

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

Senate Bill 133 (The President and Senator Green)
 (Administration)

Judicial Proceedings and Budget and Taxation

Circuit Courts - Efficiency and Equity

This Administration bill requires State funding of circuit court personnel who handle jury management and assignment and circuit court masters and their support staffs beginning in fiscal 2001. 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 State funding of circuit court personnel and jurors for law enforcement personnel or prosecutors in the offices of the State's Attorney.

The bill is effective July 1, 1999.

Fiscal Summary

State Effect: General fund expenditures would increase by approximately \$14.6 million in FY 2001. Out-years reflect 2.6% 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	14.6	15.0	\$15.4	15.8
Net Effect	\$0	(\$14.6)	(\$15.0)	(\$15.4)	(\$15.8)

Note: () = decrease; GF = general funds

Local Effect: Local expenditures for these circuit court personnel and juror per diems would decrease relative to the increase in State funding. Any cost savings resulting from State funding is required to be used for additional law enforcement personnel or prosecutors in the offices of the State's Attorneys, therefore expenditures for these personnel could increase beyond current funding plans. 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: Under the bill, the State will begin funding circuit court personnel who handle jury management and assignment and circuit court masters and their support staffs in fiscal 2001. The bill provides that existing personnel in these functions will remain local employees unless they elect to become State employees between May 1, 2000 and May 31, 2000. The State will be required to reimburse a local government for all salaries and benefits of employees not electing to become State employees. The reimbursement will be based on the State salary and benefit expenses that would have been paid if the county employees had become State employees. Personnel hired for these functions after July 1, 2000 will be employees of the State. The Administrative Office of the Courts, in consultation with the Department of Budget and Management, is required to establish a personnel plan to carry out the bill's requirements by April 1, 2000. 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.

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: 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.

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).

Assuming an increase of 2.6% in these costs, by fiscal 2001 the full cost to the State of these positions and juror per diems is estimated at \$14,644,893 in fiscal 2001, increasing by 2.6% annually thereafter.

The following summarizes the estimated fiscal impact in fiscal 2001:

Personnel	\$7,048,953
Fringe Benefits	1,773,707
Operating Costs	2,526,345
Juror Per Diem	2,550,049

Adjustment for Inflation	<u>745,839</u>
Total	\$14,644,893

It is important to note that this estimate is the State's cost for absorbing these personnel within their existing county salary scales. The personnel plan adopted by the Administrative Office of the Courts would probably have to increase salaries for many of these employees to bring them within the State salary structure. On the other hand, some local employees may elect to remain an employee of the county or Baltimore City. In this case, the State would be responsible for reimbursing the local government for the cost of these employees based on the salary and benefits that would have been paid if they had become State employees. The type of personnel plan and the number of employees that would elect to remain local employees cannot be determined at this time. For illustrative purposes, the salaries of circuit court masters range from \$52,000 to \$96,000 depending upon the subdivision.

Local Expenditures: For local governments that currently employ circuit court masters and personnel who handle jury management and assignment, expenditures will decrease as the State assumes these costs. Some counties do not have personnel assigned to some or all of these functions, and some of these functions are currently funded by the State. For example, in Prince George's County the State funds the jury management function. In Dorchester, Somerset, and Worcester counties, the State funds the master costs. **Exhibit 1** shows fiscal 1999 expenditures for these functions on a county-by-county basis.

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. It is assumed that the counties would continue funding these expenses.

Local governments are required to use any savings resulting from State funding of circuit court personnel and jurors for law enforcement personnel or prosecutors in the offices of the State's Attorney. To the extent that local

governments use these savings in addition to current funding plans for police or prosecutors, expenditures for these functions would increase. Any expenditures beyond current plans cannot be determined at this time.

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

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dmm/jwr

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Exhibit 1
County Appropriations for Certain Circuit Court Functions
Fiscal Year 1999

	Masters & Staff	Jury Commissioners\ Staff	Assignment Commissioners\ Staff	Sub-Total	Total w\ Fringe @ 28%	Juror Per Diem (1)	Grand Total
Allegany	74,523	3,000	24,173	101,696	130,171	38,000	168,171
Anne Arundel	546,837	96,435	197,591	840,863	1,076,305	108,000	1,184,305
Baltimore City	1,225,332	0	0	1,225,332	1,568,425	411,333	1,979,758
Baltimore	166,584	161,801	130,508	458,893	587,383	299,753	887,136
Calvert	125,354	0	28,886	154,240	197,427	44,667	242,094
Caroline	0	0	0	0	0	28,000	28,000
Carroll	129,912	37,070	55,628	222,610	284,941	26,667	311,608
Cecil	0	29,130	40,438	69,568	89,047	48,333	137,380
Charles	168,950	0	48,900	217,850	278,848	110,666	389,514
Dorchester	0	15,516	0	15,516	19,860	24,000	43,860
Frederick	0	0	139,213	139,213	178,193	98,695	276,888
Garrett	52,132	0	0	52,132	66,729	10,000	76,729
Harford	38,727	72,521	0	111,248	142,397	105,000	247,397
Howard	410,093	49,084	0	459,177	587,747	100,000	687,747
Kent	0	0	0	0	0	18,200	18,200
Montgomery	571,053	176,112	440,858	1,188,023	1,520,669	273,333	1,794,002
Prince George's	1,025,200	0	391,063	1,416,263	1,812,817	499,800	2,312,617
Queen Anne's	0	0	0	0	0	25,000	25,000
St. Mary's	101,675	0	58,573	160,248	205,117	68,900	274,017
Somerset	0	0	0	0	0	16,334	16,334
Talbot	0	0	0	0	0	22,968	22,968
Washington	0	0	70,373	70,373	90,077	78,400	168,477
Wicomico	0	45,232	100,476	145,708	186,506	64,000	250,506
Worcester	0	0	0	0	0	30,000	30,000
Total	\$4,636,372	\$685,901	\$1,726,680	\$7,048,953	\$9,022,660	\$2,550,049	\$11,572,709
Unallocated (2)							2,526,345
Pension Contribution (3)							(200,000)
							<u>\$13,899,054</u>
Fiscal 2001 Cost (4)	\$14,644,893						

Notes:

- (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.
- (2) Unallocated represents the operating costs of these personnel which is estimated to comprise 28% of personnel costs.
- (3) The State currently pays the pension contribution for full time Masters.
- (4) 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, January 29,1999

