

JUDICIARY
Summary: Conference Report
FY 2007-08 Bill SB 233



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	FY 2006-07 YTD	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	Difference: Conference From FY 2006-07 YTD	
		Executive	Senate	House	Conference	Amount	%
IDG/IDT	2,563,500	2,523,500	2,523,500	0	2,523,500	(40,000)	(1.6)
Federal	6,126,400	4,626,400	4,626,400	0	4,626,400	(1,500,000)	(24.5)
Local	4,502,400	5,409,700	5,409,700	0	5,409,700	907,300	20.2
Private	842,500	842,500	842,500	0	842,500	0	0.0
Restricted	87,791,600	87,892,800	87,892,700	0	87,892,700	101,100	0.1
GF/GP	156,501,200	161,937,300	159,365,300	0	157,996,700	1,495,500	1.0
Gross	\$258,327,600	\$263,232,200	\$260,660,100	\$0	259,291,500	\$963,900	0.4
FTEs	509.0	509.0	519.0	0.0	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 Appropriations		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change	Conference Change
<i>In order to create items of difference, the House funded each line item at \$0.</i>						
1. Judgeship Changes	Gross	\$94,020,200	\$339,700	\$339,700	N/A	\$339,700
Executive, Senate, and Conference Committee include 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	N/A	0
	GF/GP	\$86,930,000	\$339,700	\$339,700	N/A	\$339,700
2. Early Retirement Sick Leave Payments	Gross	N/A	(\$148,300)	(\$148,300)	\$0	(\$148,300)
Executive, Senate, and Conference Committee 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	0
	GF/GP	N/A	(\$148,300)	(\$148,300)	\$0	(\$148,300)
3. Department of Labor and Economic Growth	Gross	40,000	(\$40,000)	(\$40,000)	N/A	(\$40,000)
IDG Executive, Senate, and Conference Committee eliminate appropriation for a TANF-funded grant to non-custodial parents to help find employment. TANF funding is no longer available.	IDG	40,000	(40,000)	(40,000)	N/A	(40,000)
	GF/GP	\$0	\$0	\$0	N/A	\$0

Major Budget Changes From FY 2006-07 YTD Appropriations

		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change	Conference Change
4. Administrative and GF/GP Reductions/Adjustments	Gross GF/GP	N/A	\$2,197,100	(\$375,000)	\$0	(\$843,500)
		N/A	\$2,197,100	(\$375,000)	\$0	(\$843,500)

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 includes \$375,000 GF/GP reductions/adjustments spread across various lines: Supreme court administration (\$71,100), Judicial institute (\$14,300), State court administrative office (SCAO) (\$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.

Conference Committee includes \$843,500 GF/GP reductions spread across various lines: Supreme court administration (\$257,200), Judicial institute (\$51,800), SCAO (\$141,500), Judicial information systems (\$61,200), Foster care review board (\$17,900), Drug Treatment Courts (\$16,200), Court of appeals (\$423,000), Judicial tenure commission (\$20,400), Appellate public defender program (\$88,600), Appellate assigned counsel administration (\$15,700). Conference Committee also restored \$250,000 to the Appellate public defender program.

5. Court Equity Fund	Gross GF/GP	N/A	\$0	\$0	\$0	(\$900,000)
Conference Committee reduced funding by \$900,000 as part of the GF/GP funding reductions.		N/A	\$0	\$0	\$0	(\$900,000)

6. Mental Health Treatment Courts	Gross GF/GP	N/A	\$0	\$100	\$0	\$0
Senate includes \$100 GF/GP placeholder for mental health treatment courts for cases involving mentally ill nonviolent offenders.		N/A	\$0	\$100	\$0	\$0

7. Justice Information System Software Enhancement	FTE	N/A	0.0	10.0	0.0	10.0
Gross	N/A	\$803,000	\$803,000	\$0	\$803,000	\$803,000
Local	N/A	803,000	803,000	0	803,000	803,000
GF/GP	N/A	\$0	\$0	\$0	\$0	\$0

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.

Senate and Conference Committee includes the \$803,000 restricted funding increase and an additional 10.0 FTE positions.

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 8/1/07)	Executive Change	Senate Change	House Change	Conference Change
8. Transcript Fee Reimbursement	Gross	\$100	\$0	(\$100)	(\$100)	(\$100)
Executive retains the \$100 placeholder for transcript fee reimbursement. Senate, House, and Conference Committee delete placeholder.		Restricted \$100	\$0	(\$100)	(\$100)	(\$100)
9. One-time Retirement Savings Appropriation	Gross	(\$1,243,400)	\$0	\$1,243,400	N/A	\$1,243,400
Senate and Conference Committee include funding to replace the \$1.2 million retirement adjustment related to P.A. of 2007 taken in FY 2006-07.		Restricted (86,900)	0	86,900	N/A	86,900
	GF/GP	(\$1,156,500)	\$0	\$1,156,500	N/A	\$1,156,500
10. Judicial Information Systems Federal Funding	Gross	\$1,500,000	\$0	(\$1,500,000)	N/A	(\$1,500,000)
Senate and Conference Committee reduce judicial information systems funding because FY 2006-07 had one-time federal funding for program which is no longer available.		Federal \$1,500,000	\$0	(\$1,500,000)	N/A	(\$1,500,000)
11. Defined Contribution and FICA Costs	Gross	N/A	\$391,400	\$391,400	\$0	\$391,400
Executive, Senate and Conference Committee increase funding 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.		GF/GP N/A	\$391,400	\$391,400	\$0	\$391,400
12. Economics	Gross	N/A	\$1,618,300	\$1,618,300	\$0	\$1,618,300
Executive, Senate, and Conference Committee fund economic adjustments as follows:		Federal N/A	0	0	0	0
		Local N/A	104,300	104,300	0	104,300
• Salaries/wages increase: \$1.3 million Gross, \$1.2 million GF/GP		Private N/A	0	0	0	0
• Insurance increase: \$452,600 Gross, \$425,000 GF/GP		Restricted N/A	14,300	14,300	0	14,300
• Retirement increase: \$365,200 Gross, \$342,900 GF/GP		GF/GP N/A	\$1,499,700	\$1,499,700	\$0	\$1,499,700
• 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, House, and Conference Committee** 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, House, and Conference Committee** 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, House, and Conference Committee** 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 – NEW

Senate and Conference Committee include 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.

Major Boilerplate Changes From FY 2006-07

Sec. 217. Efficiency Mechanisms – NEW

House and **Conference Committee** include new language that requires the chief justice to implement continuous improvement efficiency mechanisms to increase efficiency and reduce expenditures in judicial branch programs. Requires a semi-annual report on progress and expenditure savings.

Sec. 304. Auditor General – RETAINED

Executive deletes language that requires judicial branch to cooperate with the auditor general in audits of judicial branch. **Senate, House** and **Conference Committee** 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, House** and **Conference Committee** 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** and **Conference Committee** include 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, House,** and **Conference Committee** direct the state court administrative office to evaluate drug court programs and provide an annual review.

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. **House** also includes new language requiring that a \$1.3 million IDG from corrections be spent according to HB 4348 of 94th Legislature. **Senate** and **Conference Committee** delete the language concerning the 5 year limit, but retain remaining current-year language.

Sec. 312. Parental Rights Restoration Act Report – RETAINED

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** and **Conference Committee** retain current-year language.

Sec. 313. Judicial Training – DELETED

Executive, Senate, House, and **Conference Committee** 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, House, and **Conference Committee** 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 and **Conference Committee** include 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 that requires the funding of the IDG from department of corrections of \$784,000 for mental health treatment courts be spent according to HB 4348 of 94th Legislature. **House** also includes language stipulating that any remaining 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 – DELETED

Executive, Senate, and **Conference Committee** 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

Executive, Senate, House and **Conference Committee** 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).

Sec. 319. Court of Appeals Contract Lawyer Program – NEW

House includes new language that states it is the intent of the Legislature that the contract lawyer program in the Court of Appeals be fully funded. **Conference Committee** does not include new language.