

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
Revised

Senate Bill 440 (Chairman, Judicial Proceedings Committee)

Judicial Proceedings

Circuit Courts - Funding of Masters and Juror Per Diems

This bill requires the State to appropriate funds to the circuit courts to pay the salaries and fringe benefits of standing masters and to increase the State contribution for juror per diems to \$15. Current circuit court standing masters will have the option of remaining county employees, though funded by the State, or becoming State employees. New masters hired before July 1, 2001 will also choose between county or State employment. All masters hired after July 1, 2001 will be State employees. The counties and Baltimore City will be reimbursed quarterly for the salaries and benefits of the standing masters and juror per diems.

All local fiscal savings resulting from the bill must be used by the local jurisdictions solely for the circuit courts or related public safety purposes. The counties and Baltimore City must submit reports annually through fiscal 2008 to the Department of Budget and Management detailing their use of the savings.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: Increase in State general fund expenditures of \$6.7 million in FY 2001 for the salaries and benefits of the standing masters and the additional contribution to juror per diems. Out-years reflect regular increases in masters' salaries.

(in millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	6.7	6.9	7.2	7.4	7.7
Net Effect	(\$6.7)	(\$6.9)	(\$7.2)	(\$7.4)	(\$7.7)

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

Local Effect: Revenues for the counties and Baltimore City would increase as a result of

the increase in State funding for the circuit courts. With the State contribution, total spending on circuit courts and other public safety measures would increase by the amounts shown above.

Small Business Effect: None.

Analysis

Current Law: Most of the funding for circuit court masters are provided by the counties and Baltimore City. Through Family Law Division grants, the State provided approximately \$550,000 in fiscal 2000 to counties for masters' salaries and fringe benefits. The State also contributes to the pension funds of eight masters who were employed in Maryland prior to 1989. The fiscal 2001 appropriation for the pensions is \$208,412.

The State presently funds the first \$5 of juror per diems and the local jurisdictions provide differing amounts to supplement this contribution.

Background: Following the failure of HB 181 in the 1999 session, which would have required the State to fund the first \$15 of circuit court juror per diems as well as the salaries of standing masters and some additional circuit court personnel, language in the *Joint Chairmen's Report (JCR)* required the Chief Judge of the Court of Appeals to submit a plan for increasing the State's role in circuit court funding. The "Circuit Courts Action Plan" was submitted in November 1999 and laid out an incremental partial cost assumption plan that would, by fiscal 2004, have the State contribute an additional \$50 million per year to the circuit courts. For fiscal 2001, the plan requested the additional \$10 in juror fees and the cost of the salaries and benefits of the standing masters as well five additional judges for the Circuit Court Family Division. The report also recommends that the State, in fiscal 2002 through 2004, provide for the salaries and benefits of circuit court law clerks and pay leasing and security costs for the circuit courts.

State Expenditures: State general fund expenditures would increase by approximately \$6.7 million in fiscal 2001 to increase the funding for the salaries and benefits of State standing masters (\$4.7 million) and to increase by \$10 the State contribution to juror per diem expenses (\$2.0 million).

The estimate for the funding of masters is based on the Judiciary's assumption that 17 standing masters would opt for State employment at a salary of \$77,231. The total cost for 17 State employees at this salary level is \$1.6 million. Another 32.5 standing masters, under the Judiciary's assumption, would choose to remain county employees on their respective

county pay scales. The Judiciary has estimated the cost of these masters at a little under \$3.7 million, or an average of about \$112,600 per master for salary and fringe benefits. The salary range of these masters is \$75,717 to \$96,846 and the counties' fringe benefit rates are assumed to be 25% to 30%. Thus, the combined cost for the salaries and fringe benefits of the masters on the State (\$1.6 million) and county (\$3.7 million) systems is \$5.3 million. However, the State provided \$550,000 in funding for masters' salaries and benefits in fiscal 2000, so the actual additional funding of masters required by this bill is \$4.7 million in fiscal 2001. Future year expenditures reflect full salaries with 4.5% annual increases and 3% employee turnover.

The State fiscal 2001 budget appropriates \$1.2 million to pay for the first \$5 of juror per diems. The Judiciary expects an additional \$2.0 million per year would be required to fund \$15 of juror per diem expenses.

Local Fiscal Effect: From the State, the local jurisdictions would receive funds to cover the cost of standing masters and the first \$15 of per diem juror expenses. The amount of funds the State provides would vary by jurisdiction. Because the counties and Baltimore City would be required to use the fiscal savings for the circuit courts or related public safety endeavors, total expenditures in these areas would increase by at least as much as the additional State support.

Additional Information

Prior Introductions: Cross filed bills introduced in the 1999 session, HB 181/SB 133, included funds for the salaries of standing masters and juror per diems as well as other circuit court personnel. HB 181 passed the House with amendments and was jointly referred to the Judicial Proceedings and Budget and Taxation Committees. SB 133 was jointly referred to the same committees and was not reported from either of them.

Cross File: HB 913 (Chairman Appropriations Committee and Delegate Vallario) - Appropriations.

Information Source(s): Judiciary, Anne Arundel County, Garrett County, Montgomery County, Prince George's County, Department of Legislative Services

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