

SENATE BILL 178

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2002 Regular Session  
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By: ~~Senators Bromwell, Exum, and Roesser~~ **Baker, Blount, Currie, Exum,  
Hogan, Lawlah, Mitchell, Roesser, and Sfikas**

Introduced and read first time: January 17, 2002

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Welfare and Child Support Enforcement Innovation Act of 2002**

3 FOR the purpose of requiring local departments of social services to execute certain  
4 hiring agreements with certain entities doing business with certain counties for  
5 the purpose of hiring Family Investment Program (FIP) recipients; requiring a  
6 governing body of a county to designate certain procurement contracts as  
7 eligible contracts that in conjunction with the award of such contracts a hiring  
8 agreement is to be executed; requiring the Department to develop a certain  
9 model form; requiring the Department and local departments of social services  
10 to submit an annual report; ~~repealing a certain limitation on temporary cash~~  
11 ~~assistance payments~~; requiring the Secretary of Human Resources to establish a  
12 mentoring program for current FIP recipients; ~~altering certain requirements for~~  
13 ~~the Commission on Responsible Fatherhood~~; ~~extending for 3 years the~~  
14 ~~termination date of certain provisions of law relating to the Child Support~~  
15 ~~Enforcement Privatization Pilot Program~~; providing for the use of certain funds  
16 in a certain account; ~~repealing certain reporting requirements for employers~~  
17 ~~who hire new employees~~; and generally relating to ~~the Family Investment~~  
18 ~~Program~~ welfare and child support enforcement.

19 BY adding to

20 Article 24 - Political Subdivisions - Miscellaneous Provisions

21 Section 18-101 to be under the new title "Title 18. Family Investment Program

22 Contracts and Hiring Agreements"

23 Annotated Code of Maryland

24 (2001 Replacement Volume)

25 BY repealing

1 Article 88A - Department of Human Resources  
2 Section 50(e)  
3 Annotated Code of Maryland  
4 (1998 Replacement Volume and 2001 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article 88A - Department of Human Resources  
7 Section 56  
8 Annotated Code of Maryland  
9 (1998 Replacement Volume and 2001 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article 41 - Governor - Executive and Administrative Departments  
12 Section 18-402  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 2001 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article - Family Law  
17 Section 10-119.1 and 10-119.2  
18 Annotated Code of Maryland  
19 (1999 Replacement Volume and 2001 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Chapter 491 of the Acts of the General Assembly of 1995, as amended by  
22 Chapter 486 of the Acts of the General Assembly of 1999  
23 Section 14

24 BY renumbering  
25 Article 88A - Department of Human Resources  
26 Section 50(f), (g), and (h), respectively  
27 to be Section 50(e), (f), and (g), respectively  
28 Annotated Code of Maryland  
29 (1998 Replacement Volume and 2001 Supplement)

30 BY repealing and reenacting, with amendments,  
31 Article - Labor and Employment  
32 Section 8-626.1  
33 Annotated Code of Maryland  
34 (1999 Replacement Volume and 2001 Supplement)

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

**Article 24 - Political Subdivisions - Miscellaneous Provisions**

TITLE 18. FAMILY INVESTMENT PROGRAM CONTRACTS AND HIRING AGREEMENTS.

18-101.

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

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN RESOURCES.

(3) "ELIGIBLE CONTRACT" MEANS A PROCUREMENT CONTRACT DESIGNATED BY THE GOVERNING BODY OF A COUNTY AS APPROPRIATE FOR THE EXECUTION OF A HIRING AGREEMENT.

(4) "FIP" MEANS THE FAMILY INVESTMENT PROGRAM ESTABLISHED UNDER ARTICLE 88A OF THE CODE.

(5) "HIRING AGREEMENT" MEANS AN AGREEMENT ENTERED INTO BY A LOCAL DEPARTMENT AND AN ENTITY DOING BUSINESS WITH A COUNTY UNDER WHICH THE LOCAL DEPARTMENT AND THE ENTITY AGREE TO WORK COOPERATIVELY IN ENDEAVORING TO IDENTIFY AND HIRE FIP RECIPIENTS TO FILL JOB OPENINGS OF THE ENTITY.

(6) "LOCAL DEPARTMENT" MEANS A LOCAL DEPARTMENT OF SOCIAL SERVICES IN A COUNTY OR IN BALTIMORE CITY CREATED OR CONTINUED UNDER THE PROVISIONS OF ARTICLE 88A, § 13 OF THE CODE.

(B) ON OR BEFORE OCTOBER 1, 2002, THE GOVERNING BODY OF A COUNTY, IN CONSULTATION WITH THE DEPARTMENT, SHALL DESIGNATE THE TYPES OF PROCUREMENT CONTRACTS THAT ARE ELIGIBLE CONTRACTS.

(C) (1) ON OR BEFORE DECEMBER 1, 2002, THE DEPARTMENT SHALL DEVELOP A MODEL HIRING AGREEMENT FORM THAT SHALL BE COMPLETED BY A LOCAL DEPARTMENT AND AN ENTITY IN CONJUNCTION WITH THE AWARD OF AN ELIGIBLE CONTRACT.

(2) THE MODEL HIRING AGREEMENT FORM SHALL INCLUDE THE FOLLOWING PROVISIONS:

(I) THAT THE ENTITY WILL:

1. INFORM THE LOCAL DEPARTMENT OF ~~ALL OF~~ THE ENTITY'S JOB OPENINGS;

2. DECLARE THE LOCAL DEPARTMENT ITS "FIRST SOURCE" IN IDENTIFYING AND HIRING CANDIDATES TO FILL THOSE JOB OPENINGS;

1                                   3.       WORK COOPERATIVELY WITH THE LOCAL DEPARTMENT  
2 TO DEVELOP ANY NECESSARY TRAINING PROGRAMS THAT WILL ENABLE FIP  
3 RECIPIENTS IN QUALIFYING FOR AND SECURING THE POSITIONS;

4                                   4.       GIVE FIRST PREFERENCE AND FIRST CONSIDERATION TO  
5 THE EXTENT PERMITTED BY LAW AND ANY EXISTING LABOR AGREEMENTS TO  
6 CANDIDATES REFERRED TO THE ENTITY BY THE LOCAL DEPARTMENT;

7                                   5.       AGREE TO GIVE CANDIDATES REFERRED TO THE ENTITY  
8 BY THE LOCAL DEPARTMENT PRIORITY IN THE FILLING OF A JOB OPENING IF THE  
9 CANDIDATE MEETS THE QUALIFICATIONS OF THE POSITION;

10                                  6.       PROVIDE THE LOCAL DEPARTMENT WITH INFORMATION  
11 ON THE DISPOSITION OF ALL REFERRALS MADE BY THE LOCAL DEPARTMENT  
12 INCLUDING AN EXPLANATION OF WHY ANY SUCH CANDIDATE WAS NOT HIRED OR  
13 CONSIDERED QUALIFIED;

14                                  7.       PROVIDE THE LOCAL DEPARTMENT WITH INFORMATION  
15 REGARDING THE PROGRESS AND EMPLOYMENT STATUS OF THOSE CANDIDATES  
16 REFERRED BY THE LOCAL DEPARTMENT THAT THE ENTITY HIRED; AND

17                                  8.       DESIGNATE A SPECIFIC INDIVIDUAL THAT THE LOCAL  
18 DEPARTMENT MAY CONTACT IN REGARD TO THE PROVISIONS OF THE HIRING  
19 AGREEMENT; AND

20                                  (II)     THAT THE LOCAL DEPARTMENT WILL ASSIGN AN ACCOUNT  
21 REPRESENTATIVE TO THE ENTITY WHO WILL:

22                                   1.       RECEIVE AND PROCESS ALL OF THE ENTITY'S JOB  
23 NOTIFICATIONS;

24                                   2.       REFER ONLY SCREENED AND QUALIFIED CANDIDATES TO  
25 THE ENTITY;

26                                   3.       ASSIST IN THE DEVELOPMENT OF ANY MUTUALLY  
27 AGREED UPON TRAINING PROGRAMS, INTERNSHIP PROGRAMS, OR BOTH THAT WILL  
28 BETTER PREPARE FIP RECIPIENTS FOR EMPLOYMENT WITH THE ENTITY;

29                                   4.       ARRANGE FOLLOW-UP AND POST-HIRE TRANSITIONAL OR  
30 SUPPORTIVE SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, AS  
31 NECESSARY AND APPROPRIATE; AND

32                                   5.       REVIEW AND EVALUATE THE EFFECTIVENESS OF THE  
33 HIRING AGREEMENT WITH THE ENTITY AND MAKE MODIFICATIONS IN THE  
34 AGREEMENT AS NECESSARY AND APPROPRIATE.

35       (D)    EACH YEAR ON OR BEFORE DECEMBER 1, THE DEPARTMENT AND ANY  
36 LOCAL DEPARTMENTS THAT HAVE ENTERED INTO HIRING AGREEMENTS SHALL  
37 SUBMIT ~~A~~ AN ANNUAL REPORT TO THE JOINT COMMITTEE ON WELFARE REFORM OF

1 THE GENERAL ASSEMBLY AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT  
2 ARTICLE, THE GENERAL ASSEMBLY ON:

3 (1) THE NUMBER OF HIRING AGREEMENTS EXECUTED;

4 (2) THE NUMBER OF FIP RECIPIENTS HIRED BY AN ENTITY WITH WHICH  
5 A HIRING AGREEMENT WAS EXECUTED; AND

6 (3) THE EFFECTIVENESS OF EACH HIRING AGREEMENT IN OBTAINING  
7 EMPLOYMENT FOR FIP RECIPIENTS.

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

9 50.

10 [(e) (1) This subsection does not apply to a birth resulting from rape or  
11 incest.

12 (2) Except as provided in paragraph (3) of this subsection, temporary  
13 cash assistance may not include the increment in cash benefits under the program for  
14 which a recipient would otherwise be eligible as a result of the birth of a child 10 or  
15 more months after the recipient's initial application for temporary cash assistance  
16 benefits.

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

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

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

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

29 56.

30 (a) The Secretary, in cooperation with directors of local departments of social  
31 services, shall establish a mentoring program for CURRENT AND former FIP  
32 recipients.

33 (b) The mentoring program may include Family Investment Program  
34 caseworkers in local departments who volunteer to be mentors.

1 (c) The Department may contract with other organizations under § 47 of this  
2 article to acquire mentors for CURRENT AND former FIP recipients.

3 (d) Mentoring may include:

4 (1) Providing assistance to resolve workplace problems;

5 (2) Providing workplace adjustment assistance;

6 (3) Job coaching;

7 (4) Life skills;

8 (5) Counseling and tutoring; and

9 (6) Any other activities that will help CURRENT AND former FIP  
10 recipients through the first months that they are off temporary cash assistance.

11 (e) To be eligible to participate in the mentoring program, an individual shall:

12 (1) BE A CURRENT FIP RECIPIENT; OR

13 [(1)] (2) (I) Have been a FIP recipient in the previous 6 months;

14 [(2)] (II) Have been employed; and

15 [(3)] (III) Have a demonstrated need and desire for assistance in  
16 acquiring and maintaining the skills necessary for a lasting exit from temporary cash  
17 assistance.

18 (f) Program participation may not exceed 6 months.

19 (g) The Secretary may arrange to provide pay or other types of incentives to  
20 employees who volunteer to mentor CURRENT AND former FIP recipients.

21 (h) The Secretary's powers under this section shall be given liberal  
22 construction.

### 23 **Article - Labor and Employment**

24 8-626.1.

25 (a) In this section, "date of employment" means the date on which an  
26 employee commences working for an employing unit.

27 (b) Except as provided in subsection (c) of this section, within 20 days of an  
28 employee's beginning employment, the employee's employing unit shall submit to the  
29 Secretary:

30 (1) the Social Security number of the employee;

- 1           (2)     the name of the employee;
- 2           (3)     the address of the employee;
- 3           (4)     the date of employment;
- 4           (5)     the employing unit's name and address;
- 5           (6)     the employee's starting wage;
- 6           (7)     whether the employee has health insurance provided by the  
7 employing unit;
- 8           (8)     the federal employer identification number of the employing unit;  
9 and
- 10          ~~(9)~~   ~~(7)~~     the State unemployment insurance account number of the  
11 employing unit.

12       (c)     (1)     The employing unit shall report the required information by:

- 13                   (i)     mail;
- 14                   (ii)    magnetically or electronically; or
- 15                   (iii)   other means as determined by the Secretary.

16           (2)     If an employing unit chooses to transmit data magnetically or  
17 electronically at a rate of twice per month, then the report must be submitted not less  
18 than 12 days or more than 16 days apart.

19           (3)     (i)     An employing unit that has employees in two or more states  
20 and that transmits reports magnetically or electronically may designate one state in  
21 which to transmit the report.

22                   (ii)    An employing unit that chooses to transmit the data to another  
23 state shall provide the Secretary with the name of the state receiving the report.

24       (d)     (1)     Any employing unit that fails to report as required:

- 25                   (i)     shall be given a written warning for the first violation; and
- 26                   (ii)    shall be subject to a civil penalty of \$20 for each month in which  
27 a subsequent violation occurs, or \$500 if the failure is the result of a conspiracy  
28 between the employer and the employee to not supply the required report or to supply  
29 a false or incomplete report, unless the Secretary waives the penalty for cause.

30           (2)     All violations occurring in a single month to the same employing unit  
31 shall be considered a single violation.

1 (e) An assessment under this section is final unless, within 15 days after the  
2 mailing of the assessment, an employing unit applies to the Secretary for a hearing.  
3 The Secretary may forward the application to the Office of Administrative Hearings  
4 for adjudication.

5 (f) The Department of Human Resources shall reimburse the Secretary for all  
6 costs incurred to carry out this section.

7 **Article 41 - Governor - Executive and Administrative Departments**

8 18-402.

9 (a) There is a Commission on Responsible Fatherhood.

10 (b) The Commission shall be independent and located in the Department of  
11 Human Resources [Child Support Enforcement Administration] for budgetary and  
12 administrative purposes only.

13 **Article - Family Law**

14 10-119.1.

15 (a) In this section, "conciliation conference" means a conference conducted at a  
16 site designated by the Pilot Program established under subsection (b) of this section  
17 to provide an opportunity for the parties to resolve issues associated with an action to  
18 modify or enforce a duty of support prior to going to a court proceeding.

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

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

24 (c) The purpose of the Pilot Program is to authorize the Secretary of the  
25 Department to enter into contracts with private companies to privatize all aspects of  
26 child support enforcement functions of the Department, including:

27 (1) locating absent parents;

28 (2) establishing paternities;

29 (3) establishing support orders;

30 (4) collecting and disbursing support payments;

31 (5) reviewing and modifying child support orders; and

32 (6) except for legal representation in accordance with § 10-115 of the  
33 Family Law Article and as otherwise provided by law, enforcing support obligations.



- 1       (d)       Subject to subsection (h) of this section, the Secretary shall:
- 2               (1)       adopt regulations that:
- 3                       (i)       require the transfer of all aspects of child support enforcement  
4 to one or more private contractors by November 1, 1996;
- 5                       (ii)       provide for the reimbursement of any private contractor;
- 6                       (iii)       prohibit the cost of transferring child support enforcement to  
7 private contractors as defined in item (ii) of this paragraph from exceeding the fiscal  
8 year 1995 administrative cost per child support dollar collected by the Child Support  
9 Enforcement Administration in the Pilot Program areas;
- 10                      (iv)       require any private contractor to offer employment upon terms  
11 deemed by the Secretary to be fair and equitable to any former State employees  
12 working for an existing contractor who are affected by the transfer of child support  
13 enforcement responsibilities under this section and to retain any employees who  
14 accept the offer:
- 15                                      1.       for the duration of the Pilot Program unless there is cause  
16 for dismissal; and
- 17                                      2.       at a salary and benefit level comparable to the salary and  
18 benefits to which they were entitled at the time of the transfer;
- 19                       (v)       require any private contractor to adopt a grievance procedure  
20 for employees who are retained by the private contractor under item (iv) of this item;  
21 and
- 22                       (vi)       prohibit the reimbursement of any private contractor from child  
23 support collections; and
- 24               (2)       assist an employee who declines an offer of employment with a  
25 private contractor to identify a comparable position in the State Personnel  
26 Management System to which the employee may transfer.
- 27       (e)       A request for proposal to transfer child support collection activities issued  
28 under this section shall:
- 29               (1)       comply with the provisions of Division II of the State Finance and  
30 Procurement Article;
- 31               (2)       set forth the goals of the privatization; and
- 32               (3)       specify the incentives which will be available to the contractor.
- 33       (f)       (1)       On or before October 1, 1996, and annually thereafter, the Secretary  
34 shall report to the Governor and, subject to § 2-1246 of the State Government Article,  
35 the General Assembly on the operation and performance of the Pilot Program.

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

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

6       (g)     The Secretary shall adopt any other regulations necessary to carry out the  
7 provisions of this section.

8       (h)     A former State employee who declines an offer of employment with a  
9 private contractor under this section shall be considered laid off and shall be entitled  
10 to all rights specified under Title 11, Subtitle 2 of the State Personnel and Pensions  
11 Article.

12       (i)     In accordance with subsection (j) of this section, the Pilot Program may  
13 conduct a conciliation conference.

14       (j)     (1)     If a complaint is filed to modify or enforce a duty of support in the  
15 circuit court of a jurisdiction in which the Pilot Program is located, the court may  
16 issue a writ of summons to order the parties to appear and to produce documents at a  
17 conciliation conference.

18           (2)     If a party fails to appear or fails to produce the documents required  
19 under this subsection, a representative of the Pilot Program may apply, upon  
20 affidavit, to the court for a body attachment.

21           (3)     If a party fails or refuses to obey a court order to appear or produce  
22 the documents required under this subsection at a conciliation conference, the court  
23 may issue a body attachment or compel compliance in any other manner available to  
24 the court to enforce its order.

25 10-119.2.

26       (a)     (1)     In this section the following words have the meanings indicated.

27           (2)     "Conciliation conference" means a conference conducted at a  
28 demonstration site to provide an opportunity for the parties to resolve issues  
29 associated with an action to modify or enforce a duty of support prior to going to a  
30 court proceeding.

31           (3)     "Demonstration site" means any jurisdiction selected by the  
32 Secretary of Human Resources, in consultation with the director of the local  
33 department of social services in the jurisdiction, to compete against privatized  
34 jurisdictions in providing child support enforcement services.

35       (b)     The Secretary shall establish a child support enforcement demonstration  
36 site in at least one but not more than six jurisdictions for the purpose of competing  
37 against a privatized jurisdiction as established in § 10-119.1 of this subtitle.

1 (c) Notwithstanding any other provision of law, the Secretary shall appoint a  
2 director of child support services in a demonstration site who shall report directly to  
3 the Executive Director of the Child Support Enforcement Administration of the  
4 Department.

5 (d) Notwithstanding any other provision of law, the Secretary shall have sole  
6 authority over the child support enforcement functions in a demonstration site,  
7 including but not limited to:

8 (1) location of parents;

9 (2) establishing paternities;

10 (3) establishing child support orders;

11 (4) collecting and disbursing support payments;

12 (5) reviewing and modifying child support orders;

13 (6) enforcing support obligations;

14 (7) providing legal representation to the Administration; and

15 (8) establishing contractual agreements with private or public entities to  
16 provide child support services.

17 (e) Notwithstanding any other provision of law and for the purpose of carrying  
18 out the provisions of this section, the Secretary shall have the authority to sever  
19 contractual agreements with a State's Attorney and hire private counsel to provide  
20 legal representation for the Child Support Enforcement Administration.

21 (f) (1) Notwithstanding any other provision of law, all employees hired in a  
22 demonstration site after its designation as a demonstration site shall be in the  
23 management service or special appointments in the State Personnel Management  
24 System.

25 (2) If a position in a demonstration site is held by a classified service  
26 employee prior to its designation as a demonstration site, the position remains a  
27 classified service position or its equivalent in the State Personnel Management  
28 System until the position becomes vacant, at which time the position shall become a  
29 management service or special appointment position.

30 (g) The Secretary shall establish a performance incentive program to provide  
31 pay incentives for employees in a demonstration site.

32 (h) In accordance with subsection (i) of this section, a demonstration site may  
33 conduct a conciliation conference.

34 (i) (1) If a complaint is filed to modify or enforce a duty of support in the  
35 circuit court of a jurisdiction in which a demonstration site is located, the court may

1 issue a writ of summons to order the parties to appear and to produce documents at a  
2 conciliation conference.

3 (2) If a party fails to appear or fails to produce the documents required  
4 under this subsection, a representative of the demonstration site may apply, upon  
5 affidavit, to the court for a body attachment.

6 (3) If a party fails or refuses to obey a court order to appear or produce  
7 the documents required under this subsection at a conciliation conference, the court  
8 may issue a body attachment or compel compliance in any other manner available to  
9 the court to enforce its order.

10 (j) The powers of the Secretary to carry out the provisions of this section shall  
11 be construed liberally.

12 **Chapter 491 of the Acts of 1995, as amended by Chapter 486 of the Acts of**  
13 **1999**

14 SECTION 14. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
15 shall remain effective for the period of [7] 10 years and 4 months and, at the end of  
16 October 31, [2002] 2005, and with no further action required by the General  
17 Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.

18 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 50(f), (g), and  
19 (h), respectively, of Article 88A - Department of Human Resources of the Annotated  
20 Code of Maryland be renumbered to be Section(s) 50(e), (f), and (g), respectively.

21 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Dedicated Purpose  
22 Account for the Family Investment Program established under Chapter 593, § 7, of  
23 the Acts of the General Assembly of 1997, and Chapter 637, § 7, of the Acts of the  
24 General Assembly of 1998, may be used for the following purposes:

25 (a) Providing assistance to needy families so that children may be cared  
26 for in their own homes or in the homes of relatives;

27 (b) Ending the dependence of needy parents on government benefits by  
28 promoting job preparation, work, and marriage;

29 (c) Preventing and reducing the incidence of out-of-wedlock  
30 pregnancies;

31 (d) Encouraging the formation and maintenance of two-parent families;  
32 and

33 (e) Reducing ~~child~~ poverty.

34 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
35 effect July 1, 2002.

