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

Introduced and read first time: January 31, 2003

Assigned to: Judicial Proceedings

Reassigned: Finance, February 7, 2003

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 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; and generally relating to child support enforcement.

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

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

1

Article - Family Law

2 10-119.1.

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

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

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

13 (C) THE PURPOSE OF THE PILOT PROGRAM IS TO AUTHORIZE THE SECRETARY
14 OF THE DEPARTMENT TO ENTER INTO CONTRACTS WITH PRIVATE COMPANIES TO
15 PRIVATIZE ALL ASPECTS OF CHILD SUPPORT ENFORCEMENT FUNCTIONS OF THE
16 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 §
23 10-115 OF THIS SUBTITLE AND AS OTHERWISE PROVIDED BY LAW, ENFORCING
24 SUPPORT OBLIGATIONS.

25 (D) SUBJECT TO SUBSECTION ~~(H)~~ (I) OF THIS SECTION, THE SECRETARY
26 SHALL:

27 (1) ADOPT REGULATIONS THAT:

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

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

32 (III) PROHIBIT THE COST OF TRANSFERRING CHILD SUPPORT
33 ENFORCEMENT TO PRIVATE CONTRACTORS AS DEFINED IN ITEM (II) OF THIS
34 PARAGRAPH FROM EXCEEDING THE FISCAL YEAR 1995 ADMINISTRATIVE COST PER

1 CHILD SUPPORT DOLLAR COLLECTED BY THE CHILD SUPPORT ENFORCEMENT
2 ADMINISTRATION IN THE PILOT PROGRAM AREAS;

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

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

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

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

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

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

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

25 (E) A STATE EMPLOYEE WHO IS A NONTEMPORARY EMPLOYEE WITH THE
26 CHILD SUPPORT ENFORCEMENT ADMINISTRATION AND WHO IS CURRENTLY
27 WORKING FOR THE EXISTING PRIVATE CONTRACTOR SHALL REMAIN A
28 NONTEMPORARY EMPLOYEE WITH THE ADMINISTRATION FOR THE DURATION OF
29 CHAPTER ____ (S.B. 524) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2003, UNLESS
30 THE EMPLOYEE ACCEPTS EMPLOYMENT WITH THE PRIVATE CONTRACTOR AS
31 PROVIDED UNDER SUBSECTION (D)(1)(IV) OF THIS SECTION.

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

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

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

37 (3) SPECIFY THE INCENTIVES WHICH WILL BE AVAILABLE TO THE
38 CONTRACTOR.

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

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

9 (3) THE SECRETARY SHALL INCLUDE IN THE REPORT THE PLANS FOR
10 IMPROVING THE EFFECTIVENESS AND SUCCESS OF THE PILOT PROGRAM IN
11 ACHIEVING THE OBJECTIVE.

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

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

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

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

25 (2) IF A PARTY FAILS TO APPEAR OR FAILS TO PRODUCE THE
26 DOCUMENTS REQUIRED UNDER THIS SUBSECTION, A REPRESENTATIVE OF THE
27 PILOT PROGRAM MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY
28 ATTACHMENT.

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

34 10-119.2.

35 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
36 INDICATED.

37 (2) "CONCILIATION CONFERENCE" MEANS A CONFERENCE CONDUCTED
38 AT A DEMONSTRATION SITE TO PROVIDE AN OPPORTUNITY FOR THE PARTIES TO

1 RESOLVE ISSUES ASSOCIATED WITH AN ACTION TO MODIFY OR ENFORCE A DUTY OF
2 SUPPORT PRIOR TO GOING TO A COURT PROCEEDING.

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

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

11 (2) THE SECRETARY SHALL ESTABLISH AT LEAST:

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

- 13 1. ONE IN CALVERT COUNTY;
- 14 2. ONE IN HOWARD COUNTY;
- 15 3. ONE IN MONTGOMERY COUNTY; AND
- 16 4. ONE IN WASHINGTON COUNTY;

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

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

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

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

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

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

27 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY
28 SHALL APPOINT A DIRECTOR OF CHILD SUPPORT SERVICES IN A DEMONSTRATION
29 SITE WHO SHALL REPORT DIRECTLY TO THE EXECUTIVE DIRECTOR OF THE CHILD
30 SUPPORT ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT.

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

34 (1) LOCATION OF PARENTS;

- 1 (2) ESTABLISHING PATERNITIES;
- 2 (3) ESTABLISHING CHILD SUPPORT ORDERS;
- 3 (4) COLLECTING AND DISBURSING SUPPORT PAYMENTS;
- 4 (5) REVIEWING AND MODIFYING CHILD SUPPORT ORDERS;
- 5 (6) ENFORCING SUPPORT OBLIGATIONS;
- 6 (7) PROVIDING LEGAL REPRESENTATION ~~TO THE ADMINISTRATION IN~~
7 ACCORDANCE WITH § 10-115 OF THIS SUBTITLE; AND
- 8 (8) ESTABLISHING CONTRACTUAL AGREEMENTS WITH PRIVATE OR
9 PUBLIC ENTITIES TO PROVIDE CHILD SUPPORT SERVICES.

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

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

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

25 (G) THE SECRETARY SHALL ESTABLISH A PERFORMANCE INCENTIVE
26 PROGRAM TO PROVIDE PAY INCENTIVES FOR EMPLOYEES IN A DEMONSTRATION
27 SITE.

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

30 (I) (1) IF A COMPLAINT IS FILED TO MODIFY OR ENFORCE A DUTY OF
31 SUPPORT IN THE CIRCUIT COURT OF A JURISDICTION IN WHICH A DEMONSTRATION
32 SITE 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

1 DEMONSTRATION SITE MAY APPLY, UPON AFFIDAVIT, TO THE COURT FOR A BODY
2 ATTACHMENT.

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

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

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

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 June 1, 2003. It shall remain effective for a period of ~~5 years and 1 month~~ 6 years and
16 4 months and, at the end of ~~June 30, 2008~~ September 30, 2009, with no further action
17 required by the General Assembly, this Act shall be abrogated and of no further force
18 and effect.