

SENATE BILL 142

Unofficial Copy
B1

1999 Regular Session
(9lr0198)

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **The President (Administration) and Senators Currie, Lawlah,
McFadden, and Middleton**

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.

President.

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

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

29 (B) THE JOSEPH FUND IS ESTABLISHED TO SET ASIDE RESERVES IN TIMES OF
30 ECONOMIC PROSPERITY AND USE THOSE RESERVES TO MEET THE EMERGENCY
31 NEEDS OF ECONOMICALLY DISADVANTAGED CITIZENS OF THE STATE, ESPECIALLY
32 IN TIMES OF ECONOMIC DOWNTURN.

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

3 (2) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
4 SHALL ACCOUNT FOR THE FUND.

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

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

10 (D) THE FUND CONSISTS OF:

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

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

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

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

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

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

22 ~~(1) 20% OF THE UNAPPROPRIATED SURPLUS AS OF THE END~~
23 ~~OF THE FISCAL YEAR TWO YEARS PRIOR TO THE FISCAL YEAR FOR WHICH THE~~
24 ~~APPROPRIATION IS PROPOSED; OR~~

25 ~~(2) \$5,000,000.~~

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

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

28 (I) 11 MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE
29 AND CONSENT OF THE SENATE AS FOLLOWS:

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

32 2. ONE REPRESENTATIVE FROM THE CHILD WELFARE
33 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 ~~A STATEWIDE NETWORK~~
8 ~~OF CONGREGATIONAL-BASED INTERFAITH~~ MULTI-ISSUED ORGANIZATIONS WITH A
9 HISTORY OF ADVOCACY ON ISSUES THAT AFFECT THE POOR; AND

10 6. THREE REPRESENTATIVES FROM THE GENERAL PUBLIC;
11 ~~INCLUDING ONE REPRESENTATIVE WITH FINANCIAL EXPERTISE;~~

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

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

16 (3) THE MEMBERS OF THE BOARD SHALL REFLECT THE GEOGRAPHIC,
17 RACIAL, AND GENDER MAKE UP OF THE STATE.

18 ~~(3)~~ (4) (I) THE TERM OF A MEMBER IS ~~6~~ 4 YEARS.

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

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

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

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

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

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

31 ~~(4)~~ (5) THE BOARD SHALL MEET AS OFTEN AS THE BOARD'S DUTIES
32 REQUIRE, BUT NO LESS THAN ~~ANNUALLY~~ TWICE A YEAR.

33 ~~(5)~~ (4) (6) THE MEMBERS OF THE BOARD ARE SUBJECT TO THE
34 PROVISIONS OF THE MARYLAND PUBLIC ETHICS LAW.

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, FOR ANY SERVICES RENDERED AS A MEMBER OF THE BOARD.~~

5 (7) A MEMBER OF THE BOARD MAY NOT RECEIVE COMPENSATION AS A
6 MEMBER OF THE BOARD BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES
7 UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE
8 BUDGET.

9 ~~(6)~~ (8) THE DEPARTMENT OF HUMAN RESOURCES SHALL PROVIDE
10 STAFF SUPPORT TO THE BOARD.

11 (G) (1) ~~THE BOARD SHALL OVERSEE~~ ADVISE THE GOVERNOR ON THE
12 MANAGEMENT OF THE FUND.

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

14 ~~(I) REVIEW THE FINANCIAL STATUS OF THE FUND; AND~~

15 ~~(II) DETERMINE IF EXPENDITURES FROM THE FUND ARE~~
16 ~~WARRANTED~~ THE BOARD SHALL BE BRIEFED TWICE A YEAR BY THE GOVERNOR AND
17 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 ~~(III) REVIEW REQUESTS FOR EXPENDITURES FROM THE FUND, AS~~
22 ~~APPROPRIATE; AND.~~

23 ~~(IV)~~ (3) SUBJECT TO THE RESTRICTIONS IN SUBSECTION (H) OF
24 THIS SECTION, AUTHORIZE THE EXPENDITURE OF ANY MONEYS THE BOARD MAY
25 FORWARD RECOMMENDATIONS TO THE GOVERNOR FOR EXPENDITURES FROM THE
26 FUND.

27 (H) (1) ~~NOTWITHSTANDING ANY OTHER PROVISION IN THIS SUBSECTION,~~
28 ~~MONEYS MAY NOT BE EXPENDED FROM THE FUND UNTIL THE BALANCE IN THE~~
29 ~~FUND HAS REACHED \$10,000,000. THE GOVERNOR SHALL REVIEW AND RESPOND TO~~
30 THE RECOMMENDATIONS OF THE BOARD IN A TIMELY MANNER.

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

33 (3) IF THE GOVERNOR AUTHORIZES AN EXPENDITURE FROM THE FUND
34 NOT RECOMMENDED BY THE BOARD, THE GOVERNOR SHALL NOTIFY THE BOARD
35 PRIOR TO THE AUTHORIZATION.

1 ~~(2)~~ (4) EXCEPT AS PROVIDED IN PARAGRAPH ~~(3)~~ (5) OF THIS
 2 SUBSECTION, THE ~~BOARD~~ GOVERNOR MAY AUTHORIZE IN A FISCAL YEAR THE
 3 EXPENDITURE OF UP TO 25% OF THE INVESTMENT EARNINGS OF THE FUND FROM
 4 THE PRECEDING FISCAL YEAR.

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

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

11 (II) ~~10% 25%~~ 40% OF THE REMAINING BALANCE OF THE FUND.

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

15 ~~(4)~~ (7) (I) ~~MONEYS FROM~~ THE FUND SHALL BE USED ON A
 16 STATEWIDE BASIS TO MEET THE EMERGENCY NEEDS OF ECONOMICALLY
 17 DISADVANTAGED CITIZENS OF THE STATE.

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

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

23 1. SERVE ~~THE NEEDS OF CHILDREN~~ CHILDREN IN NEED;

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

26 3. PROVIDE FOOD OR SHELTER ASSISTANCE TO
 27 INDIVIDUALS IN NEED.

28 ~~(5)~~ (8) ~~EXPENDITURES FROM~~ THE FUND MAY NOT BE USED TO
 29 SUPPLANT EXISTING PUBLIC AND PRIVATE EXPENDITURES, ~~EXCEPT IN CASES OF~~
 30 ~~ECONOMIC DOWNTURN WHEN~~ UNLESS THE DEPARTMENT OF LABOR, LICENSING,
 31 AND REGULATION MAKES THE CERTIFICATION UNDER PARAGRAPH (5) OF THIS
 32 SUBSECTION AND REDUCTIONS IN PUBLIC AND PRIVATE EXPENDITURES WARRANT
 33 SUPPLANTATION.

34 ~~(6)~~ ~~EXPENDITURES FROM THE FUND AUTHORIZED BY THE BOARD~~
 35 ~~SHALL BE MADE TO STATE AGENCIES BY BUDGET AMENDMENT.~~

36 (9) EXPENDITURES FROM THE FUND MAY BE:

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

3 (II) MADE BY BUDGET AMENDMENT TO THE EXPENDITURE
 4 ACCOUNT OF THE APPROPRIATE UNIT OF STATE GOVERNMENT ONLY AFTER THE
 5 PROPOSED BUDGET AMENDMENT HAS BEEN SUBMITTED TO THE SENATE BUDGET
 6 AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE OF THE
 7 GENERAL ASSEMBLY.

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

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

- 14 ~~(1) three in 2000;~~
 15 ~~(2) three in 2001;~~
 16 ~~(3) three in 2002;~~
 17 ~~(4) two in 2003; and~~
 18 ~~(5) two in 2004.~~
 19 (1) five in 2000;
 20 (2) four in 2001; and
 21 (3) four in 2002.

22 SECTION 3. AND BE IT FURTHER ENACTED, That for Fiscal Year 2001, the
 23 Governor may include in the budget bill an appropriation to the Joseph Fund equal to
 24 the lesser of:

- 25 (i) 40% of the unappropriated surplus as of June 30, 1999; or
 26 (ii) \$10,000,000.

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

