Section 1. {Title} This Act shall be known and cited as the “Privatization of Child Support Enforcement Services Act.”

Section 2. {Definitions} As used in this Act:

A. “Child Support” or “child support obligation” means a financial obligation to support:

the payer’s marital child either in an intact family or as a result of a court order; the
payer’s nonmarital child as a result of a court order; or, the payer’s nonmarital child in an
intact family as a result of adoption, maternity or an acknowledgement of paternity.

B. “Child Support Enforcement Services” means parent location, collection and payment
processing.

C. “Department” means {insert name of appropriate state human services department}.

D. “Competitive contracting,” means the department will choose the private providers
from which it will purchase related services.

E. “Agency” means the contracted private provider organization to provide the child
support enforcement services within the state.

F. “Paternity” means the natural or adoptive parent of child.

[Drafting note: Some states use the term “parentage,” rather than “paternity.”]

Section 3. {Child Support Enforcement Program} The Department shall
contract for the administration, delivery, and management of child support enforcement
services.

Section 4. {Agency Contracts} A. The Department may award a {insert time frame} contract, on the basis of a
competitive contracting process approved by the {insert appropriate state agency, i.e.
secretary of administration}, to any agency for one or more components of the child
support enforcement services.

[Drafting note: Refer to ALEC’s Competitive Contracting of Public Services for competitive
contracting process on ALEC’s Web site: www.alec.org]

B. The Agency’s contract will only be renewed if the Agency has located, collected and
provided payment for {insert percentage} of the state’s child support obligations in
{insert timeframe}. The Department must establish the minimum percentage and the
maximum time frame at the beginning of each contract.

C. The Department may finance contracts to Agencies and optional performance bonuses
in Section 6 with federal government subsidies specified for child support enforcement.

Section 5. {Agency Requirements} The Agency must report (refer to Section 6B)
to the Department the following, but is not limited to:

A. Effectiveness of child support enforcement program:

1) Average percent of all child support collected (yearly basis and a total basis);
2) Percent of children with paternity established; and
3) Percent of children with court order for support.

B. Timeliness of enforcement actions:

1) Average time to establish paternity and support for cases requiring establishment of
both paternity and support;
2) Average time to establish support for cases requiring the establishment of support
only; and
3) Average time from delinquency to initial payment to satisfy delinquency.

Section 5. {Performance Standards} The Department shall establish performance
standards for the administration of child support enforcement programs. If an Agency
does not meet the standards, the Department may withhold any or all payment for the Agency.

Section 6. {Performance Incentives for Agencies} [Drafting note: This section is optional]

A. The Department may award the Agency a {insert percentage} final bonus for each completed case for delinquent obligations, including child support obligation collected and paid the child support payment, beyond the Department’s requirement and in a predetermined time frame.

[Drafting note: The bonus amount and maximum time frame must be established.]

B. The Department must submit an annual report regarding quality performances, outcome measure attainment, and cost-effectiveness to the state legislature and Governor.

Section 7. {Severability clause}

Section 8. {Repealer clause}

Section 9. {Effective date}

Adopted by the Health and Human Services Task Force at the Annual Meeting, August 1999. Approved by the ALEC Board of Directors September 1999.