

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1041  
Appropriations

(Delegate Valentino-Smith)

Finance

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**Department of Human Services - Family Investment Program - Contract and Program Review**

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This bill requires the Department of Human Services (DHS) to annually review each contract with a nongovernmental entity in place as of October 1, 2024, and within 45 days of completion of the review, report to specified committees of the General Assembly and publish the review on the DHS website. DHS must hire an outside consultant to conduct a review of the Family Investment Program (FIP) to assess the extent to which FIP is implementing policies equitably and employing best practices to achieve the best outcomes possible for children and their parents, including by considering that many FIP recipients are experiencing or have experienced significant trauma. By October 1, 2024, the review must be reported to the General Assembly and published on the DHS website. Until DHS has fully implemented recommendations from the FIP review, beginning in calendar 2024 and each year thereafter, DHS must report to specified committees of the General Assembly on the plans and progress for implementing the recommendations. Uncodified language authorizes DHS to reallocate available funds from the Temporary Assistance for Needy Families (TANF) fund balance to support any contracts necessary to complete the review.

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with existing budgeted resources, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Analysis

### Bill Summary:

#### *Nongovernmental Contract Review*

If DHS contracts with a State, local, or nongovernmental contractor, the contractor must provide individuals with disabilities access and equal opportunity to participate in the benefits of the services, programs, and activities provided by the contractor in accordance with the federal Americans with Disabilities Act, including reasonable accommodations necessary to participate in FIP.

DHS must annually review each contract with a nongovernmental entity to measure:

- overall program impact, including the number of recipients enrolled in education or training programs that increase the recipient's skill level;
- interim progress toward employment for current recipients of Temporary Cash Assistance (TCA), including the number of recipients earning an education credential or a skill-based certificate;
- employment outcomes for families who left TCA due to earnings, including the number of employment outcomes with wages that equal the State minimum wage, and meet or exceed 150% and 200% of the State minimum wage; and
- the number of the recipients served experiencing homelessness or housing insecurity while participating in work activities.

#### *Family Investment Program Review*

The outside consultant must demonstrate knowledge of the federal TANF programs. At a minimum, the review conducted should include an assessment of:

- program design, including core beliefs, goals, objectives, service delivery model, regulations, program rules, and performance measures;
- contract design and execution, as specified;
- program outcomes that, to the extent practicable, are disaggregated by race and ethnicity;
- an examination of how the State's use of unpaid work experience compares to other states and alternative program options;
- documentation of innovative and evidence-based practices being implemented in other states; and

- all DHS assessment tools with a focus on recommending changes needed for the assessment to be conducted in a manner that is trauma-informed, antiracist, individualized, empowering, and client-centered.

The review must include a summary of (1) the strengths and weaknesses of FIP; (2) recommendations for improving FIP; and (3) any necessary legislative or administrative changes to make the improvements.

To receive meaningful input on FIP, DHS must consult stakeholders, including current and former recipients, community-based organizations, and other interested parties.

**Current Law:** The Family Investment Administration (FIA) within DHS is the central coordinating and directing agency of all public assistance in the State. FIA administers cash benefits and other grant programs that provide assistance to individuals and families in financial need as well as employment programs to promote self-sufficiency.

TCA is Maryland's TANF Program. TCA is provided to families with dependent children when available resources do not fully address the family's needs, and while preparing program participants for financial independence. Given the program's extensive work requirements, TCA is intended to create an incentive for individuals to seek employment opportunities, rather than rely on benefits.

In providing assistance under FIP, DHS may contract with charitable, private, or religious organizations, or institutions of higher education.

**State Fiscal Effect:** DHS advises that the required nongovernmental contract review and FIP review can be completed through an existing partnership with the University of Maryland School of Social Work.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 829 (Senator Klausmeier) - Finance.

**Information Source(s):** Department of Human Services; Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2022  
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