

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 969
Finance

(Senator Peters)

Appropriations

Family Investment Program – Work Activity Requirement – Authorized
Activities and Report

This bill requires the Department of Human Services (DHS) to allow an applicant or recipient in a Family Investment Program (FIP) case to meet the work activity requirement for a maximum of 24 months by engaging in specified vocational education or education activities; DHS is authorized to suspend these provisions under specified conditions. The bill also establishes annual reporting requirements. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: Any change in work activity requirements does not materially affect State finances. DHS can submit the required report using existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: DHS must allow an applicant or recipient in an FIP case to meet the work activity requirement for a maximum of 24 months by engaging in (1) a minimum of 20 hours per week of vocational education that leads to an associate degree, a diploma, or a certificate; or (2) an average of at least 20 hours per week of education directly related to employment, which may include an adult basic education program, an English as a second language program, or a GED program.

If the work participation rate (WPR) does not exceed the target work rate by 10% in any month, DHS, after providing at least 30 days prior notice to the Senate Finance and House Appropriations committees, may suspend application of the above provisions to new

applicants until the work participation rate exceeds the target work rate by 10% for three consecutive months.

Annually by October 1, DHS must report to the General Assembly the following information for the preceding year: (1) the number of recipients who engaged in vocational education or education directly related to employment; (2) the number of recipients who completed vocational education or education directly related to employment; (3) the number of recipients who obtained or maintained employment after completing vocational education or education directly related to employment, as specified; and (4) the average earnings of recipients after completing vocational education or education related to employment, as specified. The information must be broken down by the types of vocational education or education programs in which the recipients engaged, as specified.

Current Law/Background: FIP within local departments of social services has the primary purpose of supporting family efforts to achieve and maintain self-sufficiency through services and financial aid geared to individual family needs. FIP for a recipient must include supportive services activities, appropriate referrals to family planning counseling and services, and temporary cash assistance, as a last resort. FIP recipients must meet specified work activity requirements. DHS advises that recipients can currently meet work activity requirements for a maximum of 12 months by engaging in vocational/educational activities for a minimum/average of 20 hours per week, as specified in the bill.

Federal law establishes the WPR that states must meet in order to avoid penalties. A state that does not meet WPR requirements may lose part of its Temporary Assistance to Need Families (TANF) grant. Each state's annual WPR is calculated based on an average of the state's monthly participation rates in that year. The monthly WPR is based on the number of families receiving TANF assistance that includes a working adult or an adult engaged in countable workable activities for the required number of hours per week as a percentage of the number of families, with a work *eligible* individual, receiving TANF assistance.

Although federal law requires each state to engage at least 50% of all TANF families with a work-eligible individual in work or work-related activities, the WPR for each state is reduced by one percentage point for each percentage point the state's average monthly TANF caseload is below its fiscal 2005 average monthly caseload (commonly referred to as the caseload reduction credit) to establish the target work rate. According to DHS, the State's WPR in federal fiscal 2018 was 42%; the target work rate was 13.3%. Although the WPR is below the 50% federal standard, the State is compliant based on the target work rate, as adjusted for the caseload reduction credit.

Additional Information

Prior Introductions: None.

Cross File: HB 1066 (Delegate Valentino-Smith, *et al.*) - Appropriations.

Information Source(s): Prince George's County; University System of Maryland; Department of Human Services; Department of Legislative Services

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