

HOUSE BILL 324
Family Law – Child Support - Assignment of Rights
In the House Judiciary Committee
Hearing on February 5, 2026
Position: FAVORABLE

Maryland Legal Aid submits its written testimony on HB 324 at the request of its sponsor, Delegate Karen Simpson.

Maryland Legal Aid asks that the Committee report **favorably** on HB 324, which calls on the Maryland Department of Human Services (DHS) to formally abandon the harmful practice of collecting state-owed child support payments from parents whose children are in foster care – except in rare circumstances where such collections would be appropriate. Maryland Legal Aid is Maryland’s largest private, civil nonprofit law firm, providing free legal services to indigent Maryland residents. Maryland Legal Aid assists low-income Marylanders in every county with a wide array of civil legal issues. Maryland Legal Aid’s family law attorneys advocate for low-income parents in divorce, custody, child support, and domestic violence matters. Maryland Legal Aid represents children in Child in Need of Assistance (CINA) matters throughout the state, in twenty-two jurisdictions.

Through our work, Maryland Legal Aid has observed firsthand how poverty plays a significant role in shaping the legal issues families face. Family poverty is strongly correlated with exposure to the child welfare system.¹ Parents whose children have been removed from their homes and placed into state care are often concurrently battling dire financial circumstances, resulting in hardships such as housing instability, inability to afford childcare, food insecurity, lack of transportation, and underemployment or unemployment.

Yet, in Maryland and many other states, government agencies routinely exacerbate the financial burdens of parents whose children have been placed in the foster care system by filing child support cases against them in court. Payments made by parents in these cases do *not* go to their children but are instead *kept* by the government to recoup the costs of providing foster care. This practice, known as “cost recovery,” led to Maryland taking over 2.6 million dollars away from parents with children in foster care between 2020 and 2024.² Not only do these cost recovery cases extract scarce financial resources from struggling families by forcing them to pay the

¹ See e.g. Thomas MMC, Waldfogel J. “What kind of ‘poverty’ predicts CPS contact: Income, material hardship, and differences among racialized groups.” *Children and Youth Services Review* (2022), available at: <https://pmc.ncbi.nlm.nih.gov/articles/PMC8972944/>; Dvalishvili, D., Jonson-Reid, M., & Drake, B. “Childhood poverty and foster care placement: Implications for practice and policy.” *Child Abuse & Neglect*, 154, 1–12 (2024), available at <https://doi.org/10.1016/j.chiabu.2024.106926>.

² Office of Child Support Enforcement, “Preliminary Report FY 2024” (2024) available at https://acf.gov/sites/default/files/documents/ocse/fy_2024_preliminary_report.pdf

government for keeping their children in foster care, but when parents are unable to pay the child support orders established in these cases, they accrue government-owed debt.

Research has shown that charging parents for their children’s stay in foster care is harmful to families.³ These child support cases further impoverish low-income parents, making it harder for them to engage in reunification efforts with their children, thus prolonging their children’s stay in the state’s custody. Furthermore, studies have found that this type of cost recovery is, in fact, *not* cost-effective; state governments end up collecting less money than they expend on litigating these child support cases.⁴ For example, according to federal child support data,⁵ Maryland may have lost over \$200,000 on pursuing child support cases against parents with children in foster care in 2023.⁶

For these reasons, in 2022, the federal Administration for Children and Families (ACF) released new guidance calling on state child welfare agencies “to implement a policy where the default position is **not** to refer parents to the child support agency” for foster care cost recovery.⁷ The ACF recognized that requiring low-income parents “to pay child support to the state to offset the cost of their child placed in foster care . . . can negatively impact a family that is trying to

³ Cancian, Maria & Cook, Steven T. & Seki, Mai & Wimer, Lynn, 2017. “Making parents pay: The unintended consequences of charging parents for foster care,” *Children and Youth Services Review*, (2017), available at <https://www.sciencedirect.com/science/article/pii/S0190740916303425>

⁴ See e.g. Chellew, Carol, Noyes, Jennifer L. & Selekmán, Rebekeh, “Child Support Referrals for Out-of-Home Placements: A Review of Policy and Practice,” Institute for Research on Poverty, October 2012, available at https://www.irp.wisc.edu/wp/wp-content/uploads/2018/06/Task6_CS_2011-12_CSPII.pdf; Washington State Department of Social and Health Services, Division of Child Support, “Washington’s Cost Effectiveness for Foster Care Child Support Cases,” June 7, 2019, available at <https://www.dshs.wa.gov/sites/default/files/ESA/dcs/documents/Cost%20Effectiveness%20FC%20collections%20FINAL.pdf>; Orange County Department of Child Support Services, “Child Support and Foster Care,” July 2020, available at <https://www.css.ocgov.com/sites/css/files/import/data/files/116568.pdf>.

⁵ See Office of Child Support Enforcement, “Preliminary Report FY 2023” (2023), available at https://acf.gov/sites/default/files/documents/ocse/fy_2023_preliminary_report.pdf; Children’s Bureau, “Title IV-E Programs Expenditure and Caseload Data 2023” available at <https://acf.gov/cb/report/programs-expenditure-caseload-data-2023>.

⁶ See *id.* In 2023, the Maryland child support program’s total administrative costs were \$157,358,692 and its total caseload was 161,932 child support cases. This amounts to an administrative expenditure of \$971.75 per child support case. With Maryland seeking child support from parents with children in foster care in 681 cases in 2023, the government’s total administrative cost of pursuing these cases was likely \$661,761.75 (\$971.75 x 681 cases). Yet, Maryland only collected \$424,550 in foster care cost recovery child support cases in 2023, presumably resulting in a programmatic loss of roughly \$237,210.75.

⁷ Administration for Children & Families, U.S. Department of Health and Human Services, “Joint Letter Regarding Assignment of Rights of Child Support for Children in Foster Care,” July 29, 2022, available at https://www.acf.hhs.gov/sites/default/files/documents/cb/letter_regarding_assignment_rights_child_support_for_children_foster_care.pdf.

develop and maintain familial and economic stability to reunify with their child. It is not in the best interest of any family to be pursued for child support when they have already been whipsawed by economic insecurity, family instability, and separation.”⁸

After this guidance was issued, several states, including California, Michigan, Montana, North Dakota, and Washington, took legislative or administrative steps to curtail the collection of child support from parents whose children are in foster care, and other states are considering similar measures. Here in Maryland, Maryland Legal Aid was very encouraged when DHS filed a bill (SB 195/ HB 218) during the 2025 legislative session that, among other provisions, created statutory language clarifying that cost recovery child support cases should be filed against parents with children in foster care in only *limited* circumstances. That bill did not pass last year, and DHS has not re-filed any legislation regarding this practice. In fact, since last session, DHS has remained silent as to whether and when it will stop referring parents to the Child Support Administration for foster care cost recovery

HB 324’s language is *identical* to the language proposed by DHS in its 2025 bill. It directs the government not to file child support cases against parents with children in foster care except in limited circumstances where doing so is appropriate. This language comports with federal requirements⁹ while creating a policy whereby these cases are not the norm, but a rarity. Further, HB 324 (like the bill proposed by DHS last year) can apply retrospectively, giving the government the ability to terminate any existing child support orders previously entered against parents with children in state care.

HB 324 recognizes a fundamental truth that MLA sees every day: families involved in the child welfare system need support, not additional financial punishment. When governments force parents to pay child support to the state after their children have been removed, they are usually diverting precious resources from families who have none to spare. This practice is directly contrary to DHS’ mission of empowering and protecting vulnerable families and children. Saddling low-income parents with child support debt while their children are in foster care only moves families further away from stability and reunification. Given the federal government’s clear guidance, it is high time for Maryland to formally scale back its pursuit of these harmful and fiscally inefficient cost recovery child support cases. For these reasons, MLA urges a favorable report on HB 324. If you have any questions about this testimony, please contact Amee Vora, Advocacy Director for Family Law, at avora@mdlab.org.

⁸ *Id.*

⁹ *See* 42 U.S.C. § 671(a)(17) (requiring states to have procedures giving agencies the *option* to seek child support from parents with children in state custody in *appropriate* cases).