

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 973
 Appropriations

(Delegates Rosenberg and Haynes)

Couples Advancing Together Pilot Program - Additions and Extension

This bill extends, from June 30, 2016, to June 30, 2018, the termination date for the Couples Advancing Together Pilot Program within the Department of Human Resources (DHR). The bill also requires the pilot program to include implementation of a collaborative learning project and establishes provisions by which program participants may have increased portions of their income disregarded for purposes of determining the amount of assistance for which they are eligible. The Secretary of Human Resources must allocate at least \$250,000 in each fiscal year for the program.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: General fund expenditures increase by a minimum of \$250,000 in FY 2017 and 2018, which reflects the minimum funding required by the bill. Potential increase in federal fund revenues to the extent the bill enables DHR to leverage additional federal funds.

| (in dollars) | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------------|-------------|-------------|---------|---------|---------|
| FF Revenue | - | - | \$0 | \$0 | \$0 |
| GF Expenditure | \$250,000 | \$250,000 | \$0 | \$0 | \$0 |
| Net Effect | (\$250,000) | (\$250,000) | \$0 | \$0 | \$0 |

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The program must include implementation of a collaborative learning project through which DHR, on an ongoing basis, works with representatives of the Annie E. Casey Foundation and partner organizations that are providing services under the program to:

- document the policies and procedures implemented in the local department of social services to encourage increased participation of both parents at the beginning of the process for determining eligibility for Family Investment Program (FIP) benefits;
- assess, from participant and provider perspectives, the extent to which implementation of the policies and procedures in the local department has increased the participation of both parents in the process for determining eligibility for FIP benefits and enrollment in the program;
- identify changes to be made to the policies and procedures to increase participation in the process for determining eligibility and enrollment in the program; and
- document and assess the implementation and outcome of any changes made to the policies and procedures in the local department;

The program must also include implementation of an earned income disregard program, as discussed below, and development of a data-sharing agreement between DHR and any partner organization that is providing services under the program that specifies the types of data needed, as specified, and the manner and timing for sharing data.

Under the earned income disregard program, FIP recipients who participate in the program and obtain unsubsidized employment must have a portion of their earned income disregarded for purposes of determining the amount of FIP assistance. The amount of assistance must be computed by counting no more than four weeks of earned income in any month. For participants who work less than 25 hours per week, FIP must disregard 40% of that earned income. For participants who work at least 25 hours per week, FIP must disregard (1) 100% of that income for the first six months of employment; (2) 60% of that earned income for employment exceeding six months, but less than 10 months; and (3) 40% of that earned income for employment exceeding nine months.

Current Law/Background:

Couples Advancing Together Pilot Program: Chapter 367 of 2013 established the Couples Advancing Together Pilot Program, which was originally set to terminate June 30, 2015.

Chapter 422 of 2015 extended the program for an additional year. The pilot program is required to be established in one county in cooperation with directors of local departments of social services and in consultation with the Commission on Responsible Fatherhood. The purpose of the program is to assist couples that qualify as a family eligible for FIP to move toward stable relationships and family-friendly employment, for one or both parents of a child who resides with the family, in order to improve their economic circumstances and provide support for lasting family units. To be eligible for the program, a couple must be raising together a child younger than age 14. The pilot program must include:

- implementation of policies and procedures in the local departments of social services that encourage increased participation of both parents at the beginning of the process for determining the eligibility of a family or custodial parent for benefits, including temporary cash assistance, unless the department believes the father has a history of domestic violence; and
- development of a local department referral process or integrated partnerships with other local or State agencies through which couples may jointly access programs and services that target economic stability, healthy relationships, and parenting.

The program must also include a six-week participation period during which couples receive education on, and are provided with the tools needed for, achieving success at home, in the workplace, and in society. With the assistance of subject matter experts, couples must (1) develop a written family-focused career plan; (2) learn competitive skills for the job market; and (3) attend couples-focused group sessions that teach skills in employment and financial literacy, aid couples in achieving economic stability, and build healthy relationships.

In addition to any other funds available to fund the program, DHR must attempt to access funds from (1) discretionary grants available from the federal Office of Child Support Enforcement; (2) Responsible Fatherhood and Healthy Marriage grants available from the U.S. Department of Health and Human Services, Office of Family Assistance; and (3) any other funds available in the federal budget concerning fatherhood or healthy marriage initiatives.

Pursuant to Chapter 367, DHR established a pilot program in Baltimore City through the Center for Urban Families.

Earned Income Disregard: For FIP participants, DHR calculates the amount of assistance they will receive by counting no more than four weeks of earned income in any month and disregarding 20% of that earned income. DHR calculates Temporary Cash Assistance (TCA) benefits for eligible FIP recipients who obtain unsubsidized employment by counting no more than four weeks of earned income in any month and disregarding 40% of

that earned income. Chapter 526 of 2013 established an earned income disregard pilot program within FIP, which is set to terminate September 30, 2017.

State Fiscal Effect: General fund expenditures increase by at least \$250,000 in fiscal 2017 and 2018, which reflects the minimum level of funding required by the bill. This estimate assumes that the \$250,000 allocation supports the assistance of 50 participant couples annually as well as the implementation of the required collaborative learning project. The need to use general funds may be reduced or eliminated to the extent that DHR is able to leverage federal funds to support the program. Despite the bill's June 1, 2016 effective date, it is assumed that no additional costs attributable to the extension of the pilot program are incurred until fiscal 2017.

General fund expenditures may increase further to the extent that program participants become eligible for higher amounts of assistance due to the earned income disregard provisions. *For illustrative purposes only*, for every pilot program participant who is not currently receiving TCA and secures employment working 25 hours per week at \$10 per hour, general fund expenditures increase by \$4,524, which assumes an average monthly benefit of \$636. To the extent that pilot program participants are already receiving TCA, expenditures associated with the earned income disregard provisions are offset accordingly. The Department of Legislative Services notes that if costs associated with implementing the collaborative learning project are less than anticipated, a portion of the mandatory allocation may be used to support the earned income disregard program, thus eliminating or reducing any additional impact.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Carroll, Montgomery, Queen Anne's, and St. Mary's counties; Department of Human Resources; Department of Legislative Services

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min/jc

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