SB 541

Department of Legislative Services

Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

Senate Bill 541 (Senator Madden, *et al.*)
Finance Appropriations

Welfare Innovation Act of 2001

This bill provides for the mentoring of former and current Family Investment Program (FIP) recipients and requires the Secretary of Human Resources to establish a separate State temporary cash assistance program for certain families.

The bill also proposes the establishment of a Commission for Responsible Fatherhood to identify obstacles and propose solutions for problems created when a child is raised without the presence of a responsible father.

Fiscal Summary

State Effect: General fund expenditures could increase by $218,900 in FY 2002. Future year expenditures reflect annualization and inflation.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	$0	$0	$0	$0	$0
GF Expenditure	218,900	244,900	252,700	261,600	269,900
Net Effect	($218,900)	($244,900)	($252,700)	($261,600)	($269,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Minimal.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Temporary Cash Assistance: The bill provides that a local department of social services may not pay temporary cash assistance (TCA) to: (1) a family that includes an adult who has received more than 60 cumulative months of TCA funded wholly or in part by federal funds; or (2) a family that includes an adult who has received more than 24 cumulative months of TCA funded wholly or in part by federal funds and who is not working. The bill also provides, however, that the Department of Human Resources (DHR) must establish, by regulation: (1) procedures under which the local departments of social services may exempt families from these limitations for reasons of hardship; (2) a separate State program that: (i) is funded entirely from State general funds that may be counted toward any federal maintenance of effort requirements; (ii) shall pay TCA to families who are exempted due to hardship but who cannot receive federal funds due to federal limitations; and (iii) is subject to all FIP requirements.

Student Volunteer Mentoring Program: This bill adds mentoring to the list of services (literacy training, resume writing, and job interview skills) that the Maryland Higher Education Commission (MHEC), in cooperation with DHR, is required to promote and coordinate among institutions of higher education. MHEC must also encourage and identify student volunteers to help provide these services to FIP recipients.

Mentoring Program for Former FIP Recipients: The Secretary of Human Resources, in cooperation with the local departments of social services (LDSSs) is required to establish a mentoring program for former FIP recipients (in the previous six months). Mentoring may be provided by caseworkers (and may receive financial or other incentives) or purchased from other organizations. Program participation is limited to six months.

Job Skills Enhancement Program Change in Eligibility: Increases the time period for determining the eligibility of a former FIP recipient to participate in the Job Skills Enhancement Program. Previously, the individual must have been a FIP recipient within the past 18 months; this is increased to 36 months. Moreover, local departments of social services are authorized to work with businesses to train and place former FIP recipients in jobs that provide benefits and have an upward career path.

Commission on Responsible Fatherhood: The bill also proposes the establishment of an 18-member Commission for Responsible Fatherhood to identify obstacles and propose solutions for problems created when a child is raised without the presence of a responsible father. The commission is required, among other things, to develop a statewide plan, and collect data and perform analysis on ongoing and new efforts aimed at increasing responsible fatherhood. The commission may not operate any programs or provide any direct services.

The commission is to be independent and located in DHR for budgetary and administrative purposes only. The commission is required to hire a staff director and support staff as provided for in the State budget.

Expanded New Hires Reporting Requirements: The bill expands the reporting requirements for employers who hire new employees to include: (1) starting wage; and (2) whether health insurance is provided by the employer. Currently, when an employer hires a new employee, the employer must report to the State, for purposes of unemployment insurance, the employee's Social Security number, the name of the employee, the address of the employee, the date of employment, the employing unit's name and address, the federal employer identification number of the employing unit, and the State unemployment insurance account number of the employing unit.

Pilot Procurement Project Extended: The bill extends the sunset date of the DHR pilot procurement project from last year's Welfare Innovation Act of 2000 to June 30, 2002. The project allows a procurement officer to award a contract on the basis of noncompetitive negotiation if the procurement is for human, social, or educational services to be provided directly to individuals who are aged, indigent, disadvantaged, unemployed, mentally or physically ill, handicapped, or displaced or minors, including direct or indirect work-related services to benefit current recipients, former recipients or non-custodial parents of children who are current or former recipients of family investment program benefits.

State Fiscal Effect: General fund expenditures could increase by an estimated $218,935 in fiscal 2002. A portion of this estimate, that related to the fatherhood commission, reflects the bill's October 1, 2001 effective date. The estimate reflects the cost of hiring one program director, one human services specialist, and one office secretary to staff the commission, and includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes $100,000 in funds to support the mentoring program for former FIP recipients, detailed below.

Future year expenditures with respect to the fatherhood program reflect: (1) full salaries with a 6.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses. Future year expenditures with respect to the IDA program reflect a three-year matching limit.

Student Volunteer Mentoring Program: No fiscal impact.

State Temporary Cash Assistance Program: No fiscal impact. Because any State funds spent on this program will be counted toward federal maintenance of effort requirements, there will be no overall impact on State finances.

Mentoring Program for Former FIP Recipients:

• incentives to caseworkers that volunteer as mentors	$40,000
• training to strengthen case managers' ability to provide optimum counseling to FIP recipients	10,000
• contracts with outside agencies to acquire mentors for former FIP	
• recipients	50,000
Subtotal FY 2002 State Expenditures	**$100,000***
***no start-up delay incorporated**	

Job Skills Enhancement Program Change in Eligibility: No fiscal impact.

Commission on Responsible Fatherhood:

• salaries and fringe benefits	$100,672
• one-time start-up costs	14,314
• ongoing operating costs	3,949
Subtotal FY 2002 State Expenditures	**$118,935***
*90 day start-up delay incorporated	

Expanded New Hires Reporting Requirements: No fiscal impact.

Pilot Procurement Project Extended: No fiscal impact.

Local Fiscal Effect: Local departments of social services could experience an increase in their State budget appropriation to pay for funds for mentoring incentive bonuses.

Additional Information

Prior Introductions: None.

Cross File: HB 891 (Delegate Rosenberg, *et al.*) – Appropriations.

Information Source(s): Department of Human Resources; Department of Labor, Licensing, and Regulation; Maryland Higher Education Commission; Department of Legislative Services

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