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By: ~~Senators Bromwell, Exum, and Roesser~~ Baker, Blount, Currie, Exum, Hogan, Lawlah, Mitchell, Roesser, and Sfikas

Introduced and read first time: January 17, 2002

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2002

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CHAPTER \_\_\_\_\_

AN ACT concerning

**Welfare and Child Support Enforcement Innovation Act of 2002**

FOR the purpose of requiring local departments of social services to execute certain hiring agreements with certain entities doing business with certain counties for the purpose of hiring Family Investment Program (FIP) recipients; requiring a governing body of a county to designate certain procurement contracts as eligible contracts that in conjunction with the award of such contracts a hiring agreement is to be executed; requiring the Department to develop a certain model form; requiring the Department and local departments of social services to submit an annual report; repealing a certain limitation on temporary cash assistance payments; requiring the Secretary of Human Resources to establish a mentoring program for current FIP recipients; altering certain requirements for the Commission on Responsible Fatherhood; extending for 3 years the termination date of certain provisions of law relating to the Child Support Enforcement Privatization Pilot Program; providing for the use of certain funds in a certain account; ~~repealing certain reporting requirements for employers who hire new employees~~; and generally relating to ~~the Family Investment Program~~ welfare and child support enforcement.

BY adding to

Article 24 - Political Subdivisions - Miscellaneous Provisions

Section 18-101 to be under the new title "Title 18. Family Investment Program  
Contracts and Hiring Agreements"

Annotated Code of Maryland  
(2001 Replacement Volume)

BY repealing

Article 88A - Department of Human Resources  
Section 50(e)  
Annotated Code of Maryland  
(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,  
Article 88A - Department of Human Resources  
Section 56  
Annotated Code of Maryland  
(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,  
Article 41 - Governor - Executive and Administrative Departments  
Section 18-402  
Annotated Code of Maryland  
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, without amendments,  
Article - Family Law  
Section 10-119.1 and 10-119.2  
Annotated Code of Maryland  
(1999 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 491 of the Acts of the General Assembly of 1995, as amended by  
Chapter 486 of the Acts of the General Assembly of 1999  
Section 14

BY renumbering  
Article 88A - Department of Human Resources  
Section 50(f), (g), and (h), respectively  
to be Section 50(e), (f), and (g), respectively  
Annotated Code of Maryland  
(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,  
Article - Labor and Employment  
Section 8-626.1  
Annotated Code of Maryland  
(1999 Replacement Volume and 2001 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 24 - Political Subdivisions - Miscellaneous Provisions**

## TITLE 18. FAMILY INVESTMENT PROGRAM CONTRACTS AND HIRING AGREEMENTS.

18-101.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN RESOURCES.

(3) "ELIGIBLE CONTRACT" MEANS A PROCUREMENT CONTRACT DESIGNATED BY THE GOVERNING BODY OF A COUNTY AS APPROPRIATE FOR THE EXECUTION OF A HIRING AGREEMENT.

(4) "FIP" MEANS THE FAMILY INVESTMENT PROGRAM ESTABLISHED UNDER ARTICLE 88A OF THE CODE.

(5) "HIRING AGREEMENT" MEANS AN AGREEMENT ENTERED INTO BY A LOCAL DEPARTMENT AND AN ENTITY DOING BUSINESS WITH A COUNTY UNDER WHICH THE LOCAL DEPARTMENT AND THE ENTITY AGREE TO WORK COOPERATIVELY IN ENDEAVORING TO IDENTIFY AND HIRE FIP RECIPIENTS TO FILL JOB OPENINGS OF THE ENTITY.

(6) "LOCAL DEPARTMENT" MEANS A LOCAL DEPARTMENT OF SOCIAL SERVICES IN A COUNTY OR IN BALTIMORE CITY CREATED OR CONTINUED UNDER THE PROVISIONS OF ARTICLE 88A, § 13 OF THE CODE.

(B) ON OR BEFORE OCTOBER 1, 2002, THE GOVERNING BODY OF A COUNTY, IN CONSULTATION WITH THE DEPARTMENT, SHALL DESIGNATE THE TYPES OF PROCUREMENT CONTRACTS THAT ARE ELIGIBLE CONTRACTS.

(C) (1) ON OR BEFORE DECEMBER 1, 2002, THE DEPARTMENT SHALL DEVELOP A MODEL HIRING AGREEMENT FORM THAT SHALL BE COMPLETED BY A LOCAL DEPARTMENT AND AN ENTITY IN CONJUNCTION WITH THE AWARD OF AN ELIGIBLE CONTRACT.

(2) THE MODEL HIRING AGREEMENT FORM SHALL INCLUDE THE FOLLOWING PROVISIONS:

(I) THAT THE ENTITY WILL:

1. INFORM THE LOCAL DEPARTMENT OF ~~ALL OF THE~~ ENTITY'S JOB OPENINGS;

2. DECLARE THE LOCAL DEPARTMENT ITS "FIRST SOURCE" IN IDENTIFYING AND HIRING CANDIDATES TO FILL THOSE JOB OPENINGS;

3. WORK COOPERATIVELY WITH THE LOCAL DEPARTMENT TO DEVELOP ANY NECESSARY TRAINING PROGRAMS THAT WILL ENABLE FIP RECIPIENTS IN QUALIFYING FOR AND SECURING THE POSITIONS;

4. GIVE FIRST PREFERENCE AND FIRST CONSIDERATION TO THE EXTENT PERMITTED BY LAW AND ANY EXISTING LABOR AGREEMENTS TO CANDIDATES REFERRED TO THE ENTITY BY THE LOCAL DEPARTMENT;

5. AGREE TO GIVE CANDIDATES REFERRED TO THE ENTITY BY THE LOCAL DEPARTMENT PRIORITY IN THE FILLING OF A JOB OPENING IF THE CANDIDATE MEETS THE QUALIFICATIONS OF THE POSITION;

6. PROVIDE THE LOCAL DEPARTMENT WITH INFORMATION ON THE DISPOSITION OF ALL REFERRALS MADE BY THE LOCAL DEPARTMENT INCLUDING AN EXPLANATION OF WHY ANY SUCH CANDIDATE WAS NOT HIRED OR CONSIDERED QUALIFIED;

7. PROVIDE THE LOCAL DEPARTMENT WITH INFORMATION REGARDING THE PROGRESS AND EMPLOYMENT STATUS OF THOSE CANDIDATES REFERRED BY THE LOCAL DEPARTMENT THAT THE ENTITY HIRED; AND

8. DESIGNATE A SPECIFIC INDIVIDUAL THAT THE LOCAL DEPARTMENT MAY CONTACT IN REGARD TO THE PROVISIONS OF THE HIRING AGREEMENT; AND

(II) THAT THE LOCAL DEPARTMENT WILL ASSIGN AN ACCOUNT REPRESENTATIVE TO THE ENTITY WHO WILL:

1. RECEIVE AND PROCESS ALL OF THE ENTITY'S JOB NOTIFICATIONS;

2. REFER ONLY SCREENED AND QUALIFIED CANDIDATES TO THE ENTITY;

3. ASSIST IN THE DEVELOPMENT OF ANY MUTUALLY AGREED UPON TRAINING PROGRAMS, INTERNSHIP PROGRAMS, OR BOTH THAT WILL BETTER PREPARE FIP RECIPIENTS FOR EMPLOYMENT WITH THE ENTITY;

4. ARRANGE FOLLOW-UP AND POST-HIRE TRANSITIONAL OR SUPPORTIVE SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, AS NECESSARY AND APPROPRIATE; AND

5. REVIEW AND EVALUATE THE EFFECTIVENESS OF THE HIRING AGREEMENT WITH THE ENTITY AND MAKE MODIFICATIONS IN THE AGREEMENT AS NECESSARY AND APPROPRIATE.

(D) ~~EACH YEAR ON OR BEFORE DECEMBER 1~~, THE DEPARTMENT AND ANY LOCAL DEPARTMENTS THAT HAVE ENTERED INTO HIRING AGREEMENTS SHALL SUBMIT ~~A- AN ANNUAL~~ REPORT TO THE JOINT COMMITTEE ON WELFARE REFORM OF

THE GENERAL ASSEMBLY AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

- (1) THE NUMBER OF HIRING AGREEMENTS EXECUTED;
- (2) THE NUMBER OF FIP RECIPIENTS HIRED BY AN ENTITY WITH WHICH A HIRING AGREEMENT WAS EXECUTED; AND
- (3) THE EFFECTIVENESS OF EACH HIRING AGREEMENT IN OBTAINING EMPLOYMENT FOR FIP RECIPIENTS.

**Article 88A - Department of Human Resources**

50.

(e) (1) This subsection does not apply to a birth resulting from rape or incest.

(2) Except as provided in paragraph (3) of this subsection, temporary cash assistance may not include the increment in cash benefits under the program for which a recipient would otherwise be eligible as a result of the birth of a child 10 or more months after the recipient's initial application for temporary cash assistance benefits.

(3) Cash payments for a child may not be made to a family other than the child's family unless the Social Services Administration has placed the child with the other family.

(4) The Department shall provide for a recipient ineligible for an increment in cash benefits under this subsection a child-specific benefit not to exceed the value of the increment eliminated by this subsection for the purchase of goods specified by the Department as suitable for the care of a minor.

(5) A local department may pay an administrative fee to a third party payee to cover the administrative costs of the third party payee for managing the child-specific benefit.

(6) The Secretary shall adopt regulations specifying the selection criteria for third party payees under this subsection.]

56.

(a) The Secretary, in cooperation with directors of local departments of social services, shall establish a mentoring program for CURRENT AND former FIP recipients.

(b) The mentoring program may include Family Investment Program caseworkers in local departments who volunteer to be mentors.

(c) The Department may contract with other organizations under § 47 of this article to acquire mentors for CURRENT AND former FIP recipients.

(d) Mentoring may include:

- (1) Providing assistance to resolve workplace problems;
- (2) Providing workplace adjustment assistance;
- (3) Job coaching;
- (4) Life skills;
- (5) Counseling and tutoring; and

(6) Any other activities that will help CURRENT AND former FIP recipients through the first months that they are off temporary cash assistance.

(e) To be eligible to participate in the mentoring program, an individual shall:

(1) BE A CURRENT FIP RECIPIENT; OR

[(1)] (2) (I) Have been a FIP recipient in the previous 6 months;

[(2)] (II) Have been employed; and

[(3)] (III) Have a demonstrated need and desire for assistance in acquiring and maintaining the skills necessary for a lasting exit from temporary cash assistance.

(f) Program participation may not exceed 6 months.

(g) The Secretary may arrange to provide pay or other types of incentives to employees who volunteer to mentor CURRENT AND former FIP recipients.

(h) The Secretary's powers under this section shall be given liberal construction.

### **Article - Labor and Employment**

8-626.1.

(a) In this section, "date of employment" means the date on which an employee commences working for an employing unit.

(b) Except as provided in subsection (c) of this section, within 20 days of an employee's beginning employment, the employee's employing unit shall submit to the Secretary:

- (1) the Social Security number of the employee;

- (2) the name of the employee;
- (3) the address of the employee;
- (4) the date of employment;
- (5) the employing unit's name and address;
- (6) ~~the~~ the employee's starting wage;
- (7) whether the employee has health insurance provided by the employing unit;
- (8)~~the~~ the federal employer identification number of the employing unit;
- and
- ~~{(9)}~~ ~~(7)~~ the State unemployment insurance account number of the employing unit.

(c) (1) The employing unit shall report the required information by:

- (i) mail;
- (ii) magnetically or electronically; or
- (iii) other means as determined by the Secretary.

(2) If an employing unit chooses to transmit data magnetically or electronically at a rate of twice per month, then the report must be submitted not less than 12 days or more than 16 days apart.

(3) (i) An employing unit that has employees in two or more states and that transmits reports magnetically or electronically may designate one state in which to transmit the report.

(ii) An employing unit that chooses to transmit the data to another state shall provide the Secretary with the name of the state receiving the report.

(d) (1) Any employing unit that fails to report as required:

- (i) shall be given a written warning for the first violation; and
- (ii) shall be subject to a civil penalty of \$20 for each month in which a subsequent violation occurs, or \$500 if the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report, unless the Secretary waives the penalty for cause.

(2) All violations occurring in a single month to the same employing unit shall be considered a single violation.

(e) An assessment under this section is final unless, within 15 days after the mailing of the assessment, an employing unit applies to the Secretary for a hearing. The Secretary may forward the application to the Office of Administrative Hearings for adjudication.

(f) The Department of Human Resources shall reimburse the Secretary for all costs incurred to carry out this section.

#### **Article 41 - Governor - Executive and Administrative Departments**

18-402.

(a) There is a Commission on Responsible Fatherhood.

(b) The Commission shall be independent and located in the Department of Human Resources [Child Support Enforcement Administration] for budgetary and administrative purposes only.

#### **Article - Family Law**

10-119.1.

(a) In this section, "conciliation conference" means a conference conducted at a site designated by the Pilot Program established under subsection (b) of this section to provide an opportunity for the parties to resolve issues associated with an action to modify or enforce a duty of support prior to going to a court proceeding.

(b) (1) Notwithstanding § 13-405 of the State Personnel and Pensions Article, there is a Child Support Enforcement Privatization Pilot Program within the Department.

(2) The Pilot Program shall operate in Baltimore City and Queen Anne's County.

(c) The purpose of the Pilot Program is to authorize the Secretary of the Department to enter into contracts with private companies to privatize all aspects of child support enforcement functions of the Department, including:

- (1) locating absent parents;
- (2) establishing paternities;
- (3) establishing support orders;
- (4) collecting and disbursing support payments;
- (5) reviewing and modifying child support orders; and

(6) except for legal representation in accordance with § 10-115 of the Family Law Article and as otherwise provided by law, enforcing support obligations.



(d) Subject to subsection (h) of this section, the Secretary shall:

(1) adopt regulations that:

(i) require the transfer of all aspects of child support enforcement to one or more private contractors by November 1, 1996;

(ii) provide for the reimbursement of any private contractor;

(iii) prohibit the cost of transferring child support enforcement to private contractors as defined in item (ii) of this paragraph from exceeding the fiscal year 1995 administrative cost per child support dollar collected by the Child Support Enforcement Administration in the Pilot Program areas;

(iv) require any private contractor to offer employment upon terms deemed by the Secretary to be fair and equitable to any former State employees working for an existing contractor who are affected by the transfer of child support enforcement responsibilities under this section and to retain any employees who accept the offer:

1. for the duration of the Pilot Program unless there is cause for dismissal; and

2. at a salary and benefit level comparable to the salary and benefits to which they were entitled at the time of the transfer;

(v) require any private contractor to adopt a grievance procedure for employees who are retained by the private contractor under item (iv) of this item; and

(vi) prohibit the reimbursement of any private contractor from child support collections; and

(2) assist an employee who declines an offer of employment with a private contractor to identify a comparable position in the State Personnel Management System to which the employee may transfer.

(e) A request for proposal to transfer child support collection activities issued under this section shall:

(1) comply with the provisions of Division II of the State Finance and Procurement Article;

(2) set forth the goals of the privatization; and

(3) specify the incentives which will be available to the contractor.

(f) (1) On or before October 1, 1996, and annually thereafter, the Secretary shall report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on the operation and performance of the Pilot Program.

(2) The report shall assess the Pilot Program for its effectiveness and success in enhancing child support collection through the privatization of child support enforcement in Baltimore City and Queen Anne's County in the State.

(3) The Secretary shall include in the report the plans for improving the effectiveness and success of the Pilot Program in achieving the objective.

(g) The Secretary shall adopt any other regulations necessary to carry out the provisions of this section.

(h) A former State employee who declines an offer of employment with a private contractor under this section shall be considered laid off and shall be entitled to all rights specified under Title 11, Subtitle 2 of the State Personnel and Pensions Article.

(i) In accordance with subsection (j) of this section, the Pilot Program may conduct a conciliation conference.

(j) (1) If a complaint is filed to modify or enforce a duty of support in the circuit court of a jurisdiction in which the Pilot Program is located, the court may issue a writ of summons to order the parties to appear and to produce documents at a conciliation conference.

(2) If a party fails to appear or fails to produce the documents required under this subsection, a representative of the Pilot Program may apply, upon affidavit, to the court for a body attachment.

(3) If a party fails or refuses to obey a court order to appear or produce the documents required under this subsection at a conciliation conference, the court may issue a body attachment or compel compliance in any other manner available to the court to enforce its order.

#### 10-119.2.

(a) (1) In this section the following words have the meanings indicated.

(2) "Conciliation conference" means a conference conducted at a demonstration site to provide an opportunity for the parties to resolve issues associated with an action to modify or enforce a duty of support prior to going to a court proceeding.

(3) "Demonstration site" means any jurisdiction selected by the Secretary of Human Resources, in consultation with the director of the local department of social services in the jurisdiction, to compete against privatized jurisdictions in providing child support enforcement services.

(b) The Secretary shall establish a child support enforcement demonstration site in at least one but not more than six jurisdictions for the purpose of competing against a privatized jurisdiction as established in § 10-119.1 of this subtitle.

(c) Notwithstanding any other provision of law, the Secretary shall appoint a director of child support services in a demonstration site who shall report directly to the Executive Director of the Child Support Enforcement Administration of the Department.

(d) Notwithstanding any other provision of law, the Secretary shall have sole authority over the child support enforcement functions in a demonstration site, including but not limited to:

- (1) location of parents;
- (2) establishing paternities;
- (3) establishing child support orders;
- (4) collecting and disbursing support payments;
- (5) reviewing and modifying child support orders;
- (6) enforcing support obligations;
- (7) providing legal representation to the Administration; and
- (8) establishing contractual agreements with private or public entities to provide child support services.

(e) Notwithstanding any other provision of law and for the purpose of carrying out the provisions of this section, the Secretary shall have the authority to sever contractual agreements with a State's Attorney and hire private counsel to provide legal representation for the Child Support Enforcement Administration.

(f) (1) Notwithstanding any other provision of law, all employees hired in a demonstration site after its designation as a demonstration site shall be in the management service or special appointments in the State Personnel Management System.

(2) If a position in a demonstration site is held by a classified service employee prior to its designation as a demonstration site, the position remains a classified service position or its equivalent in the State Personnel Management System until the position becomes vacant, at which time the position shall become a management service or special appointment position.

(g) The Secretary shall establish a performance incentive program to provide pay incentives for employees in a demonstration site.

(h) In accordance with subsection (i) of this section, a demonstration site may conduct a conciliation conference.

(i) (1) If a complaint is filed to modify or enforce a duty of support in the circuit court of a jurisdiction in which a demonstration site is located, the court may

issue a writ of summons to order the parties to appear and to produce documents at a conciliation conference.

(2) If a party fails to appear or fails to produce the documents required under this subsection, a representative of the demonstration site may apply, upon affidavit, to the court for a body attachment.

(3) If a party fails or refuses to obey a court order to appear or produce the documents required under this subsection at a conciliation conference, the court may issue a body attachment or compel compliance in any other manner available to the court to enforce its order.

(j) The powers of the Secretary to carry out the provisions of this section shall be construed liberally.

**Chapter 491 of the Acts of 1995, as amended by Chapter 486 of the Acts of 1999**

SECTION 14. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall remain effective for the period of [7] 10 years and 4 months and, at the end of October 31, [2002] 2005, and with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 50(f), (g), and (h), respectively, of Article 88A - Department of Human Resources of the Annotated Code of Maryland be renumbered to be Section(s) 50(e), (f), and (g), respectively.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Dedicated Purpose Account for the Family Investment Program established under Chapter 593, § 7, of the Acts of the General Assembly of 1997, and Chapter 637, § 7, of the Acts of the General Assembly of 1998, may be used for the following purposes:

- (a) Providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
  - (b) Ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
  - (c) Preventing and reducing the incidence of out-of-wedlock pregnancies;
  - (d) Encouraging the formation and maintenance of two-parent families;
- and
- (e) Reducing ~~child~~ poverty.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2002.

