

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 985
 Appropriations

(Delegate Cadden, *et al.*)

Budget and Taxation

State Budget - Funding for Circuit Court Law Clerks

This bill repeals the requirement that each county and Baltimore City reimburse the Administrative Office of the Courts (AOC) for 25% of the salary and other expenses to employ one law clerk for each circuit court judge and the procedural provisions associated with this reimbursement. Current reimbursement provisions shall apply to money owed by the circuit court jurisdictions to AOC as of June 30, 2006.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: General fund expenditures increase by \$1.9 million in FY 2007. Future year estimates reflect annual salary increases and inflation. The FY 2007 budget includes \$1.9 million in general funds to pay for the locals' 25% share, contingent upon enactment of this bill.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.9	2.0	2.0	2.1	2.1
Net Effect	(\$1.9)	(\$2.0)	(\$2.0)	(\$2.1)	(\$2.1)

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

Local Effect: Total local expenditures would decrease by \$1.9 million in FY 2007 and by \$2.1 million in FY 2011.

Small Business Effect: None.

Analysis

Current Law: Statute provides that each circuit court judge shall have one law clerk, to be employed by the State. The AOC budget must contain funds to employ these clerks. Pursuant to the Budget Reconciliation and Financing Act (BRFA) of 2003 (Chapter 203 of 2003), each county and Baltimore City is required to reimburse AOC for 25% of the salary and other expenses to employ circuit court judicial law clerks. Reimbursements are credited to a special fund and must be used to provide funds to employ circuit court judicial law clerks. The 2004 BRFA (Chapter 430 of 2004) provides that if AOC certifies to the Comptroller that a jurisdiction is more than 90 days in arrears in paying the reimbursement amount due, the Comptroller shall withhold from the county income tax otherwise due to be distributed to the jurisdiction and shall pay the amount due to AOC.

Background: The AOC budget currently provides for salaries and other expenses to employ 153 circuit court judicial law clerks. The Comptroller advises that it has not received any notification from AOC regarding local jurisdictions in arrears for the required reimbursement.

State Fiscal Effect: General fund expenditures would increase by \$1.9 million in fiscal 2007 and \$2.1 million by fiscal 2011 from repealing the requirement that each local jurisdiction must reimburse AOC 25% of costs associated with circuit court law clerks. This estimate assumes a 2% growth in salaries and other operating expenses for circuit court law clerks, as advised by the Department of Budget and Management. The fiscal 2007 budget does not reflect the special fund revenues and includes funds for 100% of the law clerks' salaries and expenses from the general fund, contingent upon enactment of this bill. **Exhibit 1** shows the increase in State general fund expenditures and the corresponding decrease in local expenditures by jurisdiction.

Additional Information

Prior Introductions: None.

Cross File: SB 556 (Senator DeGrange, *et al.*) – Budget and Taxation.

Information Source(s): Judiciary (Administrative Office of the Courts), Comptroller's Office, Department of Budget and Management, Department of State Police, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2006
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Exhibit 1
Effect of Repealing the 25% Local Government Reimbursement for Circuit Court Law Clerks
Increased State General Fund Expenditures / Decreased Local Government Expenditures
Fiscal 2007 – 2011

Jurisdiction	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Allegany	\$23,358	\$23,825	\$24,301	\$24,787	\$25,283
Anne Arundel	141,643	144,476	147,365	150,312	153,319
Baltimore City*	411,753	419,988	428,388	436,956	445,695
Baltimore	211,716	215,950	220,269	224,675	229,168
Calvert	24,675	25,169	25,672	26,186	26,709
Caroline	12,996	13,256	13,521	13,792	14,068
Carroll	38,989	39,769	40,564	41,376	42,203
Cecil	36,354	37,081	37,823	38,579	39,351
Charles	50,668	51,681	52,715	53,769	54,845
Dorchester	12,996	13,256	13,521	13,792	14,068
Frederick	51,986	53,025	54,086	55,167	56,271
Garrett	12,996	13,256	13,521	13,792	14,068
Harford	63,664	64,938	66,236	67,561	68,912
Howard	62,347	63,594	64,866	66,163	67,486
Kent	11,679	11,912	12,151	12,394	12,642
Montgomery*	278,015	283,576	289,247	295,032	300,933
Prince George's	284,424	290,113	295,915	301,833	307,870
Queen Anne's	12,996	13,256	13,521	13,792	14,068
St. Mary's	38,989	39,769	40,564	41,376	42,203
Somerset	12,996	13,256	13,521	13,792	14,068
Talbot	11,679	11,912	12,151	12,394	12,642
Washington	62,347	63,594	64,866	66,163	67,486
Wicomico	37,672	38,425	39,194	39,977	40,777
Worcester	38,989	39,769	40,564	41,376	42,203
Total	\$1,945,929	\$1,984,847	\$2,024,544	\$2,065,035	\$2,106,336

Note: Numbers may not sum due to rounding. *Includes an additional position contingent upon legislation authorizing a new circuit court judge.
