

HOUSE BILL 184

Unofficial Copy  
B1

1999 Regular Session  
(91r0214)

**ENROLLED BILL**  
*-- Appropriations/Budget and Taxation --*

Introduced by **The Speaker (Administration) and Delegate Rawlings**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **The Joseph Fund**

3 FOR the purpose of establishing the Joseph Fund as a nonlapsing fund within the  
4 State Reserve Fund; ~~defining a certain term;~~ providing for the purpose and  
5 management of the Fund; specifying what moneys may constitute the Fund;  
6 authorizing the State Treasurer to invest moneys in the Fund in a certain  
7 manner; ~~requiring the Comptroller to transfer certain moneys into~~ authorizing  
8 the Governor to include in the budget bill for certain fiscal years an  
9 appropriation to the Fund under certain circumstances; creating the Joseph  
10 Fund Board to ~~oversee the~~ advise the Governor on management of the Fund;  
11 providing for the membership and structure of the Board; specifying the powers  
12 and duties of the Board; specifying the powers and duties of the Governor  
13 regarding the Fund; authorizing moneys to be expended from the Fund under  
14 certain conditions and for certain purposes; requiring a certain report on an  
15 annual basis; specifying the terms of the initial members of the Board; defining  
16 certain terms; and generally relating to the establishment of the Joseph Fund  
17 and Joseph Fund Board.

1 BY repealing and reenacting, with amendments,  
 2 Article - State Finance and Procurement  
 3 Section 7-309  
 4 Annotated Code of Maryland  
 5 (1995 Replacement Volume and 1998 Supplement)

6 BY adding to  
 7 Article - State Finance and Procurement  
 8 Section 7-327  
 9 Annotated Code of Maryland  
 10 (1995 Replacement Volume and 1998 Supplement)

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

13 **Article - State Finance and Procurement**

14 7-309.

15 (a) There is a State Reserve Fund.

16 (b) The State Reserve Fund [is comprised of] COMPRISES:

17 (1) the Dedicated Purpose Fund;

18 (2) the Revenue Stabilization Fund;

19 (3) the Economic Development Opportunities Program Fund; [and]

20 (4) the Catastrophic Event Fund; AND

21 (5) THE JOSEPH FUND.

22 7-327.

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

25 (2) "BOARD" MEANS THE JOSEPH FUND BOARD.

26 ~~(3) "ECONOMICALLY DISADVANTAGED CITIZEN OF THE STATE" MEANS~~  
 27 ~~AN INDIVIDUAL WHOSE INCOME IS AT OR BELOW 150% OF THE FEDERAL POVERTY~~  
 28 ~~LEVEL.~~

29 ~~(3)~~ ~~(4)~~ (3) "FUND" MEANS THE JOSEPH FUND.

30 ~~(4)~~ ~~(5)~~ (4) "UNAPPROPRIATED SURPLUS" MEANS THE  
 31 UNAPPROPRIATED GENERAL FUND BALANCE IN A FISCAL YEAR AS OF JUNE 30.

1 (B) THE JOSEPH FUND IS ESTABLISHED TO SET ASIDE RESERVES IN TIMES OF  
 2 ECONOMIC PROSPERITY AND USE THOSE RESERVES TO MEET THE EMERGENCY  
 3 NEEDS OF ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE, ESPECIALLY  
 4 IN TIMES OF ECONOMIC DOWNTURN.

5 (C) (1) THE FUND IS A CONTINUING, NONLAPSING FUND WHICH IS NOT  
 6 SUBJECT TO § 7-302 OF THIS SUBTITLE.

7 (2) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER  
 8 SHALL ACCOUNT FOR THE FUND.

9 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
 10 TREASURER MAY INVEST MONEYS IN THE FUND IN A MANNER CONSISTENT WITH  
 11 THE INVESTMENT OF MONEYS BY THE STATE RETIREMENT AND PENSION SYSTEM.

12 (4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO  
 13 THE FUND.

14 (D) THE FUND CONSISTS OF:

15 (1) MONEYS ~~CREDITED~~ APPROPRIATED IN THE STATE BUDGET TO THE  
 16 FUND UNDER SUBSECTION (E) OF THIS SECTION;

17 (2) EARNINGS FROM THE INVESTMENT OF MONEYS IN THE FUND; AND

18 (3) ANY OTHER MONEYS ACCEPTED FOR THE BENEFIT OF THE FUND  
 19 FROM ANY GOVERNMENTAL OR PRIVATE SOURCE.

20 (E) ~~BY OCTOBER 1 OF EACH YEAR, THE COMPTROLLER SHALL:~~

21 ~~(1) CERTIFY THE AMOUNT OF UNAPPROPRIATED SURPLUS FOR THE~~  
 22 ~~PRECEDING FISCAL YEAR; AND~~

23 ~~(2) TRANSFER TO THE JOSEPH FUND FOR FISCAL YEAR 2001 2002 AND~~  
 24 ~~EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR MAY INCLUDE IN THE BUDGET~~  
 25 ~~BILL AN APPROPRIATION TO THE JOSEPH FUND EQUAL TO THE LESSER OF:~~

26 ~~(1) 20% OF THE UNAPPROPRIATED SURPLUS AS OF THE END~~  
 27 ~~OF THE FISCAL YEAR TWO YEARS PRIOR TO THE FISCAL YEAR FOR WHICH THE~~  
 28 ~~APPROPRIATION IS PROPOSED; OR~~

29 ~~(2) \$5,000,000.~~

30 (F) (1) THERE IS A JOSEPH FUND BOARD IN STATE GOVERNMENT.

31 ~~(2) THE BOARD SHALL BE COMPOSED OF 13 MEMBERS REFLECTING THE~~  
 32 ~~GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE AS FOLLOWS:~~

33 ~~(1) 11 MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:~~

34 ~~1. TWO REPRESENTATIVES FROM STATE GOVERNMENT;~~



1                   (H)     MEMBERS OF THE BOARD ARE NOT ENTITLED TO ANY  
2 COMPENSATION OR OTHER EMOLUMENT, EXCEPT REASONABLE EXPENSES  
3 INCURRED IN CONNECTION WITH ATTENDANCE AT MEETINGS AND WORKING  
4 SESSIONS, AND FOR ANY SERVICES RENDERED AS A MEMBER OF THE BOARD.

5                   (6)     THE DEPARTMENT OF HUMAN RESOURCES SHALL PROVIDE STAFF  
6 SUPPORT TO THE BOARD.

7     (G)     (1)     ~~THE BOARD SHALL OVERSEE THE MANAGEMENT OF THE FUND.~~

8                   (2)     ~~AT LEAST ONCE ANNUALLY, THE BOARD SHALL:~~

9                   (1)     ~~REVIEW THE FINANCIAL STATUS OF THE FUND;~~

10                  (II)    ~~DETERMINE IF EXPENDITURES FROM THE FUND ARE~~  
11 ~~WARRANTED;~~

12                  (III)   ~~REVIEW REQUESTS FOR EXPENDITURES FROM THE FUND, AS~~  
13 ~~APPROPRIATE; AND~~

14                  (IV)   ~~SUBJECT TO THE RESTRICTIONS IN SUBSECTION (H) OF THIS~~  
15 ~~SECTION, AUTHORIZE THE EXPENDITURE OF ANY MONEYS FROM THE FUND.~~

16     (G)     (1)     ~~THE BOARD SHALL BE BRIEFED TWICE A YEAR BY THE GOVERNOR~~  
17 ~~AND THE APPROPRIATE STATE AGENCIES ON THE:~~

18                         (I)     ~~FINANCIAL STATUS OF THE FUND; AND~~

19                         (II)    ~~STATUS OF PROGRAMS THAT SERVE ECONOMICALLY~~  
20 ~~DISADVANTAGED CITIZENS OF THE STATE.~~

21                         (2)     ~~THE BOARD SHALL ADVISE THE GOVERNOR ON EXPENDITURES~~  
22 ~~FROM THE FUND.~~

23     (H)     (1)     ~~NOTWITHSTANDING ANY OTHER PROVISION IN THIS SUBSECTION,~~  
24 ~~MONEYS MAY NOT BE EXPENDED FROM THE FUND UNTIL THE BALANCE IN THE~~  
25 ~~FUND HAS REACHED \$10,000,000.~~

26                         (2)     ~~EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE~~  
27 ~~BOARD GOVERNOR MAY AUTHORIZE IN A FISCAL YEAR THE EXPENDITURE OF UP TO~~  
28 ~~25% OF THE INVESTMENT EARNINGS OF THE FUND FROM THE PRECEDING FISCAL~~  
29 ~~YEAR.~~

30                         (3)     ~~UPON CERTIFICATION FROM THE DEPARTMENT OF LABOR,~~  
31 ~~LICENSING, AND REGULATION THAT THE STATEWIDE UNEMPLOYMENT RATE HAS~~  
32 ~~INCREASED EXCEEDED 5% FOR 3 CONSECUTIVE MONTHS, THE BOARD GOVERNOR~~  
33 ~~MAY AUTHORIZE IN A FISCAL YEAR THE EXPENDITURE OF UP TO:~~

34                                 (I)     ~~100% OF THE INVESTMENT EARNINGS OF THE FUND FROM THE~~  
35 ~~PRECEDING FISCAL YEAR; AND~~

1                   (HI)     ~~10% 50% OF THE REMAINING BALANCE OF THE FUND.~~

2                   (4)     (I)     MONEYS FROM THE FUND SHALL BE USED ON A STATEWIDE  
3 BASIS TO MEET THE EMERGENCY NEEDS OF ECONOMICALLY DISADVANTAGED  
4 CITIZENS OF THE STATE.

5                   (HI)     ~~MONEYS FROM THE FUND MAY NOT BE CONSIDERED THE SOLE~~  
6 ~~SOURCE OF FUNDS TO MEET THE EMERGENCY NEEDS OF ECONOMICALLY~~  
7 ~~DISADVANTAGED CITIZENS OF THE STATE.~~

8                   (HI)     ~~(III)~~   EXPENDITURES FROM THE FUND SHALL BE USED ONLY  
9 FOR PROGRAMS AND SERVICES THAT:

10                                 1.     ~~SERVE THE NEEDS OF CHILDREN;~~

11                                 2.     ~~PROVIDE HEALTH SERVICES TO INDIVIDUALS IN NEED~~  
12 ~~UNINSURED ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE; AND OR~~

13                                 3.     ~~PROVIDE FOOD OR SHELTER ASSISTANCE TO~~  
14 ~~INDIVIDUALS IN NEED ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE.~~

15                   (5)     EXPENDITURES FROM THE FUND MAY NOT BE USED TO SUPPLANT  
16 EXISTING PUBLIC AND PRIVATE EXPENDITURES, EXCEPT IN CASES OF ECONOMIC  
17 DOWNTURN WHEN REDUCTIONS IN PUBLIC AND PRIVATE EXPENDITURES WARRANT  
18 SUPPLANTATION SUPPLANTING.

19                   (6)     EXPENDITURES FROM THE FUND AUTHORIZED BY THE BOARD  
20 SHALL BE MADE TO STATE AGENCIES BY BUDGET AMENDMENT MAY BE:

21                                 (I)     ~~INCLUDED IN THE STATE BUDGET SUBJECT TO~~  
22 ~~APPROPRIATION BY THE GENERAL ASSEMBLY; OR~~

23                                 (HI)     ~~MADE BY BUDGET AMENDMENT TO THE EXPENDITURE~~  
24 ~~ACCOUNT OF THE APPROPRIATE UNIT OF STATE GOVERNMENT ONLY AFTER THE~~  
25 ~~PROPOSED BUDGET AMENDMENT HAS BEEN SUBMITTED TO THE SENATE BUDGET~~  
26 ~~AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE OF THE~~  
27 ~~GENERAL ASSEMBLY FOR APPROVAL.~~

28                   (2)     ~~THE BOARD SHALL BE COMPOSED OF 13 MEMBERS AS FOLLOWS:~~

29                                 (1)     ~~11 MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE~~  
30 ~~AND CONSENT OF THE SENATE AS FOLLOWS:~~

31   1.     ~~TWO REPRESENTATIVES FROM THE EXECUTIVE BRANCH~~  
32 ~~OF STATE GOVERNMENT;~~

33   2.     ~~ONE REPRESENTATIVE FROM THE CHILD WELFARE~~  
34 ~~ADVOCACY COMMUNITY OR A PROVIDER;~~

1                                   3. ONE REPRESENTATIVE FROM THE STATEWIDE HEALTH  
2 ADVOCACY COMMUNITY, OR A PROVIDER, WITH EXPERTISE IN PROVIDING HEALTH  
3 CARE TO ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE;

4                                   4. ONE REPRESENTATIVE FROM THE STATEWIDE HUNGER  
5 AND HOMELESS ADVOCACY COMMUNITY OR A PROVIDER TO THE HUNGRY OR THE  
6 HOMELESS;

7                                   5. THREE REPRESENTATIVES FROM MULTI-ISSUED  
8 ORGANIZATIONS WITH A HISTORY OF ADVOCACY ON ISSUES THAT AFFECT THE  
9 POOR; AND

10                                  6. THREE REPRESENTATIVES FROM THE GENERAL PUBLIC;

11                                  (II) ONE REPRESENTATIVE APPOINTED BY THE PRESIDENT OF THE  
12 SENATE OF MARYLAND; AND

13                                  (III) ONE REPRESENTATIVE APPOINTED BY THE SPEAKER OF THE  
14 HOUSE OF DELEGATES.

15                                  (3) THE MEMBERS OF THE BOARD SHALL REFLECT THE GEOGRAPHIC,  
16 RACIAL, AND GENDER MAKEUP OF THE STATE.

17                                  (4) (I) THE TERM OF A MEMBER IS 4 YEARS.

18                                  (II) THE TERMS OF MEMBERS SHALL BE STAGGERED AS REQUIRED  
19 BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 1999.

20                                  (III) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE  
21 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

22                                  (IV) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN  
23 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED  
24 AND QUALIFIES.

25                                  (V) A MEMBER MAY BE REMOVED ONLY FOR CAUSE.

26                                  (VI) THE GOVERNOR SHALL DESIGNATE A CHAIRMAN FROM AMONG  
27 THE MEMBERS.

28                                  (VII) ATTENDANCE BY A MAJORITY OF THE VOTING MEMBERS  
29 SHALL CONSTITUTE A QUORUM.

30                                  (5) THE BOARD SHALL MEET AS OFTEN AS THE BOARD'S DUTIES  
31 REQUIRE, BUT NO LESS THAN TWICE A YEAR.

32                                  (6) THE MEMBERS OF THE BOARD ARE SUBJECT TO THE PROVISIONS OF  
33 THE MARYLAND PUBLIC ETHICS LAW.

34                                  (7) A MEMBER OF THE BOARD MAY NOT RECEIVE COMPENSATION AS A  
35 MEMBER OF THE BOARD BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES

1 UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE  
2 BUDGET.

3 (8) THE DEPARTMENT OF HUMAN RESOURCES SHALL PROVIDE STAFF  
4 SUPPORT TO THE BOARD.

5 (G) (1) THE BOARD SHALL ADVISE THE GOVERNOR ON THE MANAGEMENT  
6 OF THE FUND.

7 (2) THE BOARD SHALL BE BRIEFED TWICE A YEAR BY THE GOVERNOR  
8 AND THE APPROPRIATE STATE AGENCIES ON THE:

9 (I) FINANCIAL STATUS OF THE FUND; AND

10 (II) STATUS OF PROGRAMS THAT SERVE ECONOMICALLY  
11 DISADVANTAGED CITIZENS OF THE STATE.

12 (3) SUBJECT TO THE RESTRICTIONS IN SUBSECTION (H) OF THIS  
13 SECTION, THE BOARD MAY FORWARD RECOMMENDATIONS TO THE GOVERNOR FOR  
14 EXPENDITURES FROM THE FUND.

15 (H) (1) THE GOVERNOR SHALL REVIEW AND RESPOND TO THE  
16 RECOMMENDATIONS OF THE BOARD IN A TIMELY MANNER.

17 (2) SUBJECT TO THE RESTRICTIONS IN THIS SUBSECTION, THE  
18 GOVERNOR MAY AUTHORIZE THE EXPENDITURE OF MONEYS FROM THE FUND.

19 (3) IF THE GOVERNOR AUTHORIZES AN EXPENDITURE FROM THE FUND  
20 NOT RECOMMENDED BY THE BOARD, THE GOVERNOR SHALL NOTIFY THE BOARD  
21 PRIOR TO THE AUTHORIZATION.

22 (4) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE  
23 GOVERNOR MAY AUTHORIZE IN A FISCAL YEAR THE EXPENDITURE OF UP TO 25% OF  
24 THE INVESTMENT EARNINGS OF THE FUND FROM THE PRECEDING FISCAL YEAR.

25 (5) UPON CERTIFICATION FROM THE DEPARTMENT OF LABOR,  
26 LICENSING, AND REGULATION THAT THE STATEWIDE UNEMPLOYMENT RATE HAS  
27 INCREASED FOR 3 CONSECUTIVE MONTHS, THE GOVERNOR MAY AUTHORIZE IN A  
28 FISCAL YEAR THE EXPENDITURE OF UP TO:

29 (I) 100% OF THE INVESTMENT EARNINGS OF THE FUND FROM THE  
30 PRECEDING FISCAL YEAR; AND

31 (II) 40% OF THE REMAINING BALANCE OF THE FUND.

32 (6) NOTWITHSTANDING ANY OTHER PROVISION IN THIS SUBSECTION,  
33 MONEYS MAY NOT BE EXPENDED FROM THE FUND UNTIL THE BALANCE IN THE  
34 FUND HAS REACHED \$15,000,000.

1           (7)    (I)    THE FUND SHALL BE USED ON A STATEWIDE BASIS TO MEET  
 2 THE EMERGENCY NEEDS OF ECONOMICALLY DISADVANTAGED CITIZENS OF THE  
 3 STATE.

4                   (II)    MONEYS FROM THE FUND MAY NOT BE CONSIDERED THE SOLE  
 5 SOURCE OF FUNDS TO MEET THE EMERGENCY NEEDS OF ECONOMICALLY  
 6 DISADVANTAGED CITIZENS OF THE STATE.

7                   (III)   THE FUND SHALL BE USED ONLY FOR PROGRAMS AND  
 8 SERVICES THAT:

9                           1.    SERVE CHILDREN IN NEED;

10                           2.   PROVIDE HEALTH SERVICES TO INDIVIDUALS IN NEED  
 11 WHO ARE AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL; AND

12                           3.   PROVIDE FOOD OR SHELTER ASSISTANCE TO  
 13 INDIVIDUALS IN NEED.

14           (8)    THE FUND MAY NOT BE USED TO SUPPLANT EXISTING PUBLIC AND  
 15 PRIVATE EXPENDITURES, UNLESS THE DEPARTMENT OF LABOR, LICENSING, AND  
 16 REGULATION MAKES THE CERTIFICATION UNDER PARAGRAPH (5) OF THIS  
 17 SUBSECTION AND REDUCTIONS IN PUBLIC AND PRIVATE EXPENDITURES WARRANT  
 18 SUPPLANTATION.

19           (9)    EXPENDITURES FROM THE FUND MAY BE:

20                   (I)    INCLUDED IN THE STATE BUDGET SUBJECT TO  
 21 APPROPRIATION BY THE GENERAL ASSEMBLY; OR

22                   (II)   MADE BY BUDGET AMENDMENT TO THE EXPENDITURE  
 23 ACCOUNT OF THE APPROPRIATE UNIT OF STATE GOVERNMENT ONLY AFTER THE  
 24 PROPOSED BUDGET AMENDMENT HAS BEEN SUBMITTED TO THE SENATE BUDGET  
 25 AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE OF THE  
 26 GENERAL ASSEMBLY.

27   (I)    THE BOARD SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246  
 28 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY BEFORE  
 29 SEPTEMBER 1 OF EACH YEAR ON THE FINANCIAL STATUS OF THE FUND AND THE  
 30 EXPENDITURES FROM THE FUND FOR THE PRECEDING FISCAL YEAR.

31   SECTION 2. AND BE IT FURTHER ENACTED, That terms of the initial  
 32 members of the Joseph Fund Board shall expire as follows:

33           (1)    ~~three in 2000;~~

34           (2)    ~~three in 2001;~~

35           (3)    ~~three in 2002;~~

36           (4)    ~~two in 2003; and~~

1           ~~(5)~~     ~~two in 2004.~~

2           (1)     five in 2000;

3           (2)     four in 2001; and

4           (3)     four in 2002.

5           SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal year 2001, the  
6 Governor may include in the budget bill an appropriation to the Joseph Fund equal to  
7 the lesser of:

8                   (i)     40% of the unappropriated surplus as of June 30, 1999; or

9                   (ii)    \$10,000,000.

10          ~~SECTION 3. 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
11 effect July 1, 1999.