

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 556

(Senator DeGrange, *et al.*)

Budget and Taxation

Appropriations

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: HB 985 (Delegate Cadden, *et al.*) – Appropriations.

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 6, 2006
ncs/ljm Revised - Senate Third Reader - April 6, 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.
