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**By: Senator Madden**

Introduced and read first time: February 2, 1996

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **The Welfare Innovation Act of 1996**

3 FOR the purpose of requiring the Secretary of Human Resources to establish certain  
4 welfare demonstration projects; requiring the Secretary to allocate to the  
5 demonstration projects a certain amount of the State's budget for Aid to Families  
6 with Dependent Children; requiring a certain number of demonstration projects to  
7 be located outside certain counties; prohibiting the use of certain funds for certain  
8 purposes; requiring a demonstration project to provide certain services for  
9 participants in the demonstration project; requiring certain participants to enter  
10 into an agreement to perform certain actions; requiring the Secretary to adopt  
11 certain regulations; requiring the Secretary, in conjunction with the Secretary of  
12 Housing and Community Development and the Secretary of Health and Mental  
13 Hygiene, to adopt certain regulations; establishing a Joint Committee on Welfare  
14 Reform; requiring the Secretary to report in a certain manner to the Committee;  
15 requiring the Secretary to obtain, within a certain time, a certain evaluation of the  
16 effectiveness of the demonstration projects; defining certain terms; making this Act  
17 subject to a certain contingency; providing for the effective date of this Act; and  
18 generally relating to welfare demonstration projects and a Joint Committee on  
19 Welfare Reform.

20 BY adding to

21 Article 88A - Social Services Administration  
22 Section 54B  
23 Annotated Code of Maryland  
24 (1995 Replacement Volume)

25 BY adding to

26 Article - State Government  
27 Section 2-10A-04  
28 Annotated Code of Maryland  
29 (1995 Replacement Volume)

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1 Preamble

2 WHEREAS, Pending federal legislation is likely to limit Aid to Families with  
3 Dependent Children (AFDC) benefits to a lifetime maximum of 5 years foran individual;  
4 and

5 WHEREAS, It is imperative that the State be in a position, should State or  
6 federal legislation impose a lifetime maximum, to develop new and innovative ways to  
7 move AFDC recipients to self-sufficiency before recipients exhaust their benefits; and

8 WHEREAS, The present federal system has a "one size fits all" approach that  
9 encourages dependence and has not moved people to self-sufficiency; and

10 WHEREAS, Federal block grants will increase the financial constraints faced by  
11 the State and obligate the State to find new and innovative ways to serve needy citizens  
12 and promote the independence of AFDC recipients; and

13 WHEREAS, Volunteer, religious, and charitable organizations have historically  
14 provided aid to the needy, and these organizations represent a criticalmeans of  
15 leveraging the reduced funding available for welfare programs; and

16 WHEREAS, Cooperative living arrangements can concentrate and maximize  
17 resources as well as assist welfare recipients in developing living andother skills necessary  
18 for gaining an independent and productive role in society; now, therefore,

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

21 **Article 88A - Social Services Administration**

22 54B.

23 (A) IN THIS SECTION THE FOLLOWING TERMS HAVE THE MEANINGS  
24 INDICATED.

25 (1) "AFDC" MEANS AID TO FAMILIES WITH DEPENDENT CHILDREN.

26 (2) "COOPERATIVE LIVING PROJECT" MEANS A WELFARE  
27 DEMONSTRATION PROJECT PROVIDING A SHARED LIVING ARRANGEMENT AS AN  
28 ALTERNATIVE TO CASH ASSISTANCE.

29 (3) "INDIVIDUALIZED CASE-MANAGEMENT PROJECT" MEANS A  
30 WELFARE DEMONSTRATION PROJECT PROVIDING COORDINATION AND INTENSIVE  
31 CASE MANAGEMENT OF AFDC AND RELATED BENEFITS AND SERVICES.

32 (4) "NONPROFIT ORGANIZATION" MEANS A RELIGIOUS, CHARITABLE,  
33 OR VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE  
34 INTERNAL REVENUE CODE.

35 (5) "SECRETARY" MEANS THE SECRETARY OF HUMAN RESOURCES.

36 (B) (1) THE SECRETARY SHALL ESTABLISH DEMONSTRATION PROJECTS  
37 THROUGH GRANTS TO NONPROFIT ORGANIZATIONS.



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1 (IV) ANY OTHER SUPPORT SERVICES THAT MAY BE NECESSARY TO  
2 MOVE PARTICIPANTS TOWARD ECONOMIC SELF-SUFFICIENCY.

3 (2) A COOPERATIVE LIVING PROJECT MAY PROVIDE FOR ITS  
4 PARTICIPANTS:

5 (I) LIVING QUARTERS; AND

6 (II) RECREATION PROGRAMS.

7 (3) PARTICIPANTS IN THE COOPERATIVE LIVING PROJECT SHALL BE  
8 CHOSEN FROM VOLUNTEERS ELIGIBLE FOR AFDC BENEFITS.

9 (4) PARTICIPANTS IN THE COOPERATIVE LIVING PROJECT SHALL  
10 ENTER INTO AN AGREEMENT WITH THE NONPROFIT ORGANIZATION OPERATING  
11 THE COOPERATIVE LIVING PROJECT TO:

12 (I) ATTEND A MINIMUM OF 1 COMMUNAL MEAL PER DAY;

13 (II) SHARE IN RESPONSIBILITIES FOR MEAL PREPARATION AND  
14 THE CLEANING AND MAINTENANCE OF THE DEMONSTRATION PROJECT FACILITY;

15 (III) WHILE UNEMPLOYED, ASSIST IN PROVIDING CHILD CARE FOR  
16 CHILDREN OF PARTICIPANTS IN THE COOPERATIVE LIVING PROJECT; AND

17 (IV) WORK TOWARDS ECONOMIC SELF-SUFFICIENCY.

18 (F) (1) THE SECRETARY SHALL ESTABLISH INDIVIDUALIZED  
19 CASE-MANAGEMENT PROJECTS.

20 (2) THE SECRETARY SHALL PROVIDE TO EACH INDIVIDUALIZED  
21 CASE-MANAGEMENT PROJECT IN BENEFITS OR THEIR CASH EQUIVALENT:

22 (I) THE FOOD STAMPS, AFDC, HOUSING, MEDICAL, AND OTHER  
23 BENEFITS TO WHICH EACH PARTICIPANT IN THE INDIVIDUALIZED  
24 CASE-MANAGEMENT PROJECT WOULD OTHERWISE BE ELIGIBLE; AND

25 (II) THE PROPORTIONAL ADMINISTRATIVE COSTS ASSOCIATED  
26 WITH PROVIDING THE BENEFITS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS  
27 PARAGRAPH.

28 (3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE  
29 NONPROFIT ORGANIZATION OPERATING THE INDIVIDUALIZED  
30 CASE-MANAGEMENT PROJECT SHALL COORDINATE THE PROVISION OF FOOD,  
31 HOUSING, MEDICAL, AND OTHER BENEFITS TO PARTICIPANTS IN THE  
32 DEMONSTRATION PROJECT.

33 (II) THE TOTAL VALUE TO THE PARTICIPANT OF THE BENEFITS  
34 THAT THE NONPROFIT ORGANIZATION PROVIDES MAY NOT BE LESS THAN THE  
35 VALUE TO THE PARTICIPANT OF THE BENEFITS THAT THE PARTICIPANT WOULD  
36 OTHERWISE HAVE RECEIVED FROM STATE AGENCIES.

37 (4) TOTAL COSTS OF THE INDIVIDUALIZED CASE-MANAGEMENT  
38 PROJECTS MAY NOT EXCEED THE AMOUNT, IN BENEFIT PAYMENTS AND RELATED

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1 ADMINISTRATION, THAT THE STATE WOULD OTHERWISE HAVE INCURRED IN  
2 PROVIDING BENEFITS FOR THE PARTICIPANTS IN THE INDIVIDUALIZED  
3 CASE-MANAGEMENT PROJECTS.

4 (G) THE SECRETARY SHALL ADOPT REGULATIONS:

5 (1) ESTABLISHING REQUIREMENTS FOR A DEMONSTRATION PROJECT  
6 TO PERFORM, FOR PARTICIPANTS IN THE DEMONSTRATION PROJECT:

7 (I) INTAKE EVALUATION;

8 (II) SUPPORT SERVICES;

9 (III) CASE MANAGEMENT; AND

10 (IV) DISCHARGE PLANNING; AND

11 (2) FOR THE ESTABLISHMENT AND MAINTENANCE OF SAVINGS  
12 ACCOUNTS FOR DEMONSTRATION PROJECT PARTICIPANTS.

13 (H) THE SECRETARY, IN CONJUNCTION WITH THE SECRETARY OF HOUSING  
14 AND COMMUNITY DEVELOPMENT AND THE SECRETARY OF HEALTH AND MENTAL  
15 HYGIENE, SHALL ADOPT REGULATIONS PROVIDING, IN ACCORDANCE WITH  
16 ARTICLE 88A, § 54B OF THE CODE, FOR THE TRANSFER TO NONPROFIT  
17 ORGANIZATIONS OPERATING INDIVIDUALIZED CASE-MANAGEMENT PROJECTS THE  
18 BENEFITS OR THE CASH EQUIVALENT OF FOOD STAMPS, HOUSING, MEDICAL, AND  
19 OTHER BENEFITS TO WHICH A PARTICIPANT IN AN INDIVIDUALIZED  
20 CASE-MANAGEMENT PROJECT WOULD OTHERWISE BE ELIGIBLE.

21 **Article - State Government**

22 2-10A-04.

23 (A) THERE IS A JOINT COMMITTEE ON WELFARE REFORM.

24 (B) (1) THE COMMITTEE CONSISTS OF 14 MEMBERS.

25 (2) OF THE 14 MEMBERS:

26 (I) SEVEN SHALL BE MEMBERS OF THE SENATE APPOINTED BY  
27 THE PRESIDENT OF THE SENATE; AND

28 (II) SEVEN SHALL BE MEMBERS OF THE HOUSE OF DELEGATES  
29 APPOINTED BY THE SPEAKER OF THE HOUSE.

30 (C) THE MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE  
31 PRESIDING OFFICER WHO APPOINTED THEM.

32 (D) THE PRESIDENT AND THE SPEAKER SHALL JOINTLY APPOINT A SENATOR  
33 AND A DELEGATE EACH TO SERVE AS COCHAIRMAN.

34 (E) THE DEPARTMENT OF LEGISLATIVE REFERENCE AND THE DEPARTMENT  
35 OF FISCAL SERVICES SHALL PROVIDE STAFF ASSISTANCE TO THE COMMITTEE.

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1 (F) THE COMMITTEE SHALL PROVIDE OVERSIGHT AND STUDY, AS  
2 NECESSARY, OF ISSUES RELATING TO THE PROVISION OF AFDC AND RELATED  
3 BENEFITS AND SERVICES, INCLUDING:

4 (1) THE PROVISION OF FOOD STAMPS AND HOUSING BENEFITS;

5 (2) THE PROVISION OF MEDICAL BENEFITS TO THE AFDC-ELIGIBLE  
6 POPULATION;

7 (3) CURRENT WELFARE DEMONSTRATION PROJECTS; AND

8 (4) DEVELOPMENT AND IMPLEMENTATION OF ADDITIONAL WELFARE  
9 DEMONSTRATION PROJECTS.

10 (G) THE SECRETARY OF HUMAN RESOURCES, IN CONJUNCTION WITH THE  
11 SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT AND THE SECRETARY  
12 OF HEALTH AND MENTAL HYGIENE, SHALL:

13 (1) COOPERATE FULLY WITH THE COMMITTEE;

14 (2) KEEP THE COMMITTEE FULLY INFORMED AS TO THE DELIVERY IN  
15 THE STATE OF AFDC AND RELATED SERVICES; AND

16 (3) SUBMIT AN ANNUAL REPORT, SUBJECT TO § 2-1312 OF THIS TITLE, TO  
17 THE COMMITTEE ON OR BEFORE OCTOBER 1 OF EACH YEAR THAT INCORPORATES  
18 THE INFORMATION DESCRIBED IN SUBSECTION (F) OF THIS SECTION.

19 (H) THE REPORT REQUIRED UNDER SUBSECTION (G)(3) OF THIS SECTION  
20 SHALL INCLUDE:

21 (1) EVALUATIONS OF ANY DEMONSTRATION PROJECTS CURRENTLY IN  
22 OPERATION; AND

23 (2) DESCRIPTIONS OF ANY PLANS OF THE SECRETARY OF HUMAN  
24 RESOURCES TO ESTABLISH ADDITIONAL DEMONSTRATION PROJECTS.

25 (I) THE COMMITTEE SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL  
26 ASSEMBLY ON OR BEFORE JANUARY 1 OF EACH YEAR.

27 SECTION 2. AND BE IT FURTHER ENACTED, That any provisions of this Act  
28 that require the approval of federal waivers by the U.S. Department of Health and  
29 Human Services or the U.S. Department of Agriculture are contingent on such approval  
30 and will not take effect before the beginning of the period covered by such waivers.

31 SECTION 3. AND BE IT FURTHER ENACTED, That 3 years after the effective  
32 date of this Act, the Secretary of Human Resources shall contract with one of the "Big 6"  
33 accounting firms to evaluate the effectiveness of the demonstration projects operated  
34 under the provisions of this Act. Within 60 days after receiving the accounting firm's  
35 evaluation, the Secretary shall report to the Joint Committee on Welfare Reform in order  
36 to review the accounting firm's evaluation.

37 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions  
38 of Section 2 of this Act, this Act shall take effect July 1, 1996.