

HOUSE BILL 495

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2002 Regular Session  
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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~~

Introduced and read first time: January 30, 2002  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted with floor amendments  
Read second time: March 5, 2002

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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; and generally relating to the Child Support Enforcement  
12 Privatization Pilot Program.

13 BY repealing and reenacting, ~~without~~ with amendments,  
14 Article - Family Law  
15 Section 10-119.1 and 10-119.2  
16 Annotated Code of Maryland  
17 (1999 Replacement Volume and 2001 Supplement)

18 BY repealing ~~and reenacting, with amendments,~~  
19 Chapter 491 of the Acts of the General Assembly of 1995, as amended by  
20 Chapter 486 of the Acts of the General Assembly of 1999  
21 Section 14

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

3 **Article - Family Law**

4 10-119.1.

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

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

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

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

17 (1) locating absent parents;

18 (2) establishing paternities;

19 (3) establishing support orders;

20 (4) collecting and disbursing support payments;

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

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

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

25 (1) adopt regulations that:

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

28 (ii) provide for the reimbursement of any private contractor;

29 (iii) prohibit the cost of transferring child support enforcement to  
30 private contractors as defined in item (ii) of this paragraph from exceeding the fiscal  
31 year 1995 administrative cost per child support dollar collected by the Child Support  
32 Enforcement Administration in the ~~Pilot~~ Program areas;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (h) A former State employee who declines an offer of employment with a  
35 private contractor under this section shall be considered laid off and shall be entitled

1 to all rights specified under Title 11, Subtitle 2 of the State Personnel and Pensions  
2 Article.

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

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

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

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

16 10-119.2.

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

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

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

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

32 (2) THE SECRETARY SHALL ESTABLISH AT LEAST:

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

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

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

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

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

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

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

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

15                   (1)    location of parents;

16                   (2)    establishing paternities;

17                   (3)    establishing child support orders;

18                   (4)    collecting and disbursing support payments;

19                   (5)    reviewing and modifying child support orders;

20                   (6)    enforcing support obligations;

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

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

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

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

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

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

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

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

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

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

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

18 **Chapter 491 of the Acts of 1995, as amended by Chapter 486 of the Acts of**  
19 **1999**

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

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

28 ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
29 effect July 1, 2002.