

HOUSE BILL 184

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B1

1999 Regular Session
9lr0214
CF 9lr0198

By: **The Speaker (Administration) and Delegate Rawlings**

Introduced and read first time: February 1, 1999

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 1999

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.

18 BY repealing and reenacting, with amendments,
19 Article - State Finance and Procurement
20 Section 7-309
21 Annotated Code of Maryland
22 (1995 Replacement Volume and 1998 Supplement)

23 BY adding to
24 Article - State Finance and Procurement
25 Section 7-327

1 Annotated Code of Maryland
2 (1995 Replacement Volume and 1998 Supplement)

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

5 **Article - State Finance and Procurement**

6 7-309.

7 (a) There is a State Reserve Fund.

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

9 (1) the Dedicated Purpose Fund;

10 (2) the Revenue Stabilization Fund;

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

12 (4) the Catastrophic Event Fund; AND

13 (5) THE JOSEPH FUND.

14 7-327.

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

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

18 (3) "ECONOMICALLY DISADVANTAGED CITIZEN OF THE STATE" MEANS
19 AN INDIVIDUAL WHOSE INCOME IS AT OR BELOW 150% OF THE FEDERAL POVERTY
20 LEVEL.

21 ~~(3)~~ (4) "FUND" MEANS THE JOSEPH FUND.

22 ~~(4)~~ (5) "UNAPPROPRIATED SURPLUS" MEANS THE UNAPPROPRIATED
23 GENERAL FUND BALANCE IN A FISCAL YEAR AS OF JUNE 30.

24 (B) THE JOSEPH FUND IS ESTABLISHED TO SET ASIDE RESERVES IN TIMES OF
25 ECONOMIC PROSPERITY AND USE THOSE RESERVES TO MEET THE EMERGENCY
26 NEEDS OF ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE, ESPECIALLY
27 IN TIMES OF ECONOMIC DOWNTURN.

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

30 (2) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
31 SHALL ACCOUNT FOR THE FUND.

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

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

6 (D) THE FUND CONSISTS OF:

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

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

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

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

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

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

18 ~~(1) 20% OF THE UNAPPROPRIATED SURPLUS AS OF THE END~~
 19 ~~OF THE FISCAL YEAR TWO YEARS PRIOR TO THE FISCAL YEAR FOR WHICH THE~~
 20 ~~APPROPRIATION IS PROPOSED; OR~~

21 ~~(2) \$5,000,000.~~

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

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

25 (I) 11 MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

26 1. TWO REPRESENTATIVES FROM STATE GOVERNMENT;

27 2. ONE REPRESENTATIVE FROM THE CHILD WELFARE
 28 ADVOCACY COMMUNITY OR A PROVIDER;

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

32 4. ONE REPRESENTATIVE FROM THE STATEWIDE HUNGER
 33 AND HOMELESS ADVOCACY COMMUNITY, OR A PROVIDER TO THE HUNGRY OR THE
 34 HOMELESS;

1 5. THREE REPRESENTATIVES FROM ~~A STATEWIDE NETWORK~~
2 ~~OF CONGREGATIONAL BASED INTERFAITH MULTI-ISSUED ORGANIZATIONS WITH A~~
3 ~~HISTORY OF ADVOCACY ON ISSUES THAT AFFECT THE POOR THAT FOCUS ON THE~~
4 ~~ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE; AND~~

5 6. THREE REPRESENTATIVES FROM THE GENERAL PUBLIC,
6 INCLUDING ONE REPRESENTATIVE WITH FINANCIAL EXPERTISE;

7 (II) ONE REPRESENTATIVE APPOINTED BY THE PRESIDENT OF THE
8 SENATE OF MARYLAND; AND

9 (III) ONE REPRESENTATIVE APPOINTED BY THE SPEAKER OF THE
10 HOUSE OF DELEGATES.

11 (3) (I) THE TERM OF A MEMBER IS ~~6~~ 4 YEARS.

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

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

16 (IV) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN
17 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED
18 AND QUALIFIES.

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

20 (VI) THE GOVERNOR SHALL DESIGNATE A CHAIRMAN FROM AMONG
21 THE MEMBERS.

22 (VII) ATTENDANCE BY A MAJORITY OF THE VOTING MEMBERS
23 SHALL CONSTITUTE A QUORUM.

24 (4) THE BOARD SHALL MEET AS OFTEN AS THE BOARD'S DUTIES
25 REQUIRE, BUT NO LESS THAN ~~ANNUALLY~~ TWICE A YEAR.

26 (5) (I) THE MEMBERS OF THE BOARD ARE SUBJECT TO THE
27 PROVISIONS OF THE MARYLAND PUBLIC ETHICS LAW.

28 (II) MEMBERS OF THE BOARD ARE NOT ENTITLED TO ANY
29 COMPENSATION OR OTHER EMOLUMENT, EXCEPT REASONABLE EXPENSES
30 INCURRED IN CONNECTION WITH ATTENDANCE AT MEETINGS AND WORKING
31 SESSIONS, AND FOR ANY SERVICES RENDERED AS A MEMBER OF THE BOARD.

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

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

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

1 ~~(F)~~ ~~REVIEW THE FINANCIAL STATUS OF THE FUND;~~
 2 ~~(H)~~ ~~DETERMINE IF EXPENDITURES FROM THE FUND ARE~~
 3 ~~WARRANTED;~~

4 ~~(HI)~~ ~~REVIEW REQUESTS FOR EXPENDITURES FROM THE FUND, AS~~
 5 ~~APPROPRIATE; AND~~

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

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

10 (I) FINANCIAL STATUS OF THE FUND; AND

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

13 (2) THE BOARD SHALL ADVISE THE GOVERNOR ON EXPENDITURES
 14 FROM THE FUND.

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

18 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE
 19 ~~BOARD GOVERNOR~~ MAY AUTHORIZE IN A FISCAL YEAR THE EXPENDITURE OF UP TO
 20 25% OF THE INVESTMENT EARNINGS OF THE FUND ~~FROM THE PRECEDING FISCAL~~
 21 ~~YEAR.~~

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

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

28 (II) ~~40%~~ 50% OF THE REMAINING BALANCE OF THE FUND.

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

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

35 ~~(H)~~ (III) EXPENDITURES FROM THE FUND SHALL BE USED ONLY
 36 FOR PROGRAMS AND SERVICES THAT:

1 1. SERVE THE NEEDS OF CHILDREN;
 2 2. PROVIDE HEALTH SERVICES TO ~~INDIVIDUALS IN NEED~~
 3 UNINSURED ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE; AND OR

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

6 (5) EXPENDITURES FROM THE FUND MAY NOT BE USED TO SUPPLANT
 7 EXISTING PUBLIC AND PRIVATE EXPENDITURES, EXCEPT IN CASES OF ECONOMIC
 8 DOWNTURN WHEN REDUCTIONS IN PUBLIC AND PRIVATE EXPENDITURES WARRANT
 9 SUPLANTATION SUPPLANTING.

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

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

14 (II) MADE BY BUDGET AMENDMENT TO THE EXPENDITURE
 15 ACCOUNT OF THE APPROPRIATE UNIT OF STATE GOVERNMENT ONLY AFTER THE
 16 PROPOSED BUDGET AMENDMENT HAS BEEN SUBMITTED TO THE SENATE BUDGET
 17 AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE OF THE
 18 GENERAL ASSEMBLY FOR APPROVAL.

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

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

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

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

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

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

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

30 (1) five in 2000;

31 (2) four in 2001; and

32 (3) four in 2002.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 34 July 1, 1999.

