

Analysis

Bill Summary: This joint resolution proposes that judges' salaries for fiscal 2006 through 2009 be increased during this period by: (1) \$30,000 for judges serving on the Court of Appeals; (2) \$25,000 for judges serving on the Court of Special Appeals and the Chief Judge of the District Court; (3) \$20,000 for circuit court judges; and (4) \$15,000 for District Court judges.

The proposed increases are phased in over the four-year period as follows: 15% in fiscal 2006, 25% in fiscal 2007, 30% in fiscal 2008, and 30% in fiscal 2009. The current salaries and recommended salaries for each year are shown in **Exhibit 1**.

Exhibit 1 Current and Proposed Judicial Salaries

<u>Position</u>	<u>Current</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY2008</u>	<u>FY 2009</u>
Court of Appeals					
Chief Judge	\$151,352	\$155,852	\$163,352	\$172,352	\$181,352
Associate Judge	132,352	136,852	144,352	153,352	162,352
Court of Special Appeals					
Chief Judge	127,552	131,302	137,552	145,052	152,552
Associate Judge	124,552	128,302	134,552	142,052	149,552
Circuit Courts					
Judge	120,352	123,352	128,352	134,352	140,352
District Court					
Chief Judge	124,552	128,302	134,552	142,052	149,552
Associate Judge	112,252	114,502	118,502	122,752	127,252

Judges typically receive any general State employee salary increases (also referred to as cost-of-living adjustments). However, under this joint resolution they will not receive any such increase in fiscal 2006, if the salary increase proposed in this joint resolution is adopted. The Governor has proposed a 2% cost-of-living adjustment for State employees in fiscal 2006. Further, because the joint resolution sets specific salaries for future years, no cost-of-living adjustments have been added for those years.

The following officials have salaries that are tied to judicial salaries:

- the State Prosecutor and the Public Defender – not less than that of a circuit court judge;

- members of the Workers' Compensation Commission (WCC) – at least equal to a District Court judge, with the chairmen's salary being at least \$1,500 higher than the members' salaries; and
- State's Attorneys' of various counties – a percentage of a circuit or District Court judge's salary, as discussed in further detail under Local Expenditures.

Background: In 1980 the General Assembly created the Judicial Compensation Commission. The General Assembly may amend a joint resolution from the commission to decrease, but not increase, any of the commission's salary recommendations. The General Assembly may not reduce a judge's salary below its current level. Failure to adopt or amend the joint resolution within 50 calendar days after its introduction results in adoption of the salaries recommended by the commission. If the General Assembly rejects any of the commission's recommendations, the judges' salaries remain unchanged, unless modified by other provisions of law.

State Expenditures: By law, if this resolution passes the General Assembly, or does not pass both Houses by March 9, 2005, the salary increases recommended by the Judicial Compensation Commission will take effect on July 1, 2005. This will increase general fund expenditures by approximately \$758,250 for judicial salaries and \$380,414 for fringe benefits for fiscal 2006, a total of \$1,138,664.

The commission's recommendation of a \$3,000 increase for circuit court judges will in turn increase the salaries of the State Prosecutor and the Public Defender by that amount. Including fringe benefits, the total increase in fiscal 2006 general fund expenditures is \$6,889.

The 10 members of WCC will each receive a \$2,250 increase, the same as a District Court judge, for a total of \$22,500. Because these commissioners are included in the judicial retirement system, their fringe benefits are computed at a rate of 50.2%, or \$11,288, for a total outlay of \$33,788.

Thus, the total in general fund expenditures for fiscal 2006, including judges and State offices tied to judicial salaries, is \$1,179,341. **Exhibit 2** shows the projected cost of adopting the commission's recommendations.

Exhibit 2
Cost to Implement Commission Recommendations

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Judicial Salaries	\$1,138,664	\$3,075,857	\$5,313,765	\$7,591,094	\$7,591,094
State Prosecutor/Public Defender	6,889	18,370	32,147	45,924	45,924
WCC Members	<u>33,788</u>	<u>93,856</u>	<u>157,679</u>	<u>225,255</u>	<u>225,255</u>
Total	\$1,179,341	\$3,188,083	\$5,503,591	\$7,862,273	\$7,842,293

Local Expenditures: Minimum salaries of State's Attorneys in 18 counties are tied to the salaries of judges. Those counties and the relationships are as follows:

<u>County</u>	<u>Percentage of Judge's Salary</u> (of a District Court judge's salary, unless otherwise specified)
Allegany*	90%
Anne Arundel**	100% (of a circuit court judge's salary as of December 31, 2002, increasing 3% each year starting in 2004)
Baltimore County	100% (of a circuit court judge's salary, increasing 5% annually)
Calvert	90%
Caroline	80%
Carroll	80%
Cecil	95%
Charles	90%
Dorchester	80%
Frederick	90%
Howard	100%
Kent	70%
Queen Anne's	90%
St. Mary's	90%
Talbot	80%
Washington	90%
Wicomico	90%
Worcester	90% (except that the county commissioners may set a higher salary)

* In Allegany County, the salaries of the deputy State's Attorney's may not be less than 80% of the salary of the State's Attorney.

** In Anne Arundel County, the salaries of the deputy State's Attorneys may not be less than 90% of that of the State's Attorney, and the salaries of the assistant State's Attorneys may not be less than 80% of that of the State's Attorney.

Additional Comments: This analysis does not include salaries for any additional judges that may be added by legislation during the current legislative session. The Governor's proposed fiscal 2006 budget specifies that \$1,135,442 of the general fund appropriation for the Department of Budget and Management is contingent upon the passage of this resolution.

Additional Information

Prior Introductions: Resolutions to alter compensation for the Judiciary are introduced in a year in which there is a recommendation from the Judicial Compensation Commission. The most recent recommendations were during the 2002 session (SJ 5/HJ 5), the 2000 session (SJ 3/HJ 5), and the 2004 session (HJ 1/SJ 1). Those recommendations were rejected. In the 1998 session, SJ 2/HJ 2 took effect after the General Assembly failed to act within the 50-day time frame. As a result, judicial salaries increased by \$11,275 across the board beginning in fiscal 1999.

Cross File: SJ 3 (The President) (By Request – Judicial Compensation Commission) – Budget and Taxation and Judicial Proceedings.

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

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