support noncooperation within the Family Investment Program (FIP). This legislation prevents the arbitrary reduction or termination of Temporary Cash Assistance (TCA) for vulnerable families, ensuring that administrative requirements do not become barriers to basic economic survival.

Background

Maryland continues to face significant challenges with "deep poverty," where families live on incomes less than half of the federal poverty level. For a single individual in 2024, this threshold was approximately **\$7,530**. TCA serves as a critical safety net for these households. However, current regulations often require strict cooperation with child support enforcement

to maintain eligibility. Under **HB 1490**, the state would codify protections for individuals who cannot cooperate due to risks of domestic violence, potential harm to the child, or circumstances like homelessness and temporary incapacity.

Equity Implications

Due to historical disinvestment and systemic inequities in employment and housing, Marylanders of color—particularly Black Marylanders—are disproportionately represented in the state’s cash assistance programs.

- **Racial disparities in assistance:** In recent fiscal years, approximately two-thirds of adults receiving TANF (Temporary Assistance for Needy Families) in Maryland were Black.
- **Protection from sanctions:** Current "noncooperation" penalties, which include a 25% reduction in the entire grant amount, fall most heavily on Black families. By allowing a self-stated "good cause" (without requiring burdensome third-party verification), HB 1490 removes a bureaucratic hurdle that has historically led to the loss of benefits for marginalized groups.
- **Safety and stability:** Research consistently shows that cash assistance is vital for child development and family stability. For survivors of domestic violence—who are often deterred from seeking child support due to safety concerns—these exceptions provide a pathway to economic security without compromising physical safety.

HB 1490 specifies that a statement from the individual shall suffice as evidence for "good cause," preventing the Department of Human Services from contacting a noncustodial parent when such contact could pose a risk of harm.

Impact

House Bill 1490 will likely **improve racial and economic equity** in Maryland

¹ Analysis of the FY 2027 Maryland Executive Budget, Department of Human Services, Family Investment Administration <https://mgaleg.maryland.gov/pubs/budgetfiscal/2027fy-budget-docs-operating-N00100-DHS-Family-Investment.pdf>

² Office of Child Support Services Preliminary Report, FY 2024
https://acf.gov/sites/default/files/documents/ocse/fy_2024_preliminary_report.pdf

³ University of Maryland School of Social Work, Family Welfare Research, Maryland’s TANF Program: a Comprehensive Review, October 2024,
[https://dhs.maryland.gov/documents/Data%20and%20Reports/FIA/Other/2024%20Comprehensive%20TCA%20Review%20\(H.B.%201041\).pdf](https://dhs.maryland.gov/documents/Data%20and%20Reports/FIA/Other/2024%20Comprehensive%20TCA%20Review%20(H.B.%201041).pdf)