

SENATE BILL 686
SECOND PRINTING

Unofficial Copy
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1998 Regular Session
8r1770

By: **Senators Trotter, Derr, Madden, Bromwell, Dorman, Teitelbaum, Della,
Roesser, Hafer, and Astle**

Introduced and read first time: February 12, 1998

Assigned to: Rules

Re-referred to: Finance, February 18, 1998

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 1998

Returned to second reading: March 30, 1998

Senate action: Adopted with floor amendments

Read second time: March 30, 1998

CHAPTER _____

1 AN ACT concerning

2

Welfare Innovation Act of 1998

3 FOR the purpose of ~~requiring the Secretary of Human Resources to establish a~~
4 ~~certain performance incentive program for certain employees of local~~
5 ~~departments of social services by a certain date; specifying the source of~~
6 ~~payment for pay incentives to be provided under the program; requiring the~~
7 ~~Secretary to submit a certain implementation plan for the performance~~
8 ~~incentive program by a certain date; codifying a provision of law related to the~~
9 ~~use of certain savings involving the Family Investment Program; requiring the~~
10 ~~Secretary of Human Resources to give priority to and use a certain percentage of~~
11 ~~funds allocated to demonstration projects for the funding of certain proposals;~~
12 ~~establishing an exemption from the definition of a vehicle dealer for certain~~
13 ~~nonprofit entities, the Department of Human Resources, and the local~~
14 ~~departments of social services; repealing a provision of law that required the~~
15 ~~Secretary of Health and Mental Hygiene to apply for a certain waiver; requiring~~
16 ~~the Department of Human Resources and local departments of social services to~~
17 ~~execute certain hiring agreements with certain entities doing business with the~~
18 ~~State for the purpose of hiring Family Investment Program recipients; requiring~~
19 ~~the Board of Public Works to designate certain procurement contracts as eligible~~
20 ~~contracts that in conjunction with the award of such contracts a hiring~~
21 ~~agreement is to be executed; requiring the Department to develop a certain~~
22 ~~model form; requiring the Department and local departments of social services~~
23 ~~to submit a certain annual report to certain persons; establishing an exemption~~

1 from payment of a certain excise tax for vehicles acquired by certain nonprofit
 2 entities and the Department and local departments of social services;
 3 establishing a certain exemption from payment of a certain excise tax for certain
 4 individuals on transfer of a vehicle to an individual from certain persons;
 5 ~~requiring the Governor to give priority funding to certain projects; requiring the~~
 6 ~~Department, in consultation with the Department of Labor, Licensing, and~~
 7 ~~Regulation, the Department of Business and Economic Development, the~~
 8 ~~Department of Health and Mental Hygiene, the State Department of Education,~~
 9 ~~and the Maryland Higher Education Commission, to redesign the Family~~
 10 ~~Investment Program service delivery system; requiring the Department to~~
 11 ~~implement the redesigned service delivery system in a certain as a pilot project~~
 12 ~~in one jurisdiction by a certain date; providing a funding source for the~~
 13 ~~redesigned system; requiring the Department of Human Resources to conduct a~~
 14 ~~certain finger imaging study as a method of preventing fraudulent application~~
 15 ~~for and receipt of certain benefits; requiring the Secretary to establish a certain~~
 16 ~~demonstration project in the Glen Burnie Multi-Service Center; requiring~~
 17 ~~certain reports; providing for the termination of certain provisions of this Act;~~
 18 ~~providing for the effective date of certain provisions of this Act; defining certain~~
 19 ~~terms; and generally relating to the Family Investment Program.~~

20 BY repealing and reenacting, with amendments,
 21 Article 88A - Department of Human Resources
 22 Section 52 and 53
 23 Annotated Code of Maryland
 24 (1995 Replacement Volume and 1997 Supplement)

25 ~~BY adding to~~
 26 ~~Article 88A - Department of Human Resources~~
 27 ~~Section 53A~~
 28 ~~Annotated Code of Maryland~~
 29 ~~(1995 Replacement Volume and 1997 Supplement)~~

30 BY repealing
 31 Article - Health - General
 32 Section 15-103(d)
 33 Annotated Code of Maryland
 34 (1994 Replacement Volume and 1997 Supplement)

35 BY adding to
 36 Article - State Finance and Procurement
 37 Section 13-224
 38 Annotated Code of Maryland
 39 (1995 Replacement Volume and 1997 Supplement)

40 BY repealing

1 Chapter 351 of the Acts of the General Assembly of 1996, as amended by
2 Chapter 593 of the Acts of the General Assembly of 1997
3 Section 11

4 BY repealing and reenacting, with amendments,
5 Article - Transportation
6 Section 13-810(a)(21) and (22) and (c)(7) and (8) and 15-101(b)
7 Annotated Code of Maryland
8 (1992 Replacement Volume and 1997 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article - Transportation
11 Section 13-810(a)(20) and (21) and (c)(7) and (8)
12 Annotated Code of Maryland
13 (1992 Replacement Volume and 1997 Supplement)
14 (As enacted by Chapter 304 of the Acts of the General Assembly of 1996)

15 BY adding to
16 Article - Transportation
17 Section 13-810(a)(23) and (c)(9)
18 Annotated Code of Maryland
19 (1992 Replacement Volume and 1997 Supplement)

20 BY adding to
21 Article - Transportation
22 Section 13-810(a)(22) and (c)(9)
23 Annotated Code of Maryland
24 (1992 Replacement Volume and 1997 Supplement)
25 (As enacted by Chapter 304 of the Acts of the General Assembly of 1996)

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

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

29 52.

30 (a) All assistance granted under this subtitle shall be subject to periodic
31 recertification.

32 (b) During a certification period, the Department may at any time cancel,
33 suspend, or revoke assistance if:

34 (1) The recipient's circumstances have altered sufficiently to warrant
35 cancellation, suspension, or revocation; or

1 (2) The recipient has failed to comply with FIP requirements.

2 (c) (1) Except as provided in paragraph (3) of this subsection, the Governor
3 shall provide sufficient funds under this subtitle to ensure that the value of
4 temporary cash assistance, combined with federal food stamps, is at a minimum equal
5 to 61 percent of the State minimum living level.

6 (2) Except as provided in paragraph (3) of this subsection, the Governor
7 shall provide sufficient funds to maintain the FIP at the level of the Fiscal Year 1997
8 appropriation.

9 (3) The funds under this subsection may be less than the amount
10 described in paragraph (1) or (2) of this subsection if the Governor reports to the
11 General Assembly, in accordance with § 2-1246 of the State Government Article, on
12 the reasons for the reduced funding for temporary cash assistance and food stamps.

13 (4) This subsection does not limit the flexibility of local departments of
14 social services regarding the provision of services.

15 (d) If the Secretary determines during the fiscal year that the funds available
16 for the FIP are insufficient to make payments in accordance with the amount of
17 assistance otherwise established by law, the Secretary shall:

18 (1) Provide for a uniform method of adjusting individual payments;

19 (2) Notify the Joint Committee on Welfare Reform; and

20 (3) Submit emergency regulations, as provided in Title 10, Subtitle 1 of
21 the State Government Article, to implement the adjustment.

22 ~~(E) (1) AS OF JULY 1 OF EACH YEAR, ANY SAVINGS THE DEPARTMENT
23 ANTICIPATES ACHIEVING FROM FUNDS APPROPRIATED TO IT FOR FIP DURING THE
24 CURRENT FISCAL YEAR AS A RESULT OF CASELOAD REDUCTIONS OR OTHER
25 REDUCTIONS IN THE TOTAL AMOUNT OF TEMPORARY CASH ASSISTANCE PAID TO
26 RECIPIENTS WHEN COMPARED TO THE TOTAL AMOUNT OF TEMPORARY CASH
27 ASSISTANCE APPROPRIATED SHALL BE AVAILABLE FOR REALLOCATION WITHIN THE
28 BUDGET OF THE DEPARTMENT TO SUPPORT ACTIVITIES THROUGH LOCAL
29 DEPARTMENTS AS FOLLOWS:~~

30 (E) AS OF JULY 1 OF EACH YEAR, THE DEPARTMENT SHALL MAKE AVAILABLE
31 FOR REALLOCATION WITHIN ITS BUDGET ANY SAVINGS THE DEPARTMENT
32 ANTICIPATES ACHIEVING FROM FUNDS APPROPRIATED TO IT FOR THE FIP DURING
33 THE CURRENT FISCAL YEAR AS A RESULT OF:

34 (1) CASELOAD REDUCTIONS; OR

35 (2) OTHER REDUCTIONS IN THE TOTAL AMOUNT OF TEMPORARY CASH
36 ASSISTANCE PAID TO RECIPIENTS WHEN COMPARED TO THE TOTAL AMOUNT OF
37 TEMPORARY CASH ASSISTANCE APPROPRIATED.

1 (F) EXCEPT AS PROVIDED IN SUBSECTION (G)(1) OF THIS SECTION, SAVINGS
 2 MADE AVAILABLE FOR REALLOCATION MAY BE USED FOR:

- 3 (1) CHILD CARE;
 4 (2) WORK ACTIVITIES;
 5 (3) WELFARE AVOIDANCE GRANTS;
 6 (4) DRUG TREATMENT FOR TARGETED RECIPIENTS;
 7 (5) TRANSPORTATION;
 8 (6) EMERGENCY FUNDS FOR APPLICANTS AND RECIPIENTS;
 9 (7) PAY INCENTIVES FOR EMPLOYEES OF LOCAL DEPARTMENTS;
 10 (8) ADMINISTRATION TO THE EXTENT THAT ADDITIONAL
 11 ADMINISTRATIVE COSTS ARE REQUIRED TO EFFECTIVELY IMPLEMENT THE FIP; OR
 12 (9) ANY OTHER DIRECT SERVICE TO APPLICANTS OR RECIPIENTS THAT
 13 THE SECRETARY AND THE LOCAL DEPARTMENT CONSIDER APPROPRIATE TO
 14 FURTHER THE PURPOSES OF THIS SUBTITLE.

15 (G) SAVINGS SHALL BE MADE AVAILABLE FOR REALLOCATION AS FOLLOWS:

16 ~~(H)~~ (1) 10% OF THE SAVINGS TO A COMBINATION OF THE
 17 OPERATING COSTS FOR ONE OR MORE OF THE FOLLOWING:

18 ~~1.~~ (I) DEMONSTRATION PROJECTS CREATED IN § 53 OF
 19 THIS SUBTITLE;

20 ~~2.~~ (II) SECOND CHANCE HOMES NOT SUBJECT TO THE
 21 RESTRICTIONS OF § 12 OF CHAPTER 351 OF THE ACTS OF THE GENERAL ASSEMBLY OF
 22 1996; OR

23 ~~3.~~ (III) DEMONSTRATION PROJECTS TO EMPIRICALLY
 24 EVALUATE A STRATEGY OR SET OF STRATEGIES TO REDUCE THE INCIDENCE OF
 25 NONMARITAL BIRTHS IN THE STATE;

26 ~~(H)~~ (2) 45% OF THE SAVINGS:

27 ~~1. SUBJECT TO ITEM 2 OF THIS ITEM, SHALL BE ALLOCATED~~
 28 TO LOCAL DEPARTMENTS, IN ACCORDANCE WITH THE SAVINGS ACHIEVED BY EACH
 29 LOCAL DEPARTMENT, FOR THE PURPOSES UNDER SUBSECTION (F) OF THIS SECTION;
 30 AND

31 ~~2. SHALL BE USED TO PROVIDE PAY INCENTIVES TO~~
 32 EMPLOYEES OF A LOCAL DEPARTMENT IN ACCORDANCE WITH § 53A OF THIS
 33 SUBTITLE; AND

1 ~~(HH)~~ (3) 45% OF THE SAVINGS TO CHILD CARE, WORK ACTIVITIES,
2 WELFARE AVOIDANCE, DRUG TREATMENT FOR TARGETED RECIPIENTS, EMERGENCY
3 FUNDS FOR APPLICANTS AND RECIPIENTS, ADMINISTRATION TO THE EXTENT THAT
4 ADDITIONAL ADMINISTRATIVE COSTS ARE REQUIRED TO EFFECTIVELY IMPLEMENT
5 THE FIP, OR ANY OTHER DIRECT SERVICE TO APPLICANTS OR RECIPIENTS THAT THE
6 SECRETARY DEEMS APPROPRIATE TO FURTHER THE PURPOSES OF THIS SUBTITLE
7 FOR THE PURPOSES UNDER SUBSECTION (F) OF THIS SECTION.

8 (2) NOTWITHSTANDING § 7-302 OF THE STATE FINANCE AND
9 PROCUREMENT ARTICLE, ANY OF THE SAVINGS ALLOCATED ~~TO A LOCAL~~
10 ~~DEPARTMENT UNDER PARAGRAPH (1)(H)1 OF~~ UNDER THIS SUBSECTION THAT
11 REMAINS REMAIN UNEXPENDED AFTER THE CURRENT FISCAL YEAR MAY BE
12 CARRIED OVER INTO THE NEXT FISCAL YEAR.

13 [(e)] ~~(F)~~ (H) (1) All assistance granted under this subtitle is subject to all
14 future amendment or repeal of this subtitle.

15 (2) A recipient does not have a right to compensation by reason of the
16 recipient's assistance having been affected by amendment or repeal of this subtitle.

17 (3) Recipients who obtain employment shall remain eligible for medical
18 assistance up to 12 months after the date of employment.

19 53.

20 (a) (1) The Secretary shall establish demonstration projects through grants
21 to nonprofit organizations, local education agencies, local management boards, local
22 health departments, religious organizations, and institutions of higher education,
23 which shall jointly develop proposals for these demonstration projects with local
24 departments of social services.

25 (2) (i) Not more than 50% of the funding allocated for demonstration
26 projects under this section shall be allocated to a single demonstration project.

27 (ii) The funds allocated for demonstration projects under this
28 section are incentive funds over and above any transfer of FIP benefits to a third
29 party.

30 (3) At least one of the demonstration projects under this section shall be
31 located in counties other than the two counties with the largest numbers of FIP
32 recipients.

33 (4) The funds allocated to demonstration projects under this section may
34 not be used in the furtherance of sectarian religious instruction or worship.

35 (5) Funds allocable to demonstration projects under the provisions of
36 paragraph (2) of this subsection shall, if feasible, be used for demonstration projects
37 in the subdivisions which generated the savings.

1 (6) The Secretary shall award grants for these demonstration projects
2 through a competitive bid process which includes:

3 (i) The issuance of a request for proposals; and

4 (ii) The establishment of an evaluation panel to review competing
5 proposals and to make a recommendation to the Secretary concerning which
6 proposals have the greatest programmatic and financial merit.

7 (7) WHEN AWARDING GRANTS UNDER PARAGRAPH (6) OF THIS
8 SUBSECTION, THE SECRETARY SHALL GIVE PRIORITY IN FUNDING FOR AT LEAST 20%
9 OF THE FUNDS ALLOCATED TO DEMONSTRATION PROJECTS UNDER THIS SECTION
10 TO REGIONAL PROPOSALS FROM TWO OR MORE COUNTIES OF THE STATE.

11 (b) In the request for proposals, the Secretary shall include requirements that:

12 (1) Applicants specify what goods or services, or both, they will provide
13 to participants; and

14 (2) Each demonstration project shall:

15 (i) Complement the local department Family Investment Program
16 Plan; and

17 (ii) Address specific, unmet local needs and barriers that prevent
18 families from meeting the requirements of this subtitle.

19 (c) The Secretary shall encourage and facilitate any demonstration projects,
20 in addition to the demonstration projects funded through savings identified in
21 subsection (a) of this section, which are supported through:

22 (1) The voluntary transfer of temporary cash assistance and food stamp
23 benefits to the demonstration project;

24 (2) The transfer of administrative costs from the local department of
25 social services; and

26 (3) Any nonstate funds available to the project.

27 ~~53A.~~

28 ~~(A) ON OR BEFORE OCTOBER 1, 1998, THE SECRETARY SHALL ESTABLISH A~~
29 ~~PERFORMANCE INCENTIVE PROGRAM IN THE DEPARTMENT TO PROVIDE PAY~~
30 ~~INCENTIVES TO EMPLOYEES OF THE DEPARTMENT WHO ARE RESPONSIBLE FOR~~
31 ~~ASSISTING RECIPIENTS OF TEMPORARY CASH ASSISTANCE UNDER THE FIP IN~~
32 ~~OBTAINING EMPLOYMENT.~~

33 ~~(B) THE SECRETARY SHALL DESIGN THE PERFORMANCE INCENTIVE~~
34 ~~PROGRAM REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN A MANNER THAT~~
35 ~~ALLOWS EACH LOCAL DEPARTMENT TO PROVIDE PAY INCENTIVES TO EMPLOYEES~~

1 ~~FOR SUPERIOR PERFORMANCE IN ASSISTING FIP RECIPIENTS IN OBTAINING~~
 2 ~~PERMANENT UNSUBSIDIZED EMPLOYMENT.~~

3 ~~(C) PAY INCENTIVES PROVIDED TO EMPLOYEES OF A LOCAL DEPARTMENT~~
 4 ~~UNDER THIS SECTION SHALL BE PAID FROM THE SAVINGS TO THE FIP ACHIEVED BY~~
 5 ~~THAT LOCAL DEPARTMENT DURING THE CURRENT FISCAL YEAR FROM CASELOAD~~
 6 ~~REDUCTIONS OR OTHER REDUCTIONS IN THE TOTAL AMOUNT OF TEMPORARY CASH~~
 7 ~~ASSISTANCE BENEFITS PAID TO RECIPIENTS COMPARED TO THE TOTAL AMOUNT OF~~
 8 ~~TEMPORARY CASH ASSISTANCE BENEFITS BUDGETED.~~

9 ~~(D) IF FUNDS ARE NOT AVAILABLE TO PROVIDE THE PAY INCENTIVES FROM~~
 10 ~~THE SAVINGS ACHIEVED BY THE LOCAL DEPARTMENT, PAY INCENTIVES MAY NOT BE~~
 11 ~~PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.~~

12 **Article - Health - General**

13 15-103.

14 [(d) The Secretary shall apply for a waiver from the Health Care Financing
 15 Administration of the U.S. Department of Health and Human Services or take any
 16 other steps necessary to obtain federal reimbursement for providing program services
 17 to any minor who had qualified, and subsequently lost eligibility, as disabled under
 18 the federal Supplemental Security Income (SSI) Program before August 22, 1996, the
 19 effective date of the federal Personal Responsibility and Work Opportunity
 20 Reconciliation Act.]

21 **Article - State Finance and Procurement**

22 13-224.

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

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

26 (3) "ELIGIBLE CONTRACT" MEANS A PROCUREMENT CONTRACT
 27 DESIGNATED BY THE BOARD AS APPROPRIATE FOR THE EXECUTION OF A HIRING
 28 AGREEMENT.

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

31 (5) "HIRING AGREEMENT" MEANS AN AGREEMENT ENTERED INTO BY
 32 THE DEPARTMENT OR A LOCAL DEPARTMENT AND AN ENTITY DOING BUSINESS
 33 WITH THE STATE UNDER WHICH THE DEPARTMENT OR THE LOCAL DEPARTMENT
 34 AND THE ENTITY AGREE TO WORK COOPERATIVELY IN ENDEAVORING TO IDENTIFY
 35 AND HIRE FIP RECIPIENTS TO FILL ENTRY-LEVEL JOB OPENINGS OF THE ENTITY.

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

4 (B) ON OR BEFORE OCTOBER 1, 1998, THE BOARD, IN CONSULTATION WITH
5 THE DEPARTMENT, SHALL DESIGNATE THE TYPES OF PROCUREMENT CONTRACTS
6 THAT ARE ELIGIBLE CONTRACTS.

7 (C) (1) ON OR BEFORE DECEMBER 1, 1998, THE DEPARTMENT SHALL
8 DEVELOP A MODEL HIRING AGREEMENT FORM THAT SHALL BE COMPLETED BY THE
9 DEPARTMENT OR A LOCAL DEPARTMENT AND AN ENTITY IN CONJUNCTION WITH
10 THE AWARD OF AN ELIGIBLE CONTRACT.

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

13 (I) THE ENTITY WILL:

14 1. INFORM THE DEPARTMENT OR THE LOCAL DEPARTMENT,
15 AS APPROPRIATE, OF ALL OF THE ENTITY'S ENTRY-LEVEL JOB OPENINGS;

16 2. DECLARE THE DEPARTMENT OR THE LOCAL
17 DEPARTMENT, AS APPROPRIATE, ITS "FIRST SOURCE" IN IDENTIFYING AND HIRING
18 CANDIDATES TO FILL THOSE ENTRY-LEVEL JOB OPENINGS;

19 3. WORK COOPERATIVELY WITH THE DEPARTMENT OR THE
20 LOCAL DEPARTMENT, AS APPROPRIATE, TO DEVELOP ANY NECESSARY TRAINING
21 PROGRAMS THAT WILL ENABLE FIP RECIPIENTS IN QUALIFYING FOR AND SECURING
22 THE ENTRY-LEVEL POSITIONS;

23 4. GIVE FIRST PREFERENCE AND FIRST CONSIDERATION TO
24 THE EXTENT PERMITTED BY LAW AND ANY EXISTING LABOR AGREEMENTS TO
25 CANDIDATES REFERRED TO THE ENTITY BY THE DEPARTMENT OR THE LOCAL
26 DEPARTMENT, AS APPROPRIATE;

27 5. AGREE TO GIVE CANDIDATES REFERRED TO THE ENTITY
28 BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, PRIORITY IN
29 THE FILLING OF AN ENTRY-LEVEL OPENING IF THE CANDIDATE MEETS THE
30 QUALIFICATIONS OF THE POSITION;

31 6. PROVIDE THE DEPARTMENT OR THE LOCAL
32 DEPARTMENT, AS APPROPRIATE, WITH INFORMATION ON THE DISPOSITION OF ALL
33 REFERRALS MADE BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS
34 APPROPRIATE, INCLUDING AN EXPLANATION OF WHY ANY SUCH CANDIDATE WAS
35 NOT HIRED OR CONSIDERED QUALIFIED;

36 7. PROVIDE THE DEPARTMENT OR THE LOCAL
37 DEPARTMENT, AS APPROPRIATE, WITH INFORMATION REGARDING THE PROGRESS
38 AND EMPLOYMENT STATUS OF THOSE CANDIDATES REFERRED BY THE

1 DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, THAT THE ENTITY
2 HIRED; AND

3 8. DESIGNATE A SPECIFIC INDIVIDUAL THAT THE
4 DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, MAY CONTACT IN
5 REGARD TO THE PROVISIONS OF THE HIRING AGREEMENT; AND

6 (II) THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS
7 APPROPRIATE, WILL ASSIGN AN ACCOUNT REPRESENTATIVE TO THE ENTITY WHO
8 WILL:

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

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

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

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

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

22 (D) EACH YEAR, THE DEPARTMENT AND ANY LOCAL DEPARTMENTS THAT
23 HAVE ENTERED INTO HIRING AGREEMENTS SHALL SUBMIT A REPORT TO THE
24 BOARD, THE JOINT COMMITTEE ON WELFARE REFORM, AND, SUBJECT TO § 2-1246 OF
25 THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

26 (1) THE NUMBER OF HIRING AGREEMENTS EXECUTED;

27 (2) THE NUMBER OF FIP RECIPIENTS HIRED BY AN ENTITY WITH WHICH
28 A HIRING AGREEMENT WAS EXECUTED; AND

29 (3) THE EFFECTIVENESS OF EACH HIRING AGREEMENT IN OBTAINING
30 EMPLOYMENT FOR FIP RECIPIENTS.

31 **Article - Transportation**

32 15-101.

33 (b) (1) "Dealer" means, except as provided in paragraph (3) of this
34 subsection, a dealer in vehicles of a type required to be registered under Title 13 of
35 this article.

1 (2) "Dealer" includes:

2 (i) A person who is in the business of buying, selling, or exchanging
3 vehicles, including a person who during any 12-month period offers to sell five or
4 more of these vehicles, the ownership of which was acquired for resale purposes; and

5 (ii) For the purposes of §§ 15-301 through 15-315, inclusive, of this
6 title, any person who sells vehicles, whether or not that person acquired the vehicles
7 for personal or business use, if the vehicles are displayed at a fixed location used
8 principally for the purpose of selling vehicles on a regular basis.

9 (3) "Dealer" does not include:

10 (i) A public official who sells or disposes of vehicles in the
11 performance of his official duties;

12 (ii) An insurance company, finance company, bank, or other lending
13 institution licensed or otherwise authorized to do business in this State that, to save
14 it from loss, sells or disposes of vehicles under a contractual right and in the regular
15 course of its business;

16 (iii) A licensed auctioneer acting on behalf of a seller, secured party
17 or owner and where title does not pass to the auctioneer and the auction is not for the
18 purpose of avoiding the provisions of this title;

19 (iv) A receiver, trustee, personal representative, or other person
20 appointed by or acting under the authority of any court;

21 (v) Either a manufacturer or distributor who sells or distributes
22 vehicles to licensed dealers or a person employed by a manufacturer or distributor to
23 promote the sale of the vehicles of the manufacturer or distributor, if that
24 manufacturer, distributor, or person does not sell vehicles to retail buyers;

25 (vi) A person who sells or disposes of vehicles acquired and used for
26 personal or business use and not for the purpose of avoiding the provisions of this
27 title, if that person is not engaged in buying, selling, or exchanging vehicles as a
28 business;

29 (vii) An automotive dismantler and recycler who during the normal
30 course of business acquires a salvage vehicle and transfers the vehicle on a salvage
31 certificate. However, if the automotive dismantler and recycler rebuilds and sells
32 more than 5 vehicles during a 12-month period to a person other than another
33 automotive dismantler and recycler or licensed dealer, the automotive dismantler and
34 recycler must be licensed as a dealer under § 15-302 of this subtitle; [or]

35 (viii) A person engaged in the leasing of motor vehicles under leases
36 not intended as security; OR

37 (IX) A RELIGIOUS, CHARITABLE, OR VOLUNTEER ORGANIZATION
38 EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE, THE

1 DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL DEPARTMENT OF SOCIAL
 2 SERVICES TRANSFERRING A VEHICLE UNDER § 13-810 OF THIS ARTICLE.

3 **Chapter 351 of the Acts of 1996, as amended by Chapter 593 of the Acts of**
 4 **1997**

5 [SECTION 11. AND BE IT FURTHER ENACTED, That any savings the Family
 6 Investment Program, as of July 1 of each year, anticipates achieving during the
 7 current fiscal year through caseload reductions or other reductions in the total
 8 amount of cash benefits actually paid to families compared to the total amount of cash
 9 assistance benefits to families budgeted shall be available for reallocation within the
 10 budget of the Department to support activities through local departments of social
 11 services as follows:

12 (1) 10% of the savings to a combination of, the operating costs for, one or
 13 more of the following:

14 (i) demonstration projects created in Article 88A, § 53 of the Code;

15 (ii) second chance homes not subject to the restrictions of Section 12
 16 of Chapter 351 of the Acts of the General Assembly of 1996; or

17 (iii) demonstration projects to empirically evaluate a strategy or set
 18 of strategies to reduce the incidence of nonmarital births in the State;

19 (2) 45% of the savings that were generated for the 2-year period
 20 following the effective date of this Act shall be allocated in accordance with the
 21 savings achieved by each local department of social services and, notwithstanding §
 22 7-302 of the State Finance and Procurement Article, any of the savings that remains
 23 unexpended after the current fiscal year may be carried over into the next fiscal year;
 24 and

25 (3) 45% of the savings to child care, work activities, welfare avoidance,
 26 drug treatment for targeted recipients, emergency funds for applicants and
 27 recipients, administration to the extent that additional administrative costs are
 28 required to effectively implement this program, or any other direct service to
 29 applicants or recipients that the Secretary deems appropriate to further the purposes
 30 of this Act.]

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 32 read as follows:

33 **Article - Transportation**

34 13-810.

35 (a) On issuance in this State of an original or subsequent certificate of title for
 36 a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

1 (21) A Class M motor home or Class G travel trailer that is transferred or
2 retitled in the dealership's name under § 15-305(d)(2) of this article; [or]

3 (22) A special purpose vehicle owned by a coal company if the vehicle is
4 used:

5 (i) For transportation of workers, coal, or equipment used in the
6 coal production process; and

7 (ii) Exclusively in or on coal mining property; OR

8 (23) A VEHICLE ACQUIRED BY A RELIGIOUS, CHARITABLE, OR
9 VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE
10 INTERNAL REVENUE CODE, THE DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL
11 DEPARTMENT OF SOCIAL SERVICES FOR THE PURPOSE OF TRANSFERRING THE
12 VEHICLE TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL
13 CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT
14 OF SOCIAL SERVICES AS ELIGIBLE FOR THE TRANSFER.

15 (c) On transfer of a vehicle titled in this State and issuance of a subsequent
16 certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it
17 is:

18 (7) A vehicle transferred by a corporation to its stockholder or
19 stockholders or by a limited liability company to its member or members as a
20 liquidating distribution of tangible personal property where the vehicle or vehicles
21 transferred are not a principal or substantial asset of the corporation or limited
22 liability company as determined by the Administration; [or]

23 (8) A vehicle transferred as a result of a reorganization within the
24 meaning of § 368(a) of the Internal Revenue Code; OR

25 (9) A VEHICLE TRANSFERRED TO A FAMILY INVESTMENT PROGRAM
26 RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN
27 RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR
28 TRANSFER OF THE VEHICLE THAT WAS EXEMPTED FROM THE EXCISE TAX IMPOSED
29 BY THIS PART UNDER SUBSECTION (A)(23) OF THIS SECTION.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
31 read as follows:

32 **Article - Transportation**

33 13-810.

34 (a) On issuance in this State of an original or subsequent certificate of title for
35 a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

36 (20) A vehicle acquired for resale by a licensed dealer if the dealer
37 reassignment sections contained on the certificate of title are exhausted; [or]

1 (21) A Class M motor home or Class G travel trailer that is transferred or
2 retitled in the dealership's name under § 15-305(d)(2) of this article; OR

3 (22) A VEHICLE ACQUIRED BY A RELIGIOUS, CHARITABLE, OR
4 VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE
5 INTERNAL REVENUE CODE, THE DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL
6 DEPARTMENT OF SOCIAL SERVICES FOR THE PURPOSE OF TRANSFERRING THE
7 VEHICLE TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL
8 CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT
9 OF SOCIAL SERVICES AS ELIGIBLE FOR THE TRANSFER.

10 (c) On transfer of a vehicle titled in this State and issuance of a subsequent
11 certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it
12 is:

13 (7) A vehicle transferred by a corporation to its stockholder or
14 stockholders or by a limited liability company to its member or members as a
15 liquidating distribution of tangible personal property where the vehicle or vehicles
16 transferred are not a principal or substantial asset of the corporation or limited
17 liability company as determined by the Administration; [or]

18 (8) A vehicle transferred as a result of a reorganization within the
19 meaning of § 368(a) of the Internal Revenue Code; OR

20 (9) A VEHICLE TRANSFERRED TO A FAMILY INVESTMENT PROGRAM
21 RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN
22 RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR
23 TRANSFER OF THE VEHICLE THAT WAS EXEMPTED FROM THE EXCISE TAX IMPOSED
24 BY THIS PART UNDER SUBSECTION (A)(22) OF THIS SECTION.

25 SECTION 4. AND BE IT FURTHER ENACTED, That:

26 (a) The Department of Human Resources, in consultation with the
27 Department of Labor, Licensing, and Regulation, the Department of Business and
28 Economic Development, the Department of Health and Mental Hygiene, the State
29 Department of Education, and the Maryland Higher Education Commission shall
30 redesign the Family Investment Program service delivery system from the "ground
31 up" to improve customer service, leverage available resources, and avoid duplication
32 of effort.

33 (b) The redesign effort shall include:

34 (1) defining the core service activities of the service delivery system;

35 (2) examining public or private organizations throughout the country
36 that perform these core activities in an exemplary manner;

37 (3) determining supplemental services;

1 (4) analyzing the opportunities for unified action and organizational
2 boundary change among the State agencies;

3 (5) designing a new organizational and programmatic structure to most
4 effectively deliver the identified services; and

5 (6) developing a mechanism for evaluating the effectiveness of the new
6 system;

7 (c) The Department of Labor, Licensing, and Regulation, the Department of
8 Business and Economic Development, the Department of Health and Mental
9 Hygiene, the State Department of Education, and the Maryland Higher Education
10 Commission shall, as requested by the Department of Human Resources:

11 (1) assist the Department of Human Resources to design the new system
12 from the "ground up";

13 (2) contribute organizational resources necessary to build the system;
14 and

15 (3) assist the Department of Human Resources in implementing and
16 evaluating the new system;

17 (d) The Department of Human Resources shall:

18 ~~(1)~~ implement the redesigned service delivery system as a pilot project in
19 Anne Arundel County one jurisdiction on or before July 1, 2000;

20 ~~(2)~~ as part of the pilot project, integrate in the Glen Burnie
21 Multi Service Center, on or before October 1, 1998, the staff and resources of the
22 Anne Arundel County Department of Social Services Job Center, the Job Service, the
23 Unemployment Insurance Office, and the Division of Rehabilitation, to improve the
24 efficiency of customer service and reduce duplication of services;

25 (e) Funding, in an amount not to exceed \$1 million annually, from the savings
26 provided under § 52(g)(3) of Article 88A of the Code, as enacted by Section 1 of this
27 Act, shall be used to design, develop, implement, and evaluate the redesigned service
28 delivery system required by this section; and

29 (f) The Department of Human Resources shall present a preliminary report
30 on the redesigned service delivery system to the Joint Committee on Welfare Reform
31 and, in accordance with § 2-1246 of the State Government Article, the General
32 Assembly, on or before July 1, 1999 and shall present a final report on or before
33 January 1, 2001.

34 SECTION 5. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall
35 remain effective for a period of three years and, at the end of May 31, 2001, with no
36 further action required by the General Assembly, Section 4 of this Act shall be
37 abrogated and of no further force and effect.

1 SECTION 6. AND BE IT FURTHER ENACTED, That:

2 (a) The Department of Human Resources shall conduct a study of finger
3 imaging as a method of preventing fraudulent applications for and fraudulent receipt
4 of Family Investment Program and Food Stamp Program benefits.

5 (b) As part of the study, the Department shall examine:

6 (1) the cost effectiveness of finger imaging programs in other states;

7 (2) the impact on Maryland of surrounding states' establishment of
8 finger imaging programs;

9 (3) the impact of finger imaging in comparison to other methods of
10 preventing fraud; and

11 (4) the projected savings to Maryland through deterrence of fraudulent
12 applications and apprehension of public assistance recipients fraudulently receiving
13 benefits.

14 (c) The Department shall report the findings and recommendations of its
15 study to the Senate Finance Committee and the House Appropriations Committee of
16 the General Assembly by October 1, 1998.

17 ~~SECTION 4. AND BE IT FURTHER ENACTED, That, on or before September~~
18 ~~1, 1998, the Secretary of Human Resources shall:~~

19 (1) ~~provide to the General Assembly for its review and comment an~~
20 ~~implementation plan for the performance incentive program to be established under~~
21 ~~this Act; and~~

22 (2) ~~include in the implementation plan:~~

23 (i) ~~details on the levels of incentives available;~~

24 (ii) ~~details on the number of employees to be included in the~~
25 ~~performance incentive program;~~

26 (iii) ~~a description of the level of involvement that the employees to~~
27 ~~be included in the performance incentive program have or will have in its~~
28 ~~development and design; and~~

29 (iv) ~~any other information that the Secretary considers appropriate.~~

30 ~~SECTION 5. AND BE IT FURTHER ENACTED, That, the Governor, when~~
31 ~~distributing any funds from the welfare to work grant funds received by the State~~
32 ~~under the Balanced Budget Act of 1997 to fund projects to help long-term recipients~~
33 ~~of assistance under the Family Investment Program established under Article 88A of~~
34 ~~the Code, or the former Aid to Families with Dependent Children program, to enter~~
35 ~~unsubsidized employment, shall give priority in funding, for at least 20% of the~~

1 welfare to work grant funds from the maximum of 15% allowed under the Balanced
2 Budget Act of 1997, to regional projects that involve two or more counties in the State.

3 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That, at the end of
4 December 31, 2000, with no further action required by the General Assembly, Section
5 2 of this Act shall be abrogated and of no further force and effect and Section 3 of this
6 Act shall take effect.

7 SECTION 8. AND BE IT FURTHER ENACTED, That on or before October 1,
8 1998, the Secretary of Human Resources shall establish with the Secretary of Labor,
9 Licensing, and Regulation and the Superintendent of Education a demonstration
10 project in the Glen Burnie Multi-Service Center to integrate the physical locations,
11 staff, and resources of the Anne Arundel County Department of Social Services Job
12 Center, the Job Service, the Unemployment Insurance Office, and the Division of
13 Rehabilitation, to improve the efficiency of customer service and reduce duplication of
14 services. The Secretary of Human Resources shall report to the Joint Committee on
15 Welfare Reform, in accordance with § 2-1246 of the State Government Article, on or
16 before December 1, 1998 on the progress of the demonstration project.

17 SECTION ~~7~~ 8 ~~9~~. AND BE IT FURTHER ENACTED, That, subject to the
18 provisions of Section 7 of this Act, this Act shall take effect June 1, 1998.