

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1034

(Senator Hough, *et al.*)

Finance

Human Services – State Public Assistance Eligibility – Arrest Warrant

This bill prohibits an individual from being eligible for specified State-funded public assistance programs during a month in which the individual is the subject of an arrest warrant. The programs are: (1) the Public Assistance to Adults program; (2) the State supplement to the food stamp program; (3) the Temporary Disability Assistance Program (TDAP); and (4) the Electric Universal Service Program (EUSP).

Fiscal Summary

State Effect: General and special fund expenditures for benefit payments decline beginning in FY 2019. General fund expenditures increase by a *potentially* significant amount beginning in FY 2019 for implementation, as discussed below. Revenues are not affected.

Local Effect: Local law enforcement expenditures may increase, as discussed below.

Small Business Effect: None.

Analysis

Current Law/Background: Eligibility requirements for the various programs are specified in statute and/or regulations. Individuals are not prohibited from receiving assistance if they are the subject of an arrest warrant.

The Public Assistance to Adults program provides payments to indigent clients residing in licensed assisted living homes, Project Home clients (a housing program for persons with mental illness or other disabilities), and adult foster care clients.

The State supplement to the food stamp program provides a supplemental benefit for seniors receiving federally funded food stamps to ensure that the households receive a minimum monthly benefit of \$30.

TDAP provides a limited monthly cash benefit for individuals with a short-term disability (at least 3 months but less than 12 months). An individual with a long-term disability must pursue a Supplemental Security Income application and receives State cash assistance until the application is approved.

EUSP provides assistance with electric bills; benefits include bill payment and arrearage retirement assistance.

Some statutory provisions establish restrictions on individuals with outstanding warrants. For example, counties may participate in a warrant intercept program, under which an official of the federal, State, or local government charged with serving a criminal arrest warrant may certify to the Comptroller that an individual has an outstanding warrant and request that the Comptroller withhold the individual's income tax refund.

State and Local Fiscal Effect: To the extent that individuals are prohibited from receiving assistance because of arrest warrants, general and special fund expenditures decrease accordingly. Any specific impact cannot be reliably estimated at this time due to a lack of data. However, the Department of Legislative Services (DLS) notes that any reduction in expenditures for State-funded public benefits is likely offset by *potentially* significant costs to implement the bill. Such costs are likely to exceed any potential reduction in expenditures from fewer benefit payments. Each month, DHS will have to verify that individuals receiving specified benefits are not the subject of a warrant; staff are required to cross check the names of individuals with arrest warrants against those who receive benefits. Because of the large volume of individuals receiving State-funded public benefits (an estimated 11,847 per month in TDAP and 20,082 in the State supplemental food program in fiscal 2019) and the need to make manual adjustments to exclude individuals who will not be eligible to receive benefits because of a warrant, it is estimated that this task cannot be done with existing resources. *For illustrative purposes only*, for every new additional caseworker needed, general fund expenditures increase by \$58,000 annually.

DLS notes that although an individual is prohibited from receiving State-funded public assistance during a month in which the individual is subject to an arrest warrant, the bill does not specify a mechanism by which DHS is to be notified of any warrants. However, to the extent that local law enforcement may be required to provide information on arrest warrants to DHS, local expenditures may increase.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Services; Department of Legislative Services

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mm/jc

Analysis by: Jennifer K. Botts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510