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By: **Delegates Shriver, Grosfeld, Marriott, Barkley, Kopp, Mandel, Bronrott,  
Hixson, and Heller**

Introduced and read first time: February 4, 2000

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Child Support - Pass-Through to Public Assistance Recipients**

3 FOR the purpose of prohibiting the Secretary of Human Resources from imposing  
4 regulations that count child support as unearned income; authorizing the  
5 Secretary to reduce temporary cash assistance by a certain amount if the  
6 recipient does not cooperate with the local child support enforcement office;  
7 requiring the State child support disbursement unit to disburse child support  
8 payments to the child's caretaker under certain circumstances; and generally  
9 relating to child support payments to families receiving temporary public  
10 assistance.

11 BY repealing and reenacting, with amendments,  
12 Article 88A - Department of Human Resources  
13 Section 50  
14 Annotated Code of Maryland  
15 (1998 Replacement Volume and 1999 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Family Law  
18 Section 10-108.5  
19 Annotated Code of Maryland  
20 (1999 Replacement Volume and 1999 Supplement)

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

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

24 50.

25 (a) The provisions of this section are not intended to create incentives for  
26 individuals to seek temporary cash assistance benefits instead of employment.

27 (b) A local department shall provide temporary cash assistance only if:

1           (1)     The recipient meets the conditions for participation in the FIP set  
2 forth in § 48 of this subtitle;

3           (2)     The applicant or recipient assigns to the State all right, title, and  
4 interest in support from any other person that the applicant or recipient has on behalf  
5 of any intended or potential recipient for whom the applicant or recipient is applying  
6 for or receiving assistance, including any right accrued when the assignment is  
7 executed;

8           (3)     In the case of an applicant or recipient who is a minor parent, the  
9 minor parent lives:

10           (i)     With a parent, legal guardian, custodian, or other adult relative  
11 who will be the payee of the minor parent;

12           (ii)    In an adult-supervised group living arrangement that shall  
13 provide a protective payee, if there is no available parent, legal guardian, custodian,  
14 or other adult relative with whom the minor parent can live or the minor parent or  
15 child would be subject to physical or emotional harm, sexual abuse, or neglect in the  
16 home of any available adult relative or a social service worker otherwise finds that  
17 living with any available adult relative would not be in the minor parent's or child's  
18 best interest; or

19           (iii)   Independently, if a social service worker confirms that the  
20 minor parent or child's physical safety or emotional health would otherwise be in  
21 jeopardy; and

22           (4)     In the case of an applicant or recipient who is an immigrant, for a  
23 period of 3 years from the date of the immigrant's entry into the United States, unless  
24 a different period of time is set by the federal government, the applicant or recipient  
25 is a legal immigrant, whose income and resources shall be deemed to include the  
26 income and resources of any sponsor who executed an affidavit of support pursuant to  
27 § 213A of the Immigration and Naturalization Act in behalf of the legal immigrant.

28           (c)     All recipients meeting the requirements of the FIP shall be entitled to cash  
29 assistance benefits.

30           (d)     A local department shall pay temporary cash assistance beginning 14 days  
31 after the application of a qualified recipient.

32           (e)     The Secretary may not include in regulations adopted under this subtitle a  
33 provision that would count as unearned income to a family in calculating the family's  
34 eligibility for the FIP Supplemental Security Income (SSI) benefits provided to an  
35 adult or child who resides in the family.

36           (f)     (1)     This subsection does not apply to a birth resulting from rape or  
37 incest.

38           (2)     Except as provided in paragraph (3) of this subsection, temporary  
39 cash assistance may not include the increment in cash benefits under the program for

1 which a recipient would otherwise be eligible as a result of the birth of a child 10 or  
2 more months after the recipient's initial application for temporary cash assistance  
3 benefits.

4 (3) Cash payments for a child may not be made to a family other than  
5 the child's family unless the Social Services Administration has placed the child with  
6 the other family.

7 (4) The Department shall provide for a recipient ineligible for an  
8 increment in cash benefits under this subsection a child-specific benefit not to exceed  
9 the value of the increment eliminated by this subsection for the purchase of goods  
10 specified by the Department as suitable for the care of a minor.

11 (5) A local department may pay an administrative fee to a third party  
12 payee to cover the administrative costs of the third party payee for managing the  
13 child-specific benefit.

14 (6) The Secretary shall adopt regulations specifying the selection criteria  
15 for third party payees under this subsection.

16 (g) (1) The Secretary shall establish by regulation a schedule of reductions  
17 and terminations of temporary cash assistance for noncompliance with FIP  
18 requirements.

19 (2) Once an individual is found to be not in compliance with FIP  
20 requirements, the caseworker shall investigate the reasons for noncompliance.

21 (3) The investigation, to the extent resources permit, shall include, but  
22 not be limited to, personal contact with the family unit.

23 (4) The Secretary may reduce or terminate temporary cash assistance to  
24 a family no earlier than 30 days subsequent to the first written notice sent of  
25 noncompliance.

26 (5) For noncompliance with any FIP requirement other than a work  
27 activity, temporary cash assistance shall be resumed upon compliance with the FIP  
28 requirement.

29 (6) For noncompliance with a work activity, temporary cash assistance  
30 shall be resumed in the following manner:

31 (i) For the first instance of noncompliance, temporary cash  
32 assistance shall be resumed immediately upon compliance;

33 (ii) For the second instance of noncompliance, temporary cash  
34 assistance shall be resumed after 10 days of compliance with the work activity; or

35 (iii) For the third and any subsequent instance of noncompliance,  
36 temporary cash assistance shall be resumed after 30 days of compliance with a work  
37 activity.

1 (7) If temporary cash assistance is reduced or terminated under this  
2 subsection, the recipient shall retain eligibility for medical assistance and food  
3 stamps, as long as the recipient meets the medical assistance and food stamp program  
4 requirements.

5 (8) THE SECRETARY MAY REDUCE TEMPORARY CASH ASSISTANCE BY A  
6 MAXIMUM OF 25% FOR NONCOMPLIANCE WITH FIP REQUIREMENTS CONCERNING  
7 COOPERATION WITH THE LOCAL CHILD SUPPORT ENFORCEMENT OFFICE.

8 (h) (1) After termination of temporary cash assistance under this section,  
9 the recipient may receive transitional assistance.

10 (2) If the caseworker determines that the local department shall provide  
11 transitional assistance, the FIP benefit that would have been paid to the recipient  
12 shall be paid instead to a third party payee on behalf of the recipient for a period of up  
13 to 3 months.

14 (3) A recipient who has received transitional assistance may apply for  
15 the FIP benefit and the benefit shall be furnished with reasonable promptness to all  
16 eligible individuals.

17 (4) The third party payee shall provide transitional assistance to the  
18 recipient in one or more of the following forms:

19 (i) Counseling;

20 (ii) Housing;

21 (iii) Child care;

22 (iv) Household supplies and equipment;

23 (v) Direct assistance other than a cash payment; and

24 (vi) Any other noncash assistance that may be necessary to assist  
25 the recipient to make the transition from welfare.

26 (5) Subject to the approval of the Secretary, the caseworker, in  
27 conjunction with the recipient, shall select the third party payee described under  
28 paragraph (2) of this subsection.

29 (6) A local department may pay an administrative fee to a third party  
30 payee to cover the administrative costs of the third party payee for providing the  
31 services described in paragraph (4) of this subsection.

32 (7) No portion of the funds provided through transitional assistance may  
33 be used for the furtherance of sectarian religious instruction.

34 (8) The Secretary shall adopt regulations specifying the selection criteria  
35 for third party payees under this subsection.

1 (i) Except as limited by federal requirements, temporary cash assistance shall  
2 be determined with due regard to the available resources and necessary expenditures  
3 of the family and the conditions existing in each case and shall be sufficient, when  
4 added to all other income and support available to the child, to provide the child with  
5 a reasonable subsistence compatible with decency and health.

6 (J) THE SECRETARY MAY NOT INCLUDE IN REGULATIONS ADOPTED UNDER  
7 THIS SUBTITLE A PROVISION THAT WOULD COUNT AS UNEARNED INCOME ANY  
8 SUPPORT PAYMENTS DISBURSED TO THE FAMILY PURSUANT TO § 10-108.5 OF THE  
9 FAMILY LAW ARTICLE.

10 **Article - Family Law**

11 10-108.5.

12 (A) The Administration shall establish a State disbursement unit for collection  
13 and disbursement of support payments in any case in which:

14 (1) an assignment is made under Article 88A, § 50(b)(2) of the Code;

15 (2) an obligee files an application and pays a fee for child support  
16 services as required by the Administration; or

17 (3) an employer is required to send payments to a support enforcement  
18 agency.

19 (B) ANY SUPPORT PAYMENTS IN A CASE IN WHICH AN ASSIGNMENT IS MADE  
20 UNDER ARTICLE 88A, § 50(B)(2) OF THE CODE SHALL, TO THE EXTENT PERMITTED BY  
21 FEDERAL LAW, BE DISBURSED TO THE PARENT CUSTODIAN OR RELATIVE  
22 CARETAKER OF THE CHILD FOR WHOM THE PAYMENT WAS MADE.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2000.