

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE****Revised**

Senate Bill 656

(Chairman, Judicial Proceedings Committee)

(Maryland Judicial Conference)

Judicial Proceedings

Appropriations

**Circuit Courts - Funding of Law Clerks**

This bill requires the State to fund the employment of one law clerk for each circuit court judge.

The bill applies only to law clerks hired on or after the bill's July 1, 2001 effective date.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$5.1 million in FY 2002, which reflects an assumed September 1, 2001 start date for law clerks. Future year increases reflect annualization, inflation, and employee turnover. The Governor's proposed FY 2002 budget includes \$6,645,284 for law clerk salaries and benefits.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.1	6.3	6.4	6.5	6.6
Net Effect	(\$5.1)	(\$6.3)	(\$6.4)	(\$6.5)	(\$6.6)

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

**Local Effect:** Local government expenditures for law clerks would decrease by an aggregate total of approximately \$5.1 million in FY 2002, while local expenditures for circuit court and related public safety purposes would increase by an equal amount, for a net neutral fiscal impact.

**Small Business Effect:** Potential meaningful. Small businesses that provide goods and/or services relating to the courts and public safety could benefit from increased local government expenditures for these purposes.

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## Analysis

**Bill Summary:** This bill requires each circuit court judge to have one law clerk, to be employed by the State. Each State budget must include an appropriation to the Administrative Office of the Courts in an amount necessary to employ one law clerk for each circuit court judge, at a salary and with the benefits within a range proposed by the Conference of Circuit Judges to the Chief Judge of the Court of Appeals.

Counties must use the savings resulting from the bill solely to increase local expenditures for circuit court or related public safety purposes, which expenditures may not supplant existing local expenditures for the same purpose. In fiscal 2002 through 2009, each county shall report to the Department of Budget and Management (DBM) by November 1 on the expenditures to which the savings resulting from the bill have been applied. DBM must report these expenditures to the Chief Judge of the Court of Appeals.

**Current Law:** Local governments pay for salaries and benefits of law clerks.

**Background:** HB 181 of 1999 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. Following the failure of that bill, language in the *Joint Chairmen's Report* required the Chief Judge of the Court of Appeals to submit a plan for increasing the State's role in circuit court funding. Accordingly, the Judiciary submitted the "Circuit Courts Action Plan" in November 1999. That document set forth an incremental partial cost assumption plan that would, by fiscal 2004, require the State to contribute an additional \$50 million per year to the circuit courts. One of the recommendations contained in the plan was that the State, in fiscal 2002 through 2004, provide for the salaries and benefits of circuit court law clerks.

**State Expenditures:** The Administrative Office of the Courts and DBM advise that the estimated cost of the bill is \$6,645,284. This amount is included in the Governor's proposed fiscal 2002 budget.

Legislative Services advises that this cost estimate is too high. It is based on a total of 151 law clerks, while the total number of authorized circuit court judges is currently 139. If 139 law clerks is assumed, the annualized cost is reduced to \$6,117,182. Assuming further that each judge hires a new law clerk beginning September 1, 2001 (a typical start

date for a judicial clerk), the fiscal 2002 estimated cost is \$5,097,652. Future year estimates reflect salary increases and employee turnover.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 716 (Chairman, Appropriations Committee) – Appropriations.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Montgomery County, Department of Legislative Services

**Fiscal Note History:** First Reader – February 22, 2001  
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Analysis by: Claire E. Rooney

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510