

HOUSE BILL 495

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D4

2002 Regular Session  
(2r1353)

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

Introduced by ~~Delegates Branch, W. Baker, McIntosh, Rawlings, V. Jones,~~  
**Flanagan, C. Davis, Harrison, R. Baker, Cadden, Cole, Conway, DeCarlo,**  
**Dewberry, Donoghue, Edwards, Franchot, Fulton, Hubers, James, A.**  
~~Jones, Krysiak, Leopold, Oaks, Paige, Phillips, Ports, Redmer, and~~  
**Stocksdale**

Read and Examined by Proofreaders:

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

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

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

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Human Resources - Welfare Reform and Child Support**  
3 **Enforcement - ~~Extension~~ Repeal of Sunset**

4 FOR the purpose of ~~extending for 3 years~~ repealing the termination date of certain  
5 provisions of law relating to the Child Support Enforcement Privatization Pilot  
6 Program; ~~altering the name and~~ scope of the Child Support Enforcement  
7 Privatization Pilot Program; requiring the Secretary of Human Resources to  
8 establish certain demonstration sites according to a certain schedule; requiring  
9 the Department of Human Resources to adopt certain regulations; providing for  
10 the term of a certain privatization contract between the Department and a  
11 private contractor; providing for the termination of this Act; and generally  
12 relating to the Child Support Enforcement Privatization Pilot Program.

13 BY repealing and reenacting, without amendments.

1 Article - Family Law  
 2 Section 10-119.1  
 3 Annotated Code of Maryland  
 4 (1999 Replacement Volume and 2001 Supplement)

5 BY repealing and reenacting, ~~without~~ with amendments,  
 6 Article - Family Law  
 7 Section ~~10-119.1~~ and 10-119.2  
 8 Annotated Code of Maryland  
 9 (1999 Replacement Volume and 2001 Supplement)

10 BY repealing ~~and reenacting, with amendments,~~  
 11 Chapter 491 of the Acts of the General Assembly of 1995, as amended by  
 12 Chapter 486 of the Acts of the General Assembly of 1999  
 13 Section 14

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

16 **Article - Family Law**

17 10-119.1.

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

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

25 (2) The ~~Pilot~~ Pilot Program shall operate in Baltimore City and Queen  
 26 Anne's County.

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

- 30 (1) locating absent parents;
- 31 (2) establishing paternities;
- 32 (3) establishing support orders;
- 33 (4) collecting and disbursing support payments;
- 34 (5) reviewing and modifying child support orders; and

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

3 (d) Subject to subsection (h) of this section, the Secretary shall:

4 (1) adopt regulations that:

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

7 (ii) provide for the reimbursement of any 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~~ Pilot Program areas;

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

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

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

21 (v) require any private contractor to adopt a grievance procedure  
22 for employees who are retained by the private contractor under item (iv) of this item;  
23 and

24 (vi) prohibit the reimbursement of any private contractor from child  
25 support collections; and

26 (2) assist an employee who declines an offer of employment with a  
27 private contractor to identify a comparable position in the State Personnel  
28 Management System to which the employee may transfer.

29 (e) A request for proposal to transfer child support collection activities issued  
30 under this section shall:

31 (1) comply with the provisions of Division II of the State Finance and  
32 Procurement Article;

33 (2) set forth the goals of the privatization; and

34 (3) specify the incentives which will be available to the contractor.

1 (f) (1) On or before October 1, 1996, and annually thereafter, the Secretary  
2 shall report to the Governor and, subject to § 2-1246 of the State Government Article,  
3 the General Assembly on the operation and performance of the ~~Pilot~~ Pilot Program.

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

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

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

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

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

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

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

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

28 10-119.2.

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

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

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

1 (b) (1) ~~The Secretary shall establish a child support enforcement~~  
2 ~~demonstration site in at least one but not more than six jurisdictions~~ SUBJECT TO  
3 THE PROVISIONS OF THIS SUBSECTION, THE SECRETARY OF HUMAN RESOURCES  
4 SHALL ESTABLISH CHILD SUPPORT DEMONSTRATION SITES IN ALL JURISDICTIONS  
5 THAT ARE NOT PRIVATIZED JURISDICTIONS, for the purpose of competing against a  
6 privatized jurisdiction as established in § 10-119.1 of this subtitle.

7 (2) THE SECRETARY SHALL ESTABLISH AT LEAST:

8 (I) SEVEN DEMONSTRATION SITES BY NOVEMBER 1, 2002, FOUR OF  
9 WHICH SHALL BE THE DEMONSTRATION SITES IN EXISTENCE AS OF JANUARY 1, 2002;

10 (II) ELEVEN DEMONSTRATION SITES BY JULY 1, 2003;

11 (III) SIXTEEN DEMONSTRATION SITES BY JULY 1, 2004; AND

12 (IV) TWENTY-TWO DEMONSTRATION SITES BY JULY 1, 2005.

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

16 (4) WHEN ESTABLISHING DEMONSTRATION SITES UNDER PARAGRAPH  
17 (2)(I) THROUGH (III) OF THIS SUBSECTION, THE SECRETARY SHALL CHOOSE  
18 JURISDICTIONS THAT ARE GEOGRAPHICALLY DIVERSE.

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

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

26 (1) location of parents;

27 (2) establishing paternities;

28 (3) establishing child support orders;

29 (4) collecting and disbursing support payments;

30 (5) reviewing and modifying child support orders;

31 (6) enforcing support obligations;

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

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

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

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

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

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

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

18 (i) (1) If a complaint is filed to modify or enforce a duty of support in the  
19 circuit court of a jurisdiction in which a demonstration site is located, the court may  
20 issue a writ of summons to order the parties to appear and to produce documents at a  
21 conciliation conference.

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

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

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

31 **Chapter 491 of the Acts of 1995, as amended by Chapter 486 of the Acts of**  
32 **1999**

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

37 SECTION 2. AND BE IT FURTHER ENACTED, That the term of the first  
38 privatization contract negotiated between the Department of Human Resources and a

1 private contractor after the effective date of this Act shall be 3 years, with the option  
2 for up to two one-year extensions.

3 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect July 1, 2002. It shall remain effective for a period of 3 years and, at the end of  
5 June 30, 2005, with no further action required by the General Assembly, this Act shall  
6 be abrogated and of no further force and effect.