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BILL



ANALYSIS

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FY 2012-13 Year-to-Date Gross Appropriation	\$273,760,100
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Changes from FY 2012-13 Year-to-Date:

Conference Agreement on Items of Difference

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|---|-------------|
| 1. Specialty Courts Regionalization and Expansion. Governor provided \$3.0 million in GF/GP funding for drug courts, DWI/sobriety courts, and veterans' treatment courts, and also provided \$2.0 in GF/GP funding for mental health courts. Senate and House had not included, but in Conference concurred with Governor on the total amount of funding, but specifically carved out \$500,000 for veterans' treatment courts. | 5,000,000 |
| 2. Trial Court Performance Innovations Fund. The Governor created a new fund (\$4.0 million GF/GP) to incentivize courts to adopt best practices. Senate and House did not include, but in Conference agreed to fund it at \$1.0 million. | 1,000,000 |
| 3. Implementation of Case Management System. The SCAO is leading the implementation of a new unified case management information system called Michigan Court System (MiCS). \$2.5 million GF/GP funding would train 3,600 system users to begin the transition. Senate and House did not include but in Conference added Governor's amount and increased it by \$990,700. | 3,490,700 |
| 4. SADO Staff Increase. State Appellate Defender Office (SADO) is statutorily required to handle 25% of the State's criminal defense appellate cases, but in the current year they are expected to achieve 22%. The Governor added 1.0 FTE using GF/GP funds to enable the office to fulfill its caseload mandate. Senate and House did not include, but Conference added 2.0 FTEs for this office. | 214,400 |
| 5. Court Fee Fund Shortfall. An actuarial adjustment was made in the revenue needed for judicial retirement, which in turn created a shortfall in the Court Fee Fund which then needed to be filled with \$1.9 million in GF/GP funding (a fund source shift with \$0 Gross impact). | 0 |
| 6. Other Technical Changes. In accordance with the 2011 Judicial Resource Recommendation, the Legislature passed a package of bills reducing approximately 40 judgeships by attrition; associated with these reductions the Governor reflected GF/GP savings that will be achieved by the attrition of 5.0 judgeships. The bill also adjusts some restricted and federal revenue sources to align with actual anticipated funding levels. House, Senate, and Conference concurred. | (1,676,000) |
| 7. Remove One-time Funding for FY 2012-13 Employee Lump-sum Payments. Payment was drawn proportionally from various funding sources; reduction of \$636,900 GF/GP. | (827,200) |
| 8. Economic Adjustments. Includes \$265,000 Gross and \$218,000 GF/GP for OPEB and \$2,187,100 Gross and \$1,893,000 GF/GP for other economic adjustments. | 2,452,100 |
| 9. Legacy Costs Separation. The Senate removed legacy costs for health care and pension from the individual lines items and centralized them in two new line items in the Supreme Court section of the bill. Legacy costs for health care are approximately \$6.4 million and legacy costs for pension are approximately \$7.3 million. Overall, the two legacy items are equivalent to 42.75% of payroll. The House did not adopt this alternative bill format. | 0 |

Total Changes	9,654,000
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$283,414,100
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections were not included: 204, 212, 214, 306, 309, 310, 312, and 321. All were proposed to be deleted in last year's Governor's Recommendation but were subsequently added back by the Legislature. The subjects of these sections included not taking disciplinary action against an employee for communicating with the Legislature; the preference for buying American, Michigan and veteran-owned goods and services; reporting requirements for mental health courts, drug courts and the Parental Rights Restoration Act; and the creation of a legal self-help website. Senate, House and Conference retained all sections proposed for deletion.
2. **Definitions.** The Governor eliminated a number of definitions that would no longer be used in the bill. Senate, House and Conference retained all definitions. (Sec. 203)
3. **Performance Scorecard Website.** Governor proposed a section stating that the Judiciary shall maintain a publicly accessible website that tracks key performance metrics. Senate, House and Conference concurred. (Sec. 223)
4. **Byrne Grant.** The grant Judiciary is expected to receive via IDG from the Department of State Police to support drug courts was reduced from \$1.8 million to \$1.5 million. Senate, House and Conference concurred. (Sec. 311(4))
5. **Swift-and-Sure Sanctions - Revise.** The Governor's proposed revision would delete subsection (2) which previously limited participation in the program to only courts that operated a drug court or had a unified trial court. The new language would open up the grant application process to any court that hears felony criminal cases. The new language also does not include subsections (3) and (4) which provided grant preference guidelines and reporting requirements. Additionally, the swift-and-sure sanctions program funding had previously been included in the drug court line item, but under the Governor's proposed budget it is included as a new line item. The associated boilerplate section is updated to reflect the new bill structure. Lastly, the revised language now also states that the funds shall be administered in accordance with the Probation Swift-and-Sure Sanctions Act (P.A. 616 of 2012). Because the grant administration would be done in accordance with P.A. 616 of 2012, there would still be a reporting requirement, but the requirements listed in statute are not the same as those required in current boilerplate. Senate, House, and Conference concurred with Governor's revisions to subsection (1), and concurred with the deletions of subsections (2) and (3), but retained the reporting requirement in subsection (4). (Sec. 320)
6. **Evaluation of Legal Self-Help Site.** Current language requires the judicial branch to support the creation of a legal self-help website. Senate, House and Conference added language to require a report from the State Court Administrative Office on the costs, effectiveness, and potential savings associated with the website. (Sec. 321)
7. **Federal Grant Funding.** New language states that if the State Appellate Defender Office (SADO) receives Federal grant funding exceeding the amount allotted in Part 1, SADO may expend up to \$300,000 in grant funds as "other Federal grants." Senate, House, and Conference concurred. (Sec. 322)
8. **Info on Juvenile Placements.** Senate, House, and Conference added language to require that the State Court Administrative Office provide courts with information on the number of out-of-state juvenile placements and a listing of the per diem costs of all public and private in-state facilities. (Sec. 323)

Conference Agreement on Items of Difference

9. **State Restricted Fund Reporting.** The Governor revised section to state that the Judiciary shall cooperate with the State Budget Office to provide a report to the Legislature on state restricted funds, instead of having the Judiciary provide the report. House retained current law; Senate and Conference concurred with Governor. (Sec. 222)
10. **Drug Court Evaluation.** The Senate removed subsection (3) which called for the drug court programming evaluation called for in this section to be consistent with the requirements of the Federal Byrne Grant for that program. The State Court Administrative Office (SCAO) indicated that the Byrne Grant flows through the Department of Michigan State Police and has its own evaluation requirements, so SCAO asked that the reference to the Byrne Grant in this section be removed. The House retained current law. Conference concurred with Senate. (Sec. 310)

Date Completed: 5-24-13

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