

SENATE BILL 524

Unofficial Copy  
D4

2003 Regular Session  
(3r1040)

*ENROLLED BILL*  
*-- Finance/Appropriations --*

Introduced by **Senators Pipkin, Astle, DeGrange, Exum, Hafer, Harris, Jacobs, Kittleman, Lawlah, Mooney, Munson, Schrader, and Teitelbaum**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER 392

1 AN ACT concerning

2 **Department of Human Resources - Child Support Enforcement**  
3 **Privatization Pilot Program and Demonstration Sites - Established**

4 FOR the purpose of establishing the Child Support Enforcement Privatization Pilot  
5 Program; requiring the Secretary of Human Resources to provide a certain  
6 report to the Governor and the General Assembly by a certain date; establishing  
7 certain rights for certain employees; authorizing the Pilot Program to conduct a  
8 conciliation conference; requiring the Secretary to establish certain  
9 demonstration sites according to a certain schedule; requiring the Secretary to  
10 appoint a director of child support services in a demonstration site; authorizing  
11 the Secretary to sever certain contracts under certain circumstances; classifying  
12 certain employment positions in a demonstration site; requiring the Secretary to  
13 establish a certain performance incentive program; authorizing a demonstration  
14 site to conduct a conciliation conference; requiring the Secretary to adopt certain  
15 regulations; providing for the term of a certain privatization contract between  
16 the Department of Human Resources and a private contractor; defining certain

1 terms; providing for the termination of this Act; and generally relating to child  
2 support enforcement.

3 BY adding to  
4 Article - Family Law  
5 Section 10-119.1 and 10-119.2  
6 Annotated Code of Maryland  
7 (1999 Replacement Volume and 2002 Supplement)

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

10 **Article - Family Law**

11 10-119.1.

12 (A) IN THIS SECTION, "CONCILIATION CONFERENCE" MEANS A CONFERENCE  
13 CONDUCTED AT A SITE DESIGNATED BY THE PILOT PROGRAM ESTABLISHED UNDER  
14 SUBSECTION (B) OF THIS SECTION TO PROVIDE AN OPPORTUNITY FOR THE PARTIES  
15 TO RESOLVE ISSUES ASSOCIATED WITH AN ACTION TO MODIFY OR ENFORCE A DUTY  
16 OF SUPPORT PRIOR TO GOING TO A COURT PROCEEDING.

17 (B) (1) NOTWITHSTANDING § 13-405 OF THE STATE PERSONNEL AND  
18 PENSIONS ARTICLE, THERE IS A CHILD SUPPORT ENFORCEMENT PRIVATIZATION  
19 PILOT PROGRAM WITHIN THE DEPARTMENT.

20 (2) THE PILOT PROGRAM SHALL OPERATE IN BALTIMORE CITY AND  
21 QUEEN ANNE'S COUNTY.

22 (C) THE PURPOSE OF THE PILOT PROGRAM IS TO AUTHORIZE THE SECRETARY  
23 OF THE DEPARTMENT TO ENTER INTO CONTRACTS WITH PRIVATE COMPANIES TO  
24 PRIVATIZE ALL ASPECTS OF CHILD SUPPORT ENFORCEMENT FUNCTIONS OF THE  
25 DEPARTMENT, INCLUDING:

26 (1) LOCATING ABSENT PARENTS;

27 (2) ESTABLISHING PATERNITIES;

28 (3) ESTABLISHING SUPPORT ORDERS;

29 (4) COLLECTING AND DISBURSING SUPPORT PAYMENTS;

30 (5) REVIEWING AND MODIFYING CHILD SUPPORT ORDERS; AND

31 (6) EXCEPT FOR LEGAL REPRESENTATION IN ACCORDANCE WITH §  
32 10-115 OF THIS SUBTITLE AND AS OTHERWISE PROVIDED BY LAW, ENFORCING  
33 SUPPORT OBLIGATIONS.

1 (D) SUBJECT TO SUBSECTION ~~(H)~~ (H) OF THIS SECTION, THE SECRETARY  
2 SHALL:

3 (1) ADOPT REGULATIONS THAT:

4 (I) REQUIRE THE TRANSFER OF ALL ASPECTS OF CHILD SUPPORT  
5 ENFORCEMENT TO ONE OR MORE PRIVATE CONTRACTORS BY JULY 1, 2003;

6 (II) PROVIDE FOR THE REIMBURSEMENT OF ANY PRIVATE  
7 CONTRACTOR;

8 (III) PROHIBIT THE COST OF TRANSFERRING CHILD SUPPORT  
9 ENFORCEMENT TO PRIVATE CONTRACTORS AS DEFINED IN ITEM (II) OF THIS  
10 PARAGRAPH FROM EXCEEDING THE FISCAL YEAR 1995 ADMINISTRATIVE COST PER  
11 CHILD SUPPORT DOLLAR COLLECTED BY THE CHILD SUPPORT ENFORCEMENT  
12 ADMINISTRATION IN THE PILOT PROGRAM AREAS;

13 (IV) ESTABLISH PROCEDURES FOR THE ORDERLY TRANSITION  
14 FROM AN EXISTING PRIVATE CONTRACTOR TO THE PRIVATE CONTRACTOR  
15 SELECTED TO CONTINUE PRIVATIZATION UNDER THIS SECTION;

16 ~~(IV)~~ (V) REQUIRE ANY PRIVATE CONTRACTOR TO OFFER  
17 EMPLOYMENT UPON TERMS DEEMED BY THE SECRETARY TO BE FAIR AND  
18 EQUITABLE TO ANY ~~FORMER~~ EXISTING STATE EMPLOYEES WORKING FOR AN  
19 EXISTING CONTRACTOR WHO ARE AFFECTED BY THE TRANSFER OF CHILD SUPPORT  
20 ENFORCEMENT RESPONSIBILITIES UNDER THIS SECTION AND TO RETAIN ANY  
21 EMPLOYEES WHO ACCEPT THE OFFER:

22 1. FOR THE DURATION OF THE PILOT PROGRAM UNLESS  
23 THERE IS CAUSE FOR DISMISSAL; AND

24 2. AT A SALARY AND BENEFIT LEVEL COMPARABLE TO THE  
25 SALARY AND BENEFITS TO WHICH THEY WERE ENTITLED AT THE TIME OF THE  
26 TRANSFER;

27 ~~(V)~~ (VI) REQUIRE ANY PRIVATE CONTRACTOR TO ADOPT A  
28 GRIEVANCE PROCEDURE FOR EMPLOYEES WHO ARE RETAINED BY THE PRIVATE  
29 CONTRACTOR UNDER ITEM ~~(V)~~ (V) OF THIS ITEM; AND

30 ~~(VI)~~ (VII) PROHIBIT THE REIMBURSEMENT OF ANY PRIVATE  
31 CONTRACTOR FROM CHILD SUPPORT COLLECTIONS; AND

32 (2) ASSIST AN EMPLOYEE WHO DECLINES AN OFFER OF EMPLOYMENT  
33 WITH A PRIVATE CONTRACTOR TO IDENTIFY A COMPARABLE POSITION IN THE STATE  
34 PERSONNEL MANAGEMENT SYSTEM TO WHICH THE EMPLOYEE MAY TRANSFER.

35 ~~(E)~~ A STATE EMPLOYEE WHO IS A NONTEMPORARY EMPLOYEE WITH THE  
36 CHILD SUPPORT ENFORCEMENT ADMINISTRATION AND WHO IS CURRENTLY  
37 WORKING FOR THE EXISTING PRIVATE CONTRACTOR SHALL REMAIN A  
38 NONTEMPORARY EMPLOYEE WITH THE ADMINISTRATION FOR THE DURATION OF

1 ~~CHAPTER (S.B. 524) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2003, UNLESS~~  
 2 ~~THE EMPLOYEE ACCEPTS EMPLOYMENT WITH THE PRIVATE CONTRACTOR AS~~  
 3 ~~PROVIDED UNDER SUBSECTION (D)(1)(IV) OF THIS SECTION.~~

4 ~~(E)~~ ~~(F)-(E)~~ A REQUEST FOR PROPOSAL TO TRANSFER CHILD SUPPORT  
 5 COLLECTION ACTIVITIES ISSUED UNDER THIS SECTION SHALL:

6 (1) COMPLY WITH THE PROVISIONS OF DIVISION II OF THE STATE  
 7 FINANCE AND PROCUREMENT ARTICLE;

8 (2) SET FORTH THE GOALS OF THE PRIVATIZATION; AND

9 (3) SPECIFY THE INCENTIVES WHICH WILL BE AVAILABLE TO THE  
 10 CONTRACTOR.

11 ~~(F)~~ ~~(G)-(F)~~ (1) ON OR BEFORE OCTOBER 1, 2003, AND ANNUALLY  
 12 THEREAFTER, THE SECRETARY SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO  
 13 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE  
 14 OPERATION AND PERFORMANCE OF THE PILOT PROGRAM.

15 (2) THE REPORT SHALL ASSESS THE PILOT PROGRAM FOR ITS  
 16 EFFECTIVENESS AND SUCCESS IN ENHANCING CHILD SUPPORT COLLECTION  
 17 THROUGH THE PRIVATIZATION OF CHILD SUPPORT ENFORCEMENT IN BALTIMORE  
 18 CITY AND QUEEN ANNE'S COUNTY IN THE STATE.

19 (3) THE SECRETARY SHALL INCLUDE IN THE REPORT THE PLANS FOR  
 20 IMPROVING THE EFFECTIVENESS AND SUCCESS OF THE PILOT PROGRAM IN  
 21 ACHIEVING THE OBJECTIVE.

22 ~~(G)~~ ~~(H)-(G)~~ THE SECRETARY SHALL ADOPT ANY OTHER REGULATIONS  
 23 NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

24 ~~(H)~~ ~~(I)-(H)~~ A FORMER STATE EMPLOYEE WHO DECLINES AN OFFER OF  
 25 EMPLOYMENT WITH A PRIVATE CONTRACTOR UNDER THIS SECTION SHALL BE  
 26 CONSIDERED LAID OFF AND SHALL BE ENTITLED TO ALL RIGHTS SPECIFIED UNDER  
 27 TITLE 11, SUBTITLE 2 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

28 ~~(I)~~ ~~(J)-(I)~~ IN ACCORDANCE WITH SUBSECTION ~~(I)~~ ~~(K)~~ ~~(J)~~ OF THIS SECTION,  
 29 THE PILOT PROGRAM MAY CONDUCT A CONCILIATION CONFERENCE.

30 ~~(J)~~ ~~(K)-(J)~~ (1) IF A COMPLAINT IS FILED TO MODIFY OR ENFORCE A DUTY  
 31 OF SUPPORT IN THE CIRCUIT COURT OF A JURISDICTION IN WHICH THE PILOT  
 32 PROGRAM IS LOCATED, THE COURT MAY ISSUE A WRIT OF SUMMONS TO ORDER THE  
 33 PARTIES TO APPEAR AND TO PRODUCE DOCUMENTS AT A CONCILIATION  
 34 CONFERENCE.

35 (2) IF A PARTY FAILS TO APPEAR OR FAILS TO PRODUCE THE  
 36 DOCUMENTS REQUIRED UNDER THIS SUBSECTION, A REPRESENTATIVE OF THE  
 37 PILOT PROGRAM MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY  
 38 ATTACHMENT.

1 (3) IF A PARTY FAILS OR REFUSES TO OBEY A COURT ORDER TO APPEAR  
2 OR PRODUCE THE DOCUMENTS REQUIRED UNDER THIS SUBSECTION AT A  
3 CONCILIATION CONFERENCE, THE COURT MAY ISSUE A BODY ATTACHMENT OR  
4 COMPEL COMPLIANCE IN ANY OTHER MANNER AVAILABLE TO THE COURT TO  
5 ENFORCE ITS ORDER.

6 10-119.2.

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

9 (2) "CONCILIATION CONFERENCE" MEANS A CONFERENCE CONDUCTED  
10 AT A DEMONSTRATION SITE TO PROVIDE AN OPPORTUNITY FOR THE PARTIES TO  
11 RESOLVE ISSUES ASSOCIATED WITH AN ACTION TO MODIFY OR ENFORCE A DUTY OF  
12 SUPPORT PRIOR TO GOING TO A COURT PROCEEDING.

13 (3) "DEMONSTRATION SITE" MEANS ANY JURISDICTION THAT  
14 COMPETES AGAINST PRIVATIZED JURISDICTIONS IN PROVIDING CHILD SUPPORT  
15 ENFORCEMENT SERVICES.

16 (B) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE  
17 SECRETARY OF HUMAN RESOURCES SHALL ESTABLISH CHILD SUPPORT  
18 DEMONSTRATION SITES IN ALL JURISDICTIONS THAT ARE NOT PRIVATIZED  
19 JURISDICTIONS, FOR THE PURPOSE OF COMPETING AGAINST A PRIVATIZED  
20 JURISDICTION AS ESTABLISHED IN § 10-119.1 OF THIS SUBTITLE.

21 (2) THE SECRETARY SHALL ESTABLISH AT LEAST:

22 (I) FOUR DEMONSTRATION SITES BY JULY 1, 2003, AS FOLLOWS:

- 23 1. ONE IN CALVERT COUNTY;  
24 2. ONE IN HOWARD COUNTY;  
25 3. ONE IN MONTGOMERY COUNTY; AND  
26 4. ONE IN WASHINGTON COUNTY;

27 (II) SEVEN DEMONSTRATION SITES BY JULY 1, 2005;

28 (III) ELEVEN DEMONSTRATION SITES BY JULY 1, 2006;

29 (IV) SIXTEEN DEMONSTRATION SITES BY JULY 1, 2007; AND

30 (V) TWENTY-TWO DEMONSTRATION SITES BY JULY 1, 2008.

31 (3) THE SECRETARY MAY ESTABLISH DEMONSTRATION SITES AT A RATE  
32 FASTER THAN REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION IF SUFFICIENT  
33 FUNDS ARE AVAILABLE IN THE BUDGET.

1 (4) WHEN ESTABLISHING DEMONSTRATION SITES UNDER PARAGRAPH  
2 (2)(II) THROUGH (IV) OF THIS SUBSECTION, THE SECRETARY SHALL CHOOSE  
3 JURISDICTIONS THAT ARE GEOGRAPHICALLY DIVERSE.

4 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY  
5 SHALL APPOINT A DIRECTOR OF CHILD SUPPORT SERVICES IN A DEMONSTRATION  
6 SITE WHO SHALL REPORT DIRECTLY TO THE EXECUTIVE DIRECTOR OF THE CHILD  
7 SUPPORT ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT.

8 (D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY  
9 SHALL HAVE SOLE AUTHORITY OVER THE CHILD SUPPORT ENFORCEMENT  
10 FUNCTIONS IN A DEMONSTRATION SITE, INCLUDING BUT NOT LIMITED TO:

11 (1) LOCATION OF PARENTS;

12 (2) ESTABLISHING PATERNITIES;

13 (3) ESTABLISHING CHILD SUPPORT ORDERS;

14 (4) COLLECTING AND DISBURSING SUPPORT PAYMENTS;

15 (5) REVIEWING AND MODIFYING CHILD SUPPORT ORDERS;

16 (6) ENFORCING SUPPORT OBLIGATIONS;

17 (7) PROVIDING LEGAL REPRESENTATION ~~TO THE ADMINISTRATION IN~~  
18 ACCORDANCE WITH § 10-115 OF THIS SUBTITLE; AND

19 (8) ESTABLISHING CONTRACTUAL AGREEMENTS WITH PRIVATE OR  
20 PUBLIC ENTITIES TO PROVIDE CHILD SUPPORT SERVICES.

21 (E) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND FOR THE  
22 PURPOSE OF CARRYING OUT THE PROVISIONS OF THIS SECTION, THE SECRETARY  
23 SHALL HAVE THE AUTHORITY TO SEVER CONTRACTUAL AGREEMENTS WITH A  
24 STATE'S ATTORNEY AND HIRE PRIVATE COUNSEL TO PROVIDE LEGAL  
25 REPRESENTATION FOR THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION.

26 (F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL  
27 EMPLOYEES HIRED IN A DEMONSTRATION SITE AFTER ITS DESIGNATION AS A  
28 DEMONSTRATION SITE SHALL BE IN THE MANAGEMENT SERVICE OR SPECIAL  
29 APPOINTMENTS IN THE STATE PERSONNEL MANAGEMENT SYSTEM.

30 (2) IF A POSITION IN A DEMONSTRATION SITE IS HELD BY A CLASSIFIED  
31 SERVICE EMPLOYEE PRIOR TO ITS DESIGNATION AS A DEMONSTRATION SITE, THE  
32 POSITION REMAINS A CLASSIFIED SERVICE POSITION OR ITS EQUIVALENT IN THE  
33 STATE PERSONNEL MANAGEMENT SYSTEM UNTIL THE POSITION BECOMES VACANT,  
34 AT WHICH TIME THE POSITION SHALL BECOME A MANAGEMENT SERVICE OR  
35 SPECIAL APPOINTMENT POSITION.

1 (G) THE SECRETARY SHALL ESTABLISH A PERFORMANCE INCENTIVE  
2 PROGRAM TO PROVIDE PAY INCENTIVES FOR EMPLOYEES IN A DEMONSTRATION  
3 SITE.

4 (H) IN ACCORDANCE WITH SUBSECTION (I) OF THIS SECTION, A  
5 DEMONSTRATION SITE MAY CONDUCT A CONCILIATION CONFERENCE.

6 (I) (1) IF A COMPLAINT IS FILED TO MODIFY OR ENFORCE A DUTY OF  
7 SUPPORT IN THE CIRCUIT COURT OF A JURISDICTION IN WHICH A DEMONSTRATION  
8 SITE IS LOCATED, THE COURT MAY ISSUE A WRIT OF SUMMONS TO ORDER THE  
9 PARTIES TO APPEAR AND TO PRODUCE DOCUMENTS AT A CONCILIATION  
10 CONFERENCE.

11 (2) IF A PARTY FAILS TO APPEAR OR FAILS TO PRODUCE THE  
12 DOCUMENTS REQUIRED UNDER THIS SUBSECTION, A REPRESENTATIVE OF THE  
13 DEMONSTRATION SITE MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY  
14 ATTACHMENT.

15 (3) IF A PARTY FAILS OR REFUSES TO OBEY A COURT ORDER TO APPEAR  
16 OR PRODUCE THE DOCUMENTS REQUIRED UNDER THIS SUBSECTION AT A  
17 CONCILIATION CONFERENCE, THE COURT MAY ISSUE A BODY ATTACHMENT OR  
18 COMPEL COMPLIANCE IN ANY OTHER MANNER AVAILABLE TO THE COURT TO  
19 ENFORCE ITS ORDER.

20 (J) THE POWERS OF THE SECRETARY TO CARRY OUT THE PROVISIONS OF  
21 THIS SECTION SHALL BE CONSTRUED LIBERALLY.

22 SECTION 2. AND BE IT FURTHER ENACTED, That the term of the first  
23 privatization contract negotiated between the Department of Human Resources and a  
24 private contractor after the effective date of this Act shall be ~~3 years~~ 4 years and 3  
25 months, with the option for up to two 1-year extensions.

26 SECTION 3. AND BE IT FURTHER ENACTED, That a State employee who, on  
27 the effective date of this Act, is a nontemporary employee of the Child Support  
28 Enforcement Administration in the Department of Human Resources and is working  
29 for the private contractor under contract with the Department on the effective date of  
30 this Act, shall remain a nontemporary employee of the Administration until the  
31 termination of this Act, unless the employee accepts employment with another private  
32 contractor, as provided under § 10-119.1(d)(1)(v) of the Family Law Article, as enacted  
33 by Section 1 of this Act.

34 SECTION ~~3. 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
35 effect June 1, 2003. It shall remain effective for a period of ~~5 years and 1 month~~ 6  
36 years and 4 months and, at the end of ~~June 30, 2008~~ September 30, 2009, with no  
37 further action required by the General Assembly, this Act shall be abrogated and of no  
38 further force and effect.

