

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

Senate Bill 38 (Chairman, Judicial Proceedings Committee)  
(Departmental - Human Resources)

Judicial Proceedings

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**Child Support Enforcement - Conciliation Conferences**

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This departmental bill authorizes the two local jurisdictions participating in the pilot Child Support Enforcement Privatization Program (CSEPP) and the four local jurisdictions serving as demonstration sites to conduct conciliation conferences. Conciliation conferences may be ordered by the circuit court upon the receipt of a complaint filed to modify or enforce a duty of support order. The bill authorizes the court to order parties involved in an action to appear and produce documents at a conciliation conference and allows the court to issue a body attachment or compel compliance if a party fails to appear or refuses to produce the required documents.

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**Fiscal Summary**

**State Effect:** Potential special fund revenue increase to the extent that the bill's provisions lead to increased child support collections from Temporary Cash Assistance (TCA) recipients. The actual impact depends upon the number of child support cases bound for a court hearing, the amount collected as a result of settlements reached through the use of conciliation conferences, and the proportion of those collections made on behalf of TCA recipients. Expenditures would not be affected.

**Local Effect:** Potential administrative efficiency savings in the circuit courts of participating jurisdictions due to child support payment issues resolved without a court hearing. The reduction in the number of court hearings and resultant staff time savings due to successful conciliation conferences cannot be reliably estimated at this time. Revenues would not be affected.

**Small Business Effect:** The Department of Human Resources has determined that this bill

has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** Conciliation conferences are not authorized.

**Background:** This bill offers the means to streamline current processes in child support enforcement by allowing conciliation conferences to be held in lieu of a circuit court hearing in the participating jurisdictions. Chapter 491 of 1995 established a pilot CSEPP in Baltimore City and Queen Anne's County. A State-run child support demonstration site in Washington County was also authorized to compete with the privatized child support collection offices. During fiscal 1997, the Washington County Department of Social Services conducted conciliation conferences in an attempt to avoid an adversarial environment in court, reducing the number of court cases. Chapter 486 of 1999 authorized an extension of the sunset date for the CSEPP from June 30, 1999, to October 31, 2002. It reauthorized the child support demonstration site in Washington County while increasing the number of local jurisdictions participating as child support enforcement demonstration sites by adding Howard, Montgomery, and Calvert counties.

**State Fiscal Effect:** State special fund revenues could increase beginning in fiscal 2001 to the extent that the bill's provisions lead to increased child support collections. The actual impact depends upon the number of child support cases originally bound for a court hearing which are settled through the use of conciliation conferences. For example, conciliation conferences are credited with reducing the number of circuit court child support cases for Washington County from 270 to 70 in fiscal 1997, a 74% reduction.

The impact will also be affected by the amount of support collected as a result of settlements reached and the proportion of those collections made on behalf of TCA recipients, neither of which can be reliably estimated for these counties at this time. For illustrative purposes only, however, Washington County data for December 1997 (the only time period for which data is readily available) shows a 7% increase in child support dollars collected overall (TCA and non-TCA). To put the matter in some perspective, in fiscal 1999, collections on behalf of TCA recipients totaled approximately \$23 million. This is approximately 6% of the \$374 million total child support collections statewide. TCA recipients make up a small, steadily decreasing portion of those awaiting a support award hearing and must assign their support rights to the State and federal government as partial reimbursement for TCA payments made in support of the children. As a result, TCA child support collections are distributed 50% to the State and 50% to the federal government.

In addition, conciliation conferences provide obligors an opportunity to make lump sum payments and lead to agreements for long-term child support payments, thus reducing arrears owed to the custodial parent. The bill could also reduce the time that State personnel staff spend in court.

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### **Additional Information**

**Prior Introductions:** A similar bill (HB 403) was introduced in the 1998 session to give statutory authority to Washington County to conduct conciliation conferences. It received an unfavorable report by the Judiciary Committee.

**Cross File:** None.

**Information Source(s):** Department of Human Resources (Child Support Enforcement Administration), Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader - January 18, 2000  
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