

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 181 (The Speaker. *et al.*)
(Administration)

Appropriations

Circuit Courts - Efficiency and Equity

This Administration bill requires the Chief Judge of the Court of Appeals and the Administrative Office of the Courts to prepare and submit a plan on or before October 1, 1999 to the budget and judiciary committees of the General Assembly and to the Governor for increasing the State's role in the circuit courts and associated efficiency improvements. In addition, the bill requires the State to pay a per diem of \$15 for each day a juror attends court beginning in fiscal 2001. Local governments are required to use any savings resulting from increased State funding for: (1) law enforcement personnel; (2) prosecutors in the offices of the State's Attorney; (3) school security; (4) public safety technology and wireless communication systems, except for those related to local detention center operations; and (5) law enforcement officer community involvement.

The bill is effective July 1, 1999; however, the provision of the bill relating to State payment of juror per diems is effective July 1, 2000.

Fiscal Summary

State Effect: General fund expenditures would increase by approximately \$2.6 million in FY 2001 for State payment of juror per diems. Out-years reflect 1% annual inflation. No effect on revenues.

(\$ in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	2.601	2.627	2.653	2.680
Net Effect	\$0	(\$2.601)	(\$2.627)	(\$2.653)	(\$2.680)

Note: () = decrease; GF = general funds

Local Effect: Local expenditures for juror per diems would decrease relative to the increase in State funding. No effect on local revenues. **This bill imposes a mandate on local governments.**

Small Business Effect: A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

Fiscal Analysis

Bill Summary: The bill provides that it is the intent of the General Assembly that beginning in fiscal 2001, pursuant to a plan submitted by the Chief Judge of the Court of Appeals, the State budget for the Judiciary will include funding for salaries, benefits, and operating costs of circuit court personnel who handle jury management and assignment and circuit court masters and their support staffs.

These local employees will be converted to State employees under the plan. In addition, the plan must address: improved allocation of resources among the circuit courts; development of a statewide judicial personnel system; and strategies for ensuring management consistency and compensation uniformity for employees. The plan is required to include draft legislation to be submitted in the 2000 legislative session which provides for the State assumption of salaries, benefits, and operating expenses for these employees.

In addition, the bill requires the State to pay a per diem of \$15 for each day a juror attends court beginning in fiscal 2001. The bill also requires a county or Baltimore City to supplement the State juror per diem in an amount sufficient to maintain the current amount provided to jurors in the respective subdivision, unless a local ordinance is passed which changes the supplemental amount. A local ordinance is not required to reduce the current county or city per diem in response to the increase in the State per diem.

Background: Unlike the District Court of Maryland, the circuit courts are not unified under the authority of a chief judge. Currently, there is a more or less autonomous circuit court for each of the State's 24 local subdivisions. The State has traditionally paid the expenses

associated with the judges and the clerks while the counties and Baltimore City have covered the remainder of the operating costs and all the capital and physical facility costs.

Recently the State has begun to support activities historically the responsibility of local governments, including the cost of some judicial masters (\$491,000 in fiscal 1999) and the development of a family division in each of the five largest jurisdictions of the State (\$3.4 million in fiscal 1999).

In addition, Chapter 771 of 1998 provides that the State must pay the expenses of circuit court interpreter services and the first \$5 of per diem juror expenses. The new funding relationship, effective beginning in fiscal 2000, will shift an estimated \$1.4 million in expenses from county governments to the State.

State Expenditures: Local appropriations for juror per diems in fiscal 1999 totaled \$3,825,073. Under current law, beginning in fiscal 2000 the State will assume the first \$5 of per diem juror expenses. Therefore, the fiscal impact of this bill would be 2/3 of the total amount appropriated for fiscal 1999 (\$2,550,049). **Exhibit 1** shows fiscal 1999 expenditures for juror per diems on a county-by-county basis.

Assuming an increase of 1% in these costs, State expenditures for juror per diems are estimated at \$2,601,305 in fiscal 2001, increasing by 1% annually thereafter.

Local Expenditures: Juror per diem expenditures would decrease as a result of State funding of a \$15 per diem. There are currently nine counties that provide additional funding for miscellaneous juror expenses such as mileage and compensation for serving extended hours. The counties would be required to continue funding these expenses unless a local ordinance is passed which modifies the supplemental amount. It is assumed that the counties would continue funding these expenses.

Local governments are required to use any savings resulting from State funding of jurors for: law enforcement personnel; prosecutors in the offices of the State's Attorney; school security; public safety technology and wireless communication systems; and law enforcement officer community involvement. To the extent that local governments use these savings in addition to current funding plans, expenditures for these functions would increase. Any expenditures beyond current plans cannot be determined at this time.

Additional Comments: Although the bill does not require funding for circuit court personnel who handle jury management and assignment and circuit court masters and their support staffs, it does provide that it is the intent of the General Assembly that beginning in fiscal 2001 the State budget for the Judiciary will include funding for salaries, benefits, and operating costs for these employees. The plan submitted by the Chief Judge must convert these local employees to State employees under a statewide judicial personnel system.

The counties and Baltimore City appropriated \$9,022,660 in fiscal 1999 for circuit court masters, jury commissioners, assignment commissioners, and related staff. This amount includes salaries (\$7,048,953) and benefits (\$1,773,707). Operating costs for the circuit courts account for 28% of personnel costs. Accordingly, operating costs for these positions are approximately \$2,526,345.

Assuming an increase of 2.6% in these costs, by fiscal 2001 the full cost to the State of these positions is estimated at \$11,946,825 in fiscal 2001, increasing by 2.6% annually thereafter.

The following summarizes the estimated fiscal impact of implementing the intent of the bill in fiscal 2001:

Personnel	\$7,048,953
Fringe Benefits	1,773,707
Operating Costs	2,526,345
Adjustment for Inflation	<u>597,820</u>
Total	\$11,946,825

It is important to note that this estimate is the projected State cost for absorbing these personnel within their existing county salary scales. **Exhibit 2** shows fiscal 1999 expenditures for these functions on a county-by-county basis. The personnel plan adopted by the Administrative Office of the Courts would probably have to increase salaries for many of these employees to ensure management consistency and compensation uniformity.

Information Source(s): Judiciary (Administrative Office of the Courts); Montgomery, Prince George's, and Worcester counties; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 1999

dmm/ir Revised - House Third Reader - March 29, 1999

Analysis by: Thomas P. Hickey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510

Exhibit 1
County Appropriations for Juror Per Diems
Fiscal Year 1999

County	Juror Per Diem (1)
Allegany	38,000
Anne Arundel	108,000
Baltimore City	411,333
Baltimore	299,753
Calvert	44,667
Caroline	28,000
Carroll	26,667
Cecil	48,333
Charles	110,666
Dorchester	24,000
Frederick	98,695
Garrett	10,000
Harford	105,000
Howard	100,000
Kent	18,200
Montgomery	273,333
Prince George's	499,800
Queen Anne's	25,000
St. Mary's	68,900
Somerset	16,334
Talbot	22,968
Washington	78,400
Wicomico	64,000
Worcester	30,000
Total	\$2,550,049

(1) Juror per diem represents 2/3 of the budget appropriation due to the State assumption of the first \$5 of juror per diems in fiscal 2000.

**Exhibit 2
County Appropriations for Certain Circuit Court Functions**

Fiscal Year 1999

	Masters & Staff	Jury Commissioners\ Staff	Assignment Commissioners\ Staff	Sub-Total	Total w\ @ 28% Fringe
Allegany	74,523	3,000	24,173	101,696	130,171
Anne Arundel	546,837	96,435	197,591	840,863	1,076,305
Baltimore City	1,225,332	0	0	1,225,332	1,568,425
Baltimore	166,584	161,801	130,508	458,893	587,383
Calvert	125,354	0	28,886	154,240	197,427
Caroline	0	0	0	0	0
Carroll	129,912	37,070	55,628	222,610	284,941
Cecil	0	29,130	40,438	69,568	89,047
Charles	168,950	0	48,900	217,850	278,848
Dorchester	0	15,516		15,516	19,860
Frederick	0	0	139,213	139,213	178,193
Garrett	52,132	0	0	52,132	66,729
Harford	38,727	72,521	0	111,248	142,397
Howard	410,093	49,084	0	459,177	587,747
Kent	0	0	0	0	0
Montgomery	571,053	176,112	440,858	1,188,023	1,520,669
Prince George's	1,025,200	0	391,063	1,416,263	1,812,817
Queen Anne's	0	0	0	0	0
St. Mary's	101,675	0	58,573	160,248	205,117
Somerset	0	0	0	0	0
Talbot	0	0	0	0	0
Washington	0	0	70,373	70,373	90,077
Wicomico	0	45,232	100,476	145,708	186,506
Worcester	0	0	0	0	0
Total	\$4,636,372	\$685,901	\$1,726,680	\$7,048,953	\$9,022,660

Unallocated (1)

Pension Contribution (2)

Fiscal 2001 Cost (3) \$11,946,825

2,526,345

(200,000)

\$11,349,005

Notes:

- (1) Unallocated represents the operating costs of these personnel which is estimated to comprise 28% of personnel costs.
- (2) The State currently pays the pension contribution for full time Masters.
- (3) The fiscal 2001 cost is the estimated fiscal 1999 cost inflated by 2.6% per year.

Source: Administrative Office of the Courts, County and Baltimore City Adopted budgets, FY 1999
Prepared by the Department of Legislative Services, March 30, 1999

