

JUDICIARY

Summary: As Reported from Committee FY 2007-08 Bill SB 233 (H-1)



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	FY 2006-07 YTD	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House From FY 2006-07 YTD	
					Amount	%
IDG/IDT	2,563,500	2,523,500	2,523,500	2,523,500	(40,000)	(1.6)
Federal	6,126,400	4,626,400	4,626,400	4,626,400	(1,500,000)	(24.5)
Local	4,502,400	5,409,700	5,409,700	5,409,700	907,300	20.2
Private	842,500	842,500	842,500	842,500	0	0.0
Restricted	87,791,600	87,892,800	87,892,700	87,892,800	101,200	0.1
GF/GP	156,501,200	161,937,300	159,365,300	159,615,200	3,114,000	2.0
Gross	\$258,327,600	\$263,232,200	\$260,660,100	\$260,910,100	\$2,582,500	1.0
FTEs	509.0	509.0	519.0	519.0	10.0	2.0

Note: FY 2006-07 figures include the results of supplementals and Executive Order (EO) actions through August 1, 2007.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2006-07 YTD		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change
Appropriations					
1. Judgeship Changes		Gross	\$94,020,200	\$339,700	\$339,700
Executive, Senate and House appropriate funding for enacted changes in judgeships: \$139,900 for full-year funding of four new circuit judgeships that received nine-month funding in FY 2006-07 and became full-time on January 1, 2007, and \$199,800 for full-year funding for seven probate judgeships which were converted from part-time to full-time as of January 1, 2007.	Restricted	7,090,200	0	0	0
	GF/GP	\$86,930,000	\$339,700	\$339,700	\$339,700
2. Early Retirement Sick Leave Payments		Gross	N/A	(\$148,300)	(\$148,300)
Executive, Senate and House include \$148,300 GF/GP funding reduction for sick leave payout payments from the 2002 early retirement program. Because the last of 5 scheduled yearly payments was paid last year, no funding is required for FY 2007-08.	Restricted	N/A	0	0	0
	GF/GP	N/A	(\$148,300)	(\$148,300)	(\$148,300)

<u>Major Budget Changes From FY 2006-07 YTD Appropriations</u>		<u>FY 2006-07 YTD (as of 8/1/07)</u>	<u>Executive Change</u>	<u>Senate Change</u>	<u>House Change</u>
3. Department of Labor and Economic Growth IDG	Gross	40,000	(\$40,000)	(\$40,000)	(\$40,000)
	IDG	40,000	(\$40,000)	(\$40,000)	(\$40,000)
	GF/GP	0	0	0	0
Executive, Senate and House eliminate appropriation for a TANF-funded grant to non-custodial parents to help find employment. TANF funding is no longer available.					
4. Administrative and Reductions/ Adjustments	Gross	N/A	\$2,197,100	(\$375,000)	(\$375,000)
	GF/GP	N/A	\$2,197,100	(\$375,000)	(\$375,000)
Executive recommended GF/GP administrative reductions to originally enacted FY 2006-07 appropriations. These reductions were to 11 line items totaling \$750,000. After adjusting FY 2006-07 appropriations by reductions under P.A. 17 of 2007 and funding under P.A. 41 of 2007, the Executive recommendation is higher than the year-to-date funding for these line items by \$2.2 million.					
Senate and House include \$375,000 GF/GP reductions/adjustments spread across various lines: Supreme court administration (\$71,100), Judicial institute (\$14,300), State court administrative office (\$39,000), Judicial information systems (\$16,400), Foster care review board (\$5,500), Court of appeals (\$125,600), Judicial tenure commission (\$5,900), Appellate public defender program (\$26,600), Appellate assigned counsel administration (\$4,800), and Court equity fund reimbursements (89,900). Funding for Drug treatment courts was increased \$24,100.					
5. Court of Appeals Contract Attorney Program	Gross	N/A	N/A	N/A	\$250,000
	GF/GP	N/A	N/A	N/A	\$250,000
House includes additional appropriation of \$250,000 GF/GP to fund the contract attorney program within the Court of Appeals.					
6. Judicial Car Lease Expenses	Gross	N/A	\$0	\$0	(\$259,100)
	GF/GP	N/A	\$0	\$0	(\$259,100)
House includes reduction of \$259,100 GF/GP to three line items that contain funding for the permanent assignment of state-owned vehicles to justices, judges, or judicial branch employees. The reductions for car lease savings were as follows: Supreme court administration (\$45,700), State court administrative office (\$10,300), and Court of appeals operations (\$203,100).					

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change
7. Mental Health Treatment Courts					
Senate includes \$100 GF/GP placeholder for mental health treatment courts for cases involving mentally ill nonviolent offenders.	Gross	N/A	\$0	\$100	\$259,100
	GF/GP	N/A	\$0	\$100	\$259,100
House includes \$259,100 GF/GP funding for a mental health treatment court pilot program for cases involving mentally ill nonviolent offenders.					
8. Justice Information System Software Enhancement					
Executive includes \$803,000 of restricted funding for the first year of an estimated four year project that will develop and implement a new software system for trial court case management. Project is expected to be completed over four years with an estimated total cost of \$8 to \$12 million in restricted funds. Funding increase over originally enacted for program was \$1.7 million; part of the increase, \$890,000, was appropriated in HB 4493, P.A. 41 of 2007.	FTE	N/A	0.0	10.0	10.0
	Gross	N/A	\$803,000	\$803,000	\$803,000
	Local	N/A	803,000	803,000	803,000
	GF/GP	N/A	\$0	\$0	\$0
Senate and House include the \$803,000 restricted funding increase and an additional 10.0 FTE positions.					
9. Transcript Fee Reimbursement					
Executive and House retain the \$100 placeholder for transcript fee reimbursement. Senate deletes the placeholder.	Gross	\$100	\$0	(\$100)	\$0
	GF/GP	\$100	\$0	(\$100)	\$0
10. One-time Retirement Savings Appropriation					
Senate and House include funding to replace the \$1.2 million retirement adjustment related to P.A. of 2007 taken in FY 2006-07.	Gross	(\$1,243,400)	\$0	\$1,243,400	\$1,243,400
	GF/GP	(\$1,243,400)	\$0	\$1,243,400	\$1,243,400
11. Judicial Information Systems Federal Funding					
Senate and House reduce judicial information systems funding because FY 2006-07 had one-time federal funding for program which is no longer available.	Gross	\$1,500,000	\$0	(\$1,500,000)	(\$1,500,000)
	GF/GP	\$1,500,000	\$0	(\$1,500,000)	(\$1,500,000)
12. Defined Contribution and FICA Costs					
Executive, Senate and House increase funds for judges' FICA and defined contribution retirement costs by \$391,400 Gross and GF/GP. Increases are recommended separately from other economic increases due to constitutional/statutory obligation to fund judgeships.	Gross	N/A	\$391,400	\$391,400	\$391,400
	GF/GP	N/A	\$391,400	\$391,400	\$391,400

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change
13. Economics	Gross	N/A	\$1,618,300	\$1,618,300	\$1,618,300
Executive, Senate and House fund economic adjustments as follows:	Federal	N/A	0	0	0
	Local	N/A	104,300	104,300	104,300
	Private	N/A	0	0	0
	Restricted	N/A	14,300	14,300	14,300
	GF/GP	N/A	\$1,499,700	\$1,499,700	\$1,499,700
• Salaries/wages increase: \$1.3 million Gross, \$1.2 million GF/GP					
• Insurance increase: \$452,600 Gross, \$425,000 GF/GP					
• Retirement increase: \$365,200 Gross, \$342,900 GF/GP					
• Rent increase: \$167,700 Gross and GF/GP					
• Workers' Compensation reduction: (\$16,000) Gross and GF/GP					
• Building occupancy charges reduction: (\$601,800) Gross, (\$594,300) GF/GP					

Major Boilerplate Changes From FY 2006-07

Sec. 204. Contact With Legislature – RETAINED

Executive deletes language that forbids disciplinary action against any judicial branch employee for communicating with legislator or legislative staff. **Senate** and **House** retain current-year language.

Sec. 212. Retention of Reports – RETAINED

Executive deletes language that directs the judicial branch to comply with federal and state guidelines for short-term and long-term retention of reports funded through appropriations. **Senate** and **House** retain current-year language.

Sec. 214. Buy American and Michigan – MODIFIED

Urges the Judiciary to buy American/Michigan goods and services. **Executive** retains current-year language. **Senate** and **House** include new language that also requires preference for comparative goods or services manufactured or provided by Michigan businesses owned and operated by veterans.

Sec. 216. Report Requirement – NOT INCLUDED

Senate includes new language that requires the judicial branch to report by April 1, 2008 on each policy change made to implement enacted legislation. Language prohibits funding to be used to prepare regulatory plans or promulgate rules that fail to reduce economic impact on small businesses.

Sec. 304. Auditor General – RETAINED

Executive deletes language that requires judicial branch to cooperate with the auditor general in audits of judicial branch. **Senate** and **House** retain current-year language.

Sec. 305. Expenditure and Revenue Reports – RETAINED

Executive deletes language that requires quarterly financial reports on judiciary budget revenue and expenditures. **Senate** and **House** retain current-year language.

Sec. 306a. Third-Party Collection Pilot Project Report – NEW

Senate includes new language that requires a report by April 1, 2008 on the feasibility of a pilot project for third-party collection of victim restitution. **House** includes new language that requires a report by April 1, 2008 on the feasibility of a pilot project for third-party collection of court-ordered fines, fees, and costs, including victim restitution.

Sec. 310. Drug Treatment Court Evaluation – REVISED

Requires evaluation and monitoring of drug court programs by independent third parties. **Executive**, **Senate**, and **House** direct the state court administrative office to evaluate drug court programs and provide an annual review.

Major Boilerplate Changes From FY 2006-07

Sec. 311. *Drug Courts* – REVISED

Specifies criteria for drug court grants. **Executive** and **House** delete requirement for locals to refer to federal guidelines, language that states that courts with more substance abuse cases may be given higher priority in receiving grants, and a five year limit on drug treatment court programs receiving funds under this section. **Senate** deletes the language concerning the 5 year limit, but retains remaining current-year language.

Sec. 312. *Parental Rights Restoration Act Report* – DELETED

Executive and **House** delete language that requires state court administrator to report total number of petitions filed by minors seeking court-issued waiver of parental consent under Parental Rights Restoration Act and total number of petitions granted. **Senate** retains current-year language.

Sec. 313. *Judicial Training* – DELETED

Executive, **Senate** and **House** delete language that expresses legislative intent for judges to receive training on judicial responsibilities pertaining to expert witnesses.

Sec. 314. *Report on Halbert v. Michigan* – NEW

Senate and **House** include new language that requires the state court administrative office to submit a report by April 1 regarding the impact of Halbert v. Michigan and related cases.

Sec. 316. *Mental Health Treatment Courts* – NEW

Senate includes new language requiring the State Court Administrative Office to evaluate strategies to better respond to defendants with mental illnesses. Strategies may include mental health treatment courts. **House** includes new language stipulating that funds in part 1 for mental health treatment courts be used only to fund a mental health treatment court pilot program for mentally ill nonviolent offenders.

Sec. 317. *Transcript Fees* – RETAINED

Executive and **Senate** delete language that provides for expenditure of a transcript fee fund to reimburse counties for costs should there be a statutory increase in court transcript fees. **House** retains current-year language.

Sec. 318. *Judicial Car Leases* – NEW

Senate and **House** include new language that prohibits funding to be used for the permanent assignment of state-owned vehicles to justices, judges, or judicial employees (Senate language in Sec. 317).