

HOUSE BILL 1059

Unofficial Copy  
01

1999 Regular Session  
(9lr2268)

**ENROLLED BILL**  
-- Appropriations/Finance --

Introduced by **Delegates Rawlings, Rosenberg, and W. Baker**

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 **Welfare and Child Support Innovation Act of 1999**  
3 **Department of Human Resources - Welfare and Child Support Enforcement**  
4 **Innovation Act of 1999**

5 FOR the purpose of ~~authorizing directors of local departments of social services to~~  
6 ~~request the Secretary of the Department of Human Resources to establish job~~  
7 ~~skills enhancement pilot programs; requiring the Executive Director of the~~  
8 ~~Family Investment Administration of the Department of Human Resources to~~  
9 ~~develop a certain process addressing cash assistance payment errors; requiring~~  
10 ~~the Executive Director to require all local departments of social services to submit~~  
11 ~~certain plans and to monitor the local departments' success in achieving the~~  
12 ~~objectives of the plans; requiring the Department of Human Resources to conduct~~  
13 ~~or contract for a certain audit of each local department and to prepare a certain~~  
14 ~~report; requiring the audit to comply with certain auditing standards; providing~~  
15 ~~grant funds from the Maryland Training Program to fund job skills~~  
16 ~~enhancement pilot programs to provide upgrade training for certain Family in~~  
17 ~~Need of Assistance (FIP) recipients; altering the reimbursement of private~~

1 contractors for child support enforcement services under the Child Support  
 2 Enforcement Privatization Program; requiring a private contractor to offer  
 3 employment upon certain terms to certain former State employees working for  
 4 an existing contractor and to retain certain employees for a certain duration and  
 5 at a certain salary; repealing a certain provision pertaining to a certain  
 6 consultant for the Pilot Program; altering the responsibility of the Secretary of  
 7 Human Resources to provide certain job assistance to certain employees;  
 8 authorizing the Secretary, in consultation with certain directors of certain local  
 9 departments of social services, to expand child support enforcement  
 10 demonstration sites to additional jurisdictions; clarifying certain retirement  
 11 rights of certain former State employees hired by a private contractor under the  
 12 Child Support Enforcement Privatization Pilot Program; extending the  
 13 termination date for the Child Support Enforcement Privatization Pilot  
 14 Program; stating the intent of the General Assembly with regard to certain  
 15 demonstration sites and with regard to continuation of Medicaid benefits under  
 16 certain circumstances; requiring the Department of Human Resources to submit  
 17 a certain report; requiring that the Secretary of Budget and Management  
 18 establish a hiring program for welfare recipients; requiring certain reports on  
 19 the hiring of welfare recipients; and generally relating to the Department of  
 20 Human Resources, the Family Investment Program, and the Child Support  
 21 Enforcement Privatization Pilot Program and job enhancement skills programs  
 22 for certain welfare recipients.

23 BY repealing and reenacting, with amendments,  
 24 Article 88A - Department of Human Resources  
 25 Section ~~53A~~ 1A and 3(a)  
 26 Annotated Code of Maryland  
 27 (1998 Replacement Volume)

28 BY repealing and reenacting, with amendments,  
 29 Article - Family Law  
 30 Section 10-119.1 and ~~10-119.2(a) through (f)~~ 10-119.2  
 31 Annotated Code of Maryland  
 32 (1999 Replacement Volume)

33 BY repealing and reenacting, with amendments,  
 34 Chapter 491 of the Acts of the General Assembly of 1995  
 35 Section 13 and 14

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

## Article 88A - Department of Human Resources

2 ~~53A.~~

3 (a) ~~The Secretary, in cooperation with, OR AT THE REQUEST OF, the directors~~  
4 ~~of local departments of social services, shall establish a job skills enhancement pilot~~  
5 ~~program in at least three counties, one of which shall be located in Western Maryland,~~  
6 ~~Southern Maryland, or the Eastern Shore, to provide newly employed current and~~  
7 ~~former FIP recipients with training in order for them to:~~

8 (1) ~~Enhance their existing job-related skills;~~

9 (2) ~~Gain additional or alternative job skills; or~~

10 (3) ~~Learn interpersonal, communication, and other related skills.~~

11 (b) ~~The job skills enhancement program shall target unskilled and semiskilled~~  
12 ~~former and current FIP recipients who are newly employed in entry level positions~~  
13 ~~that have limited potential for advancement beyond entry level.~~

14 (c) (1) ~~Participation in the job skills enhancement program shall be~~  
15 ~~voluntary.~~

16 (2) ~~Individuals participating in the job skills enhancement program shall~~  
17 ~~sign a training agreement with the local department.~~

18 (d) ~~To be eligible to participate in the job skills enhancement program, an~~  
19 ~~individual shall:~~

20 (1) ~~Have been a FIP recipient within the previous 18 months of the date~~  
21 ~~the individual proposes to begin participation in the job skills enhancement program;~~

22 (2) ~~Have been employed in entry level employment for at least 6 months~~  
23 ~~from the date the individual proposes to begin participation in the job skills~~  
24 ~~enhancement program;~~

25 (3) ~~Provide employer validation or other documentation of employment~~  
26 ~~status;~~

27 (4) ~~Possess limited job skills; and~~

28 (5) ~~Have limited opportunity for advancement in current employment.~~

29 (e) ~~The local department shall contract for training services that are to be~~  
30 ~~provided under the job skills enhancement program, as provided in § 47(a) of this~~  
31 ~~subtitle.~~

32 (f) (1) ~~At the discretion of the Secretary, in consultation with the local~~  
33 ~~department director, the job skills enhancement program shall be administered by the~~  
34 ~~local department or through the State service delivery area system under the Job~~  
35 ~~Training Partnership Act (JTPA).~~

1           (2)     As part of their administrative responsibilities under paragraph (1)  
 2 of this subsection, a local department or persons at a service delivery area location  
 3 shall:

- 4           (i)     ~~Manage each participant's training plan;~~  
 5           (ii)    ~~Maintain a database of appropriate training vendors; and~~  
 6           (iii)   ~~Compile necessary fiscal reports on the job skills enhancement~~  
 7 ~~program.~~

8 IA.

9       (a)     The Family Investment Administration is established within the  
 10 Department of Human Resources. All of the powers, duties, and responsibilities  
 11 provided for the Social Services Administration in the following programs are  
 12 transferred to the Family Investment Administration: the Family Investment Program  
 13 and related cash benefit programs; public assistance to adults; emergency assistance;  
 14 food stamps; and medical assistance eligibility determinations. References to the  
 15 "Social Services Administration", "State Department", or "State Administration" in the  
 16 laws of this State that concern these programs are deemed to mean the Family  
 17 Investment Administration.

18       (b)     The Secretary of Human Resources shall appoint an Executive Director of  
 19 Family Investment with the approval of the Governor. The Executive Director shall be  
 20 the head of the Family Investment Administration and shall hold office at the pleasure  
 21 of the Secretary of Human Resources. All powers, duties, and responsibilities that  
 22 pertain to programs transferred to the Family Investment Administration and the  
 23 personnel who administer them which are provided in the laws of this State for the  
 24 State Director of Social Services are transferred to the Executive Director of Family  
 25 Investment.

26       (c)     The exercise of all authority, duties, and functions vested in the Family  
 27 Investment Administration or the Executive Director of Family Investment under this  
 28 article or any other law of this State shall be subject to the authority of the Secretary of  
 29 Human Resources as set forth in Article 41 of this Code or elsewhere in the laws of this  
 30 State.

31       (D)     THE EXECUTIVE DIRECTOR OF FAMILY INVESTMENT SHALL:

32           (1)     DEVELOP A COMPREHENSIVE PROCESS TO:

33           (I)     SYSTEMATICALLY ANALYZE CASH ASSISTANCE PAYMENT  
 34 ERRORS;

35           (II)    FORMULATE STRATEGIES, INCLUDING IMPROVEMENTS IN THE  
 36 ELIGIBILITY DETERMINATION PROCESS, TO REDUCE THE ERRORS; AND

37           (III)   MONITOR IMPLEMENTATION OF THE STRATEGIES;

1 (2) REQUIRE EACH LOCAL DEPARTMENT OF SOCIAL SERVICES TO  
2 SUBMIT ANNUAL PLANS THAT CONTAIN MEASURABLE OBJECTIVES, INCLUDING  
3 OBJECTIVES FOR PARTICIPATION IN WORK ACTIVITIES, TO MEET THE GOALS OF THE  
4 FAMILY INVESTMENT PROGRAM; AND

5 (3) MONITOR THE SUCCESS OF THE LOCAL DEPARTMENTS OF SOCIAL  
6 SERVICES IN ACHIEVING THE OBJECTIVES OF THE PLANS.

7 3.

8 (a) (1) The State Department shall be the central coordinating and directing  
9 agency of all social service and public assistance activities in this State, including the  
10 Family Investment Program, public assistance to adults, child welfare services, food  
11 stamps, and any other social service and public assistance activities financed in whole  
12 or in part by the State Department. For the purposes of these powers, child welfare  
13 services being provided to persons under the age of 18 may continue after their  
14 eighteenth birthday but not beyond their twenty-first birthday.

15 (2) All of the activities of the local departments in the counties and in  
16 Baltimore City, which the State Department finances, in whole or in part, shall be  
17 subject to the supervision, direction and control of the State Department.

18 (3) (I) AT LEAST ONCE EVERY 2 YEARS, THE STATE DEPARTMENT  
19 SHALL CONDUCT OR CONTRACT FOR A FINANCIAL AND COMPLIANCE AUDIT OF EACH  
20 LOCAL DEPARTMENT OF SOCIAL SERVICES AND SHALL PREPARE A WRITTEN REPORT  
21 OF THE AUDIT FINDINGS.

22 (II) THE AUDIT SHALL COMPLY WITH THE AUDITING STANDARDS  
23 ISSUED BY THE INSTITUTE OF INTERNAL AUDITORS.

#### 24 **Article - Family Law**

25 10-119.1.

26 (a) (1) Notwithstanding § 13-405 of the State Personnel and Pensions  
27 Article, there is a Child Support Enforcement Privatization Pilot Program within the  
28 Department.

29 (2) The Pilot Program shall operate in Baltimore City and Queen Anne's  
30 County.

31 (b) The purpose of the Pilot Program is to authorize the Secretary of the  
32 Department to enter into contracts with private companies to privatize all aspects of  
33 child support enforcement functions of the Department, including:

34 (1) locating absent parents;

35 (2) establishing paternities;

36 (3) establishing support orders;

- 1 (4) collecting and disbursing support payments;
- 2 (5) reviewing and modifying child support orders; and
- 3 (6) except for legal representation in accordance with § 10-115 of the  
4 Family Law Article and as otherwise provided by law, enforcing support obligations.

5 (c) Subject to subsection (g) of this section, the Secretary shall:

6 (1) adopt regulations that:

7 (i) require the transfer of all aspects of child support enforcement  
8 to one or more private contractors by November 1, 1996;

9 (ii) provide for the reimbursement of any private contractor ~~AS~~  
10 ~~REQUIRED BY FEDERAL GUIDELINES~~ [for all aspects of child support enforcement to  
11 be a percentage of the total amount of child support collected by the private  
12 contractor];

13 (iii) prohibit the cost of transferring child support enforcement to  
14 private contractors as defined in item (ii) of this paragraph from exceeding the fiscal  
15 year 1995 administrative cost per child support dollar collected by the Child Support  
16 Enforcement Administration in the Pilot Program areas;

17 (iv) require any private contractor to offer employment upon terms  
18 deemed by the Secretary to be fair and equitable to any FORMER STATE employees  
19 WORKING FOR AN EXISTING CONTRACTOR who are affected by the transfer of child  
20 support enforcement responsibilities under this section and to retain any employees  
21 who accept the offer:

22 1. for the duration of the Pilot Program unless there is cause  
23 for dismissal; and

24 2. at a salary and benefit level comparable to the salary and  
25 benefits to which they were entitled at the time of the transfer;

26 (v) require any private contractor to adopt a grievance procedure  
27 for employees who are retained by the private contractor under [subitem] ITEM (iv) of  
28 this item; and

29 (vi) prohibit the reimbursement of any private contractor from child  
30 support collections}; and

31 (2) assist an employee who declines an offer of employment with a  
32 private contractor to identify a comparable position in the State Personnel  
33 Management System to which the employee may transfer}.

34 (d) A request for proposal to transfer child support collection activities issued  
35 under this section shall:

1 (1) comply with the provisions of Division II of the State Finance and  
2 Procurement Article;

3 (2) set forth the goals of the privatization; and

4 (3) specify the incentives which will be available to the contractor.

5 (e) (1) On or before October 1, 1996, and annually thereafter, the Secretary  
6 shall report to the Governor and, subject to § 2-1246 of the State Government Article,  
7 the General Assembly on the operation and performance of the Pilot Program.

8 (2) The report shall assess the Pilot Program for its effectiveness and  
9 success in enhancing child support collection through the privatization of child  
10 support enforcement in Baltimore City and Queen Anne's County in the State.

11 (3) The Secretary shall include in the report the plans for improving the  
12 effectiveness and success of the Pilot Program in achieving the objective.

13 (f) The Secretary shall adopt any other regulations necessary to carry out the  
14 provisions of this section.

15 ~~(g) Before implementing the Pilot Program, the Secretary shall hire a  
16 consultant to help design the Pilot Program and to help develop a request for proposal  
17 to transfer all aspects of child support enforcement.~~

18 ~~(h)~~ (G) An employee A FORMER STATE EMPLOYEE who declines an offer of  
19 employment with a private contractor under this section shall be considered laid off  
20 and shall be entitled to all rights specified under Title 11, Subtitle 2 of the State  
21 Personnel and Pensions Article.}

22 10-119.2.

23 (a) In this section, "demonstration site" means the jurisdiction selected by the  
24 Secretary of Human Resources, IN CONSULTATION WITH THE DIRECTOR OF THE  
25 LOCAL DEPARTMENT OF SOCIAL SERVICES IN THE JURISDICTION, to compete against  
26 privatized jurisdictions in providing child support enforcement services.

27 (b) The Secretary shall establish a child support enforcement demonstration  
28 site in AT LEAST one BUT NOT MORE THAN SIX [jurisdiction] JURISDICTIONS for the  
29 purpose of competing against a privatized jurisdiction as established in § 10-119.1 of  
30 this subtitle.

31 (c) Notwithstanding any other provision of law, the Secretary shall appoint a  
32 director of child support services in the A demonstration site who shall report directly  
33 to the Executive Director of the Child Support Enforcement Administration of the  
34 Department.

35 (d) Notwithstanding any other provision of law, the Secretary shall have sole  
36 authority over the child support enforcement functions in the A demonstration site,  
37 including but not limited to:

- 1           (1)     location of parents;  
 2           (2)     establishing paternities;  
 3           (3)     establishing child support orders;  
 4           (4)     collecting and disbursing support payments;  
 5           (5)     reviewing and modifying child support orders;  
 6           (6)     enforcing support obligations;  
 7           (7)     providing legal representation to clients; and  
 8           (8)     establishing contractual agreements with private or public entities to  
 9 provide child support services.
- 10         (e)     Notwithstanding any other provision of law and for the purpose of carrying  
 11 out the provisions of this section, the Secretary shall have the authority to sever  
 12 contractual agreements with a State's Attorney and hire private counsel to provide  
 13 legal representation for the Child Support Enforcement Administration.
- 14         (f)     (1)     Notwithstanding any other provision of law, all employees hired in  
 15 [the] A demonstration site [after October 1, 1995] AFTER ITS DESIGNATION AS A  
 16 DEMONSTRATION SITE shall be in the management service or special appointments  
 17 in the State Personnel Management System.
- 18                 (2)     If a position in the A demonstration site is held by a classified service  
 19 employee PRIOR TO ITS DESIGNATION AS A DEMONSTRATION SITE [on September  
 20 30, 1995], the position remains a classified service position or its equivalent in the  
 21 State Personnel Management System until the position becomes vacant, at which  
 22 time the position shall become a management service or special appointment position.
- 23         (g)     The Secretary shall establish a performance incentive program to provide  
 24 pay incentives for employees in [the] A demonstration site.
- 25         (h)     The powers of the Secretary to carry out the provisions of this section shall  
 26 be construed liberally.

27   **Chapter 491 of the Acts of 1995**

28         SECTION 13. AND BE IT FURTHER ENACTED, That an individual who is a  
 29 State employee as of November 1, 1996, who is hired by a private contractor under  
 30 Section 3 of this Act, and who remains employed by the contractor as of the  
 31 termination of the Privatization Program established under Section 3 of this Act:

32                 (1)     may return to State service at any time while the Pilot Program is in  
 33 existence and on the termination of the Pilot Program at a grade and step comparable  
 34 to the grade and step that the employee would have attained but for the



1 implementation of the Pilot Program and full restoration of benefits and seniority  
 2 rights; and

3 (2) notwithstanding limits under §§ 22-216 and 23-214 of the State  
 4 Personnel and Pensions Article, may be reinstated as a member of the Employees'  
 5 Pension System PART II, CONTRIBUTORY PENSION BENEFIT, or the Employees'  
 6 Retirement System in accordance with their membership as a State employee and be  
 7 entitled to the restoration of any service credit to which the individual was entitled  
 8 before employment with the private contractor whether or not the individual was  
 9 vested under those systems.

10 SECTION 14. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
 11 shall remain effective for the period of [4] 7 years[,] AND 4 MONTHS and, at the end  
 12 of [June 30, 1999] OCTOBER 31, 2002, and with no further action required by the  
 13 General Assembly, Section 3 of this Act shall be abrogated and of no further force and  
 14 effect.

15 SECTION 2. AND BE IT FURTHER ENACTED, That ~~the Governor shall~~  
 16 ~~provide grant funds from the Maryland Industrial Training Program to fund the~~  
 17 funding for the pilot program established under Article 88A, § 53A of the Code. The  
 18 ~~amount of the funds shall be sufficient to provide upgrade training, as required by the~~  
 19 ~~pilot program, to 400 newly employed current and former FIP recipients at a cost not~~  
 20 ~~to exceed \$2,500 per recipient. If the Governor determines that using Maryland~~  
 21 Industrial Training Program grant funds is not an appropriate economic development  
 22 activity, the Governor shall notify the Joint Committee on Welfare Reform, in writing,  
 23 as to the reasons.

24 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the  
 25 General Assembly that the demonstration sites authorized by § 10-119.2 of the  
 26 Family Law Article represent a mix of urban, suburban, and rural areas of the State.

27 SECTION 4. AND BE IT FURTHER ENACTED, That the Secretary of Budget  
 28 and Management, with assistance provided by the Secretary of Human Resources,  
 29 develop and implement a plan for hiring welfare recipients by the principal  
 30 departments within the Executive Branch of State Government. Components of the  
 31 plan shall include, for each agency: the units that could most easily hire welfare  
 32 clients; the positions most suitable for the welfare population; a proposal for  
 33 recruiting welfare clients; job retention strategies; and a target number of clients to  
 34 ~~be hired recruited.~~ The Secretary of Budget and Management shall report to the  
 35 Senate Finance Committee and the House Appropriations Committee, subject to §  
 36 2-1246 of the State Government Article, no later than November 1, 1999, on the  
 37 development of the plan for recruiting and hiring welfare recipients, and annually  
 38 thereafter on the number of welfare recipients hired and retained by the principal  
 39 departments within the Executive Branch of State Government.

40 SECTION ~~3- 5.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
 41 effect July 1, 1999.

