
By: Senator Della

Introduced and read first time: January 31, 1996

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Child Support Enforcement - Repeal of Privatization Pilot Program**

3 FOR the purpose of repealing the Child Support Enforcement Privatization Pilot
4 Program in Baltimore City and Queen Anne's County.

5 BY repealing

6 Article - Family Law

7 Section 10-119.1 and 10-119.2

8 Annotated Code of Maryland

9 (1991 Replacement Volume and 1995 Supplement)

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

12 **Article - Family Law**

13 [10-119.1.

14 (a) (1) Notwithstanding § 12-405 of the State Personnel and Pensions Article,
15 there is a Child Support Enforcement Privatization Pilot Program within the Department.

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

18 (b) The purpose of the Pilot Program is to authorize the Secretary of the
19 Department to enter into contracts with private companies to privatize all aspects of child
20 support enforcement functions of the Department, including:

21 (1) locating absent parents;

22 (2) establishing paternities;

23 (3) establishing support orders;

24 (4) collecting and disbursing support payments;

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

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

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1 (c) Subject to subsection (g) of this section, the Secretary shall:

2 (1) adopt regulations that:

3 (i) require the transfer of all aspects of child support enforcement to
4 one or more private contractors by November 1, 1996;

5 (ii) provide for the reimbursement of any private contractor for all
6 aspects of child support enforcement to be a percentage of the total amount of child
7 support collected by the private contractor;

8 (iii) prohibit the cost of transferring child support enforcement to
9 private contractors as defined in item (ii) of this paragraph from exceeding the Fiscal
10 Year 1995 administrative cost per child support dollar collected by the Child Support
11 Enforcement Administration in the Pilot areas;

12 (iv) require any private contractor to offer employment upon terms
13 deemed by the Secretary to be fair and equitable to any employees who are affected by
14 the transfer of child support enforcement responsibilities under this section and to retain
15 any employees who accept the offer:

16 1. for the duration of the Pilot Program unless there is cause for
17 dismissal; and

18 2. at a salary and benefit level comparable to the salary and
19 benefits to which they were entitled at the time of the transfer;

20 (v) require any private contractor to adopt a grievance procedure for
21 employees who are retained by the private contractor under subitem (iv) of this item; 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 private
25 contractor to identify a comparable position in the State Personnel Management System
26 to which the employee may transfer.

27 (d) 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 (e) (1) On or before October 1, 1996, and annually thereafter, the Secretary
34 shall report to the Governor and, subject to § 2-1312 of the State Government Article,
35 the General Assembly on the operation and performance of the Pilot Program.

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

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

3 (f) The Secretary shall adopt any other regulations necessary to carry out the
4 provisions of this section.

5 (g) Before implementing the Pilot Program, the Secretary shall hire a consultant
6 to help design the Pilot Program and to help develop a request for proposal to transfer all
7 aspects of child support enforcement.

8 (h) An employee who declines an offer of employment with a private contractor
9 under this section shall be considered laid off and shall be entitled to all rights specified
10 under Title 9, Subtitle 5 of the State Personnel and Pensions Article.]

11 [10-119.2.

12 (a) In this section, "demonstration site" means the jurisdiction selected by the
13 Secretary of Human Resources to compete against privatized jurisdictions in providing
14 child support enforcement services.

15 (b) The Secretary shall establish a child support enforcement demonstration site
16 in one jurisdiction for the purpose of competing against a privatized jurisdiction as
17 established in § 10-119 of this subtitle.

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

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

24 (1) location of parents;

25 (2) establishing paternities;

26 (3) establishing child support orders;

27 (4) collecting and disbursing support payments;

28 (5) reviewing and modifying child support orders;

29 (6) enforcing support obligations;

30 (7) providing legal representation to clients; and

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

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

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1 (f) (1) Notwithstanding any other provision of law, all employees hired in the
2 demonstration site after October 1, 1995 shall be in the unclassified service of the State
3 Personnel Management System.

4 (2) If a position in the demonstration site is held by a classified service
5 employee on September 30, 1995, the position remains a classified service position until
6 the position becomes vacant, at which time the position shall become unclassified
7 position.

8 (g) (1) The Secretary shall establish a performance incentive program to
9 provide pay incentives for employees in the demonstration site.

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 1996.