
By: **Delegates Branch, Rawlings, Bates, Bromwell, Cadden, Conway,
Donoghue, Edwards, Franchot, Fulton, Harrison, James, Krysiak,
Paige, Proctor, Redmer, Shank, and Stocksdale**

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Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2003

CHAPTER _____

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

19 BY adding to
20 Article - Family Law
21 Section 10-119.1 and 10-119.2
22 Annotated Code of Maryland
23 (1999 Replacement Volume and 2002 Supplement)

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
6 CONDUCTED AT A SITE DESIGNATED BY THE PILOT PROGRAM ESTABLISHED UNDER
7 SUBSECTION (B) OF THIS SECTION TO PROVIDE AN OPPORTUNITY FOR THE PARTIES
8 TO RESOLVE ISSUES ASSOCIATED WITH AN ACTION TO MODIFY OR ENFORCE A DUTY
9 OF SUPPORT PRIOR TO GOING TO A COURT PROCEEDING.

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

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

15 (C) THE PURPOSE OF THE PILOT PROGRAM IS TO AUTHORIZE THE SECRETARY
16 OF THE DEPARTMENT TO ENTER INTO CONTRACTS WITH PRIVATE COMPANIES TO
17 PRIVATIZE ALL ASPECTS OF CHILD SUPPORT ENFORCEMENT FUNCTIONS OF THE
18 DEPARTMENT, INCLUDING:

19 (1) LOCATING ABSENT PARENTS;

20 (2) ESTABLISHING PATERNITIES;

21 (3) ESTABLISHING SUPPORT ORDERS;

22 (4) COLLECTING AND DISBURSING SUPPORT PAYMENTS;

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

24 (6) EXCEPT FOR LEGAL REPRESENTATION IN ACCORDANCE WITH §
25 10-115 OF THIS SUBTITLE AND AS OTHERWISE PROVIDED BY LAW, ENFORCING
26 SUPPORT OBLIGATIONS.

27 (D) SUBJECT TO SUBSECTION (H) OF THIS SECTION, THE SECRETARY SHALL:

28 (1) ADOPT REGULATIONS THAT:

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

31 (II) PROVIDE FOR THE REIMBURSEMENT OF ANY PRIVATE
32 CONTRACTOR;

33 (III) PROHIBIT THE COST OF TRANSFERRING CHILD SUPPORT
34 ENFORCEMENT TO PRIVATE CONTRACTORS AS DEFINED IN ITEM (II) OF THIS

1 PARAGRAPH FROM EXCEEDING THE FISCAL YEAR 1995 ADMINISTRATIVE COST PER
2 CHILD SUPPORT DOLLAR COLLECTED BY THE CHILD SUPPORT ENFORCEMENT
3 ADMINISTRATION IN THE PILOT PROGRAM AREAS;

4 (IV) ESTABLISH PROCEDURES FOR THE ORDERLY TRANSITION
5 FROM AN EXISTING PRIVATE CONTRACTOR TO THE PRIVATE CONTRACTOR
6 SELECTED TO CONTINUE PRIVATIZATION UNDER THIS SECTION;

7 ~~(IV)~~ (V) REQUIRE ANY PRIVATE CONTRACTOR TO OFFER
8 EMPLOYMENT UPON TERMS DEEMED BY THE SECRETARY TO BE FAIR AND
9 EQUITABLE TO ANY ~~FORMER EXISTING~~ STATE EMPLOYEES WORKING FOR AN
10 EXISTING CONTRACTOR WHO ARE AFFECTED BY THE TRANSFER OF CHILD SUPPORT
11 ENFORCEMENT RESPONSIBILITIES UNDER THIS SECTION AND TO RETAIN ANY
12 EMPLOYEES WHO ACCEPT THE OFFER:

13 1. FOR THE DURATION OF THE PILOT PROGRAM UNLESS
14 THERE IS CAUSE FOR DISMISSAL; AND

15 2. AT A SALARY AND BENEFIT LEVEL COMPARABLE TO THE
16 SALARY AND BENEFITS TO WHICH THEY WERE ENTITLED AT THE TIME OF THE
17 TRANSFER;

18 ~~(V)~~ (VI) REQUIRE ANY PRIVATE CONTRACTOR TO ADOPT A
19 GRIEVANCE PROCEDURE FOR EMPLOYEES WHO ARE RETAINED BY THE PRIVATE
20 CONTRACTOR UNDER ITEM ~~(IV)~~ (V) OF THIS ITEM; AND

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

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

26 (E) A REQUEST FOR PROPOSAL TO TRANSFER CHILD SUPPORT COLLECTION
27 ACTIVITIES ISSUED UNDER THIS SECTION SHALL:

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

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

31 (3) SPECIFY THE INCENTIVES WHICH WILL BE AVAILABLE TO THE
32 CONTRACTOR.

33 (F) (1) ON OR BEFORE OCTOBER 1, 2003, AND ANNUALLY THEREAFTER, THE
34 SECRETARY SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE
35 STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE OPERATION AND
36 PERFORMANCE OF THE PILOT PROGRAM.

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

5 (3) THE SECRETARY SHALL INCLUDE IN THE REPORT THE PLANS FOR
6 IMPROVING THE EFFECTIVENESS AND SUCCESS OF THE PILOT PROGRAM IN
7 ACHIEVING THE OBJECTIVE.

8 (G) THE SECRETARY SHALL ADOPT ANY OTHER REGULATIONS NECESSARY TO
9 CARRY OUT THE PROVISIONS OF THIS SECTION.

10 (H) A FORMER STATE EMPLOYEE WHO DECLINES AN OFFER OF EMPLOYMENT
11 WITH A PRIVATE CONTRACTOR UNDER THIS SECTION SHALL BE CONSIDERED LAID
12 OFF AND SHALL BE ENTITLED TO ALL RIGHTS SPECIFIED UNDER TITLE 11, SUBTITLE
13 2 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

14 (I) IN ACCORDANCE WITH SUBSECTION (J) OF THIS SECTION, THE PILOT
15 PROGRAM MAY CONDUCT A CONCILIATION CONFERENCE.

16 (J) (1) IF A COMPLAINT IS FILED TO MODIFY OR ENFORCE A DUTY OF
17 SUPPORT IN THE CIRCUIT COURT OF A JURISDICTION IN WHICH THE PILOT
18 PROGRAM IS LOCATED, THE COURT MAY ISSUE A WRIT OF SUMMONS TO ORDER THE
19 PARTIES TO APPEAR AND TO PRODUCE DOCUMENTS AT A CONCILIATION
20 CONFERENCE.

21 (2) IF A PARTY FAILS TO APPEAR OR FAILS TO PRODUCE THE
22 DOCUMENTS REQUIRED UNDER THIS SUBSECTION, A REPRESENTATIVE OF THE
23 PILOT PROGRAM MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY
24 ATTACHMENT.

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

30 10-119.2.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

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

37 (3) "DEMONSTRATION SITE" MEANS ANY JURISDICTION THAT
38 COMPETES AGAINST PRIVATIZED JURISDICTIONS IN PROVIDING CHILD SUPPORT
39 ENFORCEMENT SERVICES.

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

6 (2) THE SECRETARY SHALL ESTABLISH AT LEAST:

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

- 8 1. ONE IN CALVERT COUNTY;
- 9 2. ONE IN HOWARD COUNTY;
- 10 3. ONE IN MONTGOMERY COUNTY; AND
- 11 4. ONE IN WASHINGTON COUNTY;

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

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

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

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

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

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

22 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY
23 SHALL APPOINT A DIRECTOR OF CHILD SUPPORT SERVICES IN A DEMONSTRATION
24 SITE WHO SHALL REPORT DIRECTLY TO THE EXECUTIVE DIRECTOR OF THE CHILD
25 SUPPORT ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT.

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

- 29 (1) LOCATION OF PARENTS;
- 30 (2) ESTABLISHING PATERNITIES;
- 31 (3) ESTABLISHING CHILD SUPPORT ORDERS;
- 32 (4) COLLECTING AND DISBURSING SUPPORT PAYMENTS;

1 (5) REVIEWING AND MODIFYING CHILD SUPPORT ORDERS;

2 (6) ENFORCING SUPPORT OBLIGATIONS;

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

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

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

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

16 (2) IF A POSITION IN A DEMONSTRATION SITE IS HELD BY A CLASSIFIED
17 SERVICE EMPLOYEE PRIOR TO ITS DESIGNATION AS A DEMONSTRATION SITE, THE
18 POSITION REMAINS A CLASSIFIED SERVICE POSITION OR ITS EQUIVALENT IN THE
19 STATE PERSONNEL MANAGEMENT SYSTEM UNTIL THE POSITION BECOMES VACANT,
20 AT WHICH TIME THE POSITION SHALL BECOME A MANAGEMENT SERVICE OR
21 SPECIAL APPOINTMENT POSITION.

22 (G) THE SECRETARY SHALL ESTABLISH A PERFORMANCE INCENTIVE
23 PROGRAM TO PROVIDE PAY INCENTIVES FOR EMPLOYEES IN A DEMONSTRATION
24 SITE.

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

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

32 (2) IF A PARTY FAILS TO APPEAR OR FAILS TO PRODUCE THE
33 DOCUMENTS REQUIRED UNDER THIS SUBSECTION, A REPRESENTATIVE OF THE
34 DEMONSTRATION SITE MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY
35 ATTACHMENT.

36 (3) IF A PARTY FAILS OR REFUSES TO OBEY A COURT ORDER TO APPEAR
37 OR PRODUCE THE DOCUMENTS REQUIRED UNDER THIS SUBSECTION AT A
38 CONCILIATION CONFERENCE, THE COURT MAY ISSUE A BODY ATTACHMENT OR

1 COMPEL COMPLIANCE IN ANY OTHER MANNER AVAILABLE TO THE COURT TO
2 ENFORCE ITS ORDER.

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

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

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

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