

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 839 (Delegate Slade)
Appropriations

Circuit Courts - Efficiency and Fiscal Assistance

This bill requires the State to pay part or all of the expenses of the circuit courts for (1) courtroom security; (2) judicial masters; (3) interpreters; (4) juror payments; and (5) office space for the clerks of the circuit courts. State reimbursements would be phased in between January 1, 1997, and July 1, 1997.

This bill is effective July 1, 1996.

Fiscal Summary

State Effect: Assuming that the Department of Budget and Fiscal Planning certifies that the State can afford to pay for courtroom security, general fund expenditures could increase by \$8.5 million in FY 1998. Future year expenditures reflect various effective dates and inflation.

(\$ in millions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	8.454	17.542	17.663	17.787
Net Effect	\$0	(\$8.454)	(\$17.542)	(\$17.663)	(\$17.787)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Expenditures would decrease for existing functions assumed wholly or partially by the State. Revenues would increase as the State begins paying local jurisdictions for services provided by the jurisdiction.

Fiscal Analysis

State Expenditures: The bill requires that the State pay several costs of the circuit courts. These costs are discussed individually.

- Jury expense payment reimbursement: \$1.3 million starting January 1, 1997. This is based on the bill's required \$10 payment per juror per day. Some jurisdictions pay more than this amount. Because these are reimbursements, the first payments would be made in fiscal 1998 to allow for certification to the Judiciary and auditing.
- Rental for clerks of the circuit courts' office space: \$3.6 million starting in fiscal 1998. The clerks of the circuit courts are State offices, but occupy local facilities. Rental rates are to be negotiated by the Department of General Services, but may not exceed \$10 per net usable square foot or include any reimbursement for utilities.
- Judicial masters: \$4.2 million starting in fiscal 1999. This amount would cover adding an estimated 70 State positions at a cost of approximately \$60,000 each.
- Courtroom security: \$3.3 million beginning in fiscal 1998. This is contingent upon the Department of Budget and Fiscal Planning certifying that the State can afford to make these payments and assumes a \$25,000 per judge maximum reimbursement is paid in all cases. Preliminary payments would be made in fiscal 1998 pending certification to the Judiciary and auditing.
- Reimbursement for interpreters: \$110,000 beginning January 1, 1997. Future year estimates assume 10% inflation in costs, which is a conservative estimate. To comply with federal laws regarding access and due process rights of disabled and accused persons, interpreters are being used more frequently. In addition, as demand for interpreters grows due to the Americans with Disabilities Act and changing demographics, it is likely these costs could become significantly higher.

These estimates are based in part on information from the Governor's Commission to Study State Assumption of the Circuit Courts. Additional expenditures of \$118,157 would begin in fiscal 1998. This amount includes the cost of hiring one Assistant Fiscal Administrator, one Assistant Administrator, and one Judicial Auditor in the Administrative Office of the Courts to perform State oversight and operational functions currently handled by the local subdivisions and to process reimbursement claims. It includes salaries of \$89,927 and fringe benefits. Operating expenses for these positions can be handled within existing resources of the Judiciary. Future year expenditures reflect full salaries with 3.5% annual increases and 3% employee turnover.

Item	FY 1997 (\$ in mill)	FY 1998	FY 1999	FY 2000	FY 2001
Jury cost reimbursement	0	1.3	2.7	2.8	2.8
Interpreter reimbursement	0	0.1	0.2	0.3	0.3
Security reimbursement	0	3.3	3.3	3.3	3.3
Rental for clerks' offices	0	3.6	3.6	3.6	3.6
State judicial masters	0	0	4.2	4.2	4.3
Additional AOC staff	<u>0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total Expenditures	0.0	8.5	14.2	14.3	14.4

The Governor's proposed fiscal 1997 budget includes \$2 million in local aid for Baltimore City to offset the costs of the Baltimore City Circuit Court. This amount is the first installment of a five-year plan to transfer full funding responsibility to the State by fiscal 2001. The Governor's plan would increase aid to Baltimore City by \$4.6 million in fiscal 1998, growing to \$13.3 million in fiscal 2001. The Department of Fiscal Services has not been provided with any information detailing which functions would be funded by the State in any given year. This grant schedule does not include aid to any other subdivisions for circuit courts. Assuming this funding continues, it would offset part of the fiscal impact of this bill, as approximately one-fifth of the circuit court judges and cases are in Baltimore City.

Local Effect: Revenues would increase by the amount of State reimbursements and rental payments as follows:

- Jury costs: \$1.3 million beginning in fiscal 1998;
- Interpreter costs: \$110,000 beginning in fiscal 1998;
- Courtroom security: \$3.3 million beginning in fiscal 1998; and
- Rental payments for Clerks of the Circuit Courts' offices: \$3.6 million beginning in fiscal 1998.

Local expenditures could be reduced in those jurisdictions that currently use judicial masters, if those positions are transferred to the State. Transfer of all existing masters to the State would reduce local expenditures by an estimated \$4.2 million beginning in fiscal 1999.

Information Source(s): Judiciary (Administrative Office of the Courts), Governor's Commission to Study State Assumption of the Circuit Courts, Department of Fiscal Services

Fiscal Note History: First Reader - February 20, 1996

ncs

Analysis by: Robert C. Bates

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710