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BILL



ANALYSIS

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House Bill 5158 (as enrolled)  
Sponsor: Representative Michael Nye  
House Committee: Judiciary and Civil Rights  
Senate Committee: Judiciary

**PUBLIC ACT 374 of 1996**

Date Completed: 7-19-96

**CONTENT**

The bill amended the Revised Judicature Act (RJA) to do all of the following:

- Change the State Court Fund (SCF) funding formula and create the "Court Equity Fund" to allocate State revenues to trial courts in all 83 counties.
- Create a "Hold Harmless Fund", through September 30, 2001, to provide supplemental support for certain counties and cities.
- Abolish the Detroit Recorder's Court and merge it with the Third Circuit Court (Wayne County); and require Wayne County to appropriate funds for operating and maintaining the Recorder's Court for FY 1996-97.
- Repeal sections of the RJA that provide for the State Judicial Council (SJC), which acts as the State administrative body and employer for court workers in the Third Circuit Court, 36th District Court (Detroit), and Detroit Recorder's Court; and allow Wayne County and Detroit to create separate judicial councils as successors to the SJC.
- Retain transferred SJC employees in the State Employees' Retirement System and exempt those employees from any local residency requirements.
- Revise the method of determining judges' salaries, and provide for 100% State funding of those salaries, including direct payments to judges at specified levels and reimbursements to local units for additional salary amounts paid by court funding units.
- Provide that court personnel will be employees of the county or the district court funding unit; specify roles of the employers and chief judges in overseeing employees; and prohibit a judge from hiring close relatives.
- Allow a county or group of counties to create a "local court management council", to coordinate the delivery of court services.
- Create the "Trial Court Assessment Commission" to report to the Legislature regarding the number of trial court judges needed, the need for revisions to the courts or the court system, and the implementation of revisions to the courts or the court system. The Commission also must study and classify the civil and criminal cases filed in Michigan trial courts, develop criteria for determining the relative complexity of the various types of cases, and recommend a funding formula for the operation of those courts, taking caseload complexity into account.
- Require the Supreme Court to create a "Judicial Performance Commission".
- Require the Supreme Court to appoint a chief judge for each county that is not part of a multicounty judicial circuit.
- Provide that a county board of commissioners may create judicial election districts under certain circumstances.
- Specify that certain provisions of the RJA outlining respective funding and revenue collection obligations of the State and Detroit for the operation of the 36th District Court will not apply after September 30, 1996.
- Make other provisions regarding court budgeting, competitive bid procedures, assignment of judges, State funding of certain court services, evening and weekend court sessions, assessment of

**late penalties, and district court jurisdiction and appeals.**

- **Repeal certain acts and sections of the RJA, effective October 1, 1996, January 1, 1997, or October 1, 1997.**

#### Effective Dates

Provisions of the bill dealing with all of the following took effect on the bill's date of enactment:

- Creation of the Trial Court Assessment Commission.
- Judicial assignments.
- Appointment of chief judges.
- Creation of the Judicial Performance Commission.
- Provision of an annual line-item budget for the judicial branch.
- Evening and weekend court sessions.
- Replacement of the term "district control unit" with "district funding unit".
- Nepotism.
- Use of competitive bid procedures.
- Prohibition against the SJC's granting of raises.

Provisions of the bill dealing with all of the following will take effect on October 1, 1996:

- Creation of the Court Equity and Hold Harmless Funds.
- Distribution of money in the State Court Fund to trial courts.
- Abolition of the Detroit Recorder's Court and its merger with the Third Circuit Court.
- Cessation of various funding and revenue collection obligations of the State and the City of Detroit.
- Creation of local court management councils.
- Local requirements concerning court budgeting.
- Creation of the Wayne County Judicial Council and Detroit Judicial Council and the transfer of Third Circuit, Detroit Recorder's, and 36th District Court employees to those entities or to Wayne County or Detroit.

Provisions of the bill dealing with judicial salaries will take effect on January 1, 1997.

Provisions of the bill dealing with district court appeals and the possible creation of judicial election districts will take effect on October 1, 1997.

#### Court Funding

State Court Fund. Revenue in the State Court Fund (SCF) is generated from the collection of certain court fees. The RJA specifies how proceeds of the SCF are to be distributed in given fiscal years. Under the current Act, in fiscal year (FY) 1996-97, the State Treasurer is required to distribute specific amounts to the State Court Administrator for the operational expenses of certain trial courts. After those allocations, 23% of the balance of the SCF is to be distributed for indigent civil legal assistance and to the State Court Administrator for the operations of the Court of Appeals to alleviate the backlog of that court's caseload. Of that amount, \$2 million is to go to the Court of Appeals, with the rest allocated for indigent civil legal assistance. Finally, 5% of the balance is required to be distributed for oversight, data collection, and court management assistance by the State Court Administrative Office (SCAO).

The bill, instead, specifies that in FY 1996-97, \$1.6 million plus 76% of the balance of the SCF must be distributed to the SCAO for the operational expenses of trial courts. As under current law, 23% of the balance of the SCF will be distributed for indigent civil legal assistance, with \$2 million of that amount earmarked for the alleviation of the Court of Appeals backlog. One percent, rather than 5%, of the balance will be distributed to the SCAO for oversight, data collection, and court management assistance.

Under the current Act, in FY 1997-98 and subsequent fiscal years, the State Treasurer is required to distribute specific amounts to the State Court Administrator for the operational expenses of certain trial courts. After those allocations, 23% of the balance of the SCF is to be distributed for indigent civil legal assistance, and 5% of the balance is required to be distributed for oversight, data collection, and court management assistance by the SCAO.

The bill, instead, specifies that in FY 1997-98 and subsequent fiscal years, money in the SCF must be allocated as the bill requires for FY 1996-97, except that the full 23% is to be distributed for indigent civil legal assistance without an earmarked amount dedicated to alleviate the Court of Appeals backlog.

Court Equity Fund. The Court Equity Fund will be created in the State Treasury. For each State fiscal year, beginning with FY 1996-97, each county will receive money from the Court Equity

Fund, which will consist of the portion of the SCF set aside under the bill for the operational expenses of trial courts, the proceeds of \$4.25 of each cost assessment in the district court, and specific State General Fund (GF) amounts. In FY 1996-97, the GF amount dedicated to the Court Equity Fund will be \$24 million; that amount will increase to \$28 million in FY 1997-98, \$32 million in FY 1998-99, \$36 million in FY 1999-00, \$40 million in FY 2000-01, and \$44 million in FY 2001-02 and subsequent fiscal years.

For each State fiscal year, the SCAO will have to do all of the following:

- Determine the "relative caseload" of each county and multiply that percentage by the total amount available for distribution from the Court Equity Fund for that fiscal year.
- Determine the number of circuit, Recorder's Court, probate, and district judges for each county and the ratio of that sum to the total number of the circuit, Recorder's Court, probate, and district judges statewide. (If a judge serves more than one county, the county will be credited for that judge only for the fraction of the judicial salary standardization payment the State reimburses the county.)
- Multiply the relative caseload percentage for each county by the sum of one plus the ratio of judges for that county, total the results for all counties, then divide the amount determined for each county by the total for all counties and multiply the amount by the total amount of money available for distribution from the Court Equity Fund for that fiscal year.

This represents the funds a county will receive from the Court Equity Fund.

The formula for determining allocations from the Court Equity Fund will not include, for purposes of applying the formula, the caseload of the district court in any district or municipal court.

Distributions from the Court Equity Fund will have to be made every three months.

"Relative caseload" means, for each county, the percentage derived by dividing the sum of the following by the sum of the caseloads of all judicial circuits statewide, the Detroit Recorder's Court, and the probate courts statewide for the "qualifying period":

- The portion of the caseload of a judicial circuit attributable to that county for the qualifying period. (For Wayne County, that portion also includes the caseload of the Recorder's Court for the qualifying period.)
- The caseload of the probate court in the county for the qualifying period, if only that county funds the probate court, or the portion of the caseload of the probate district attributable to that county for the qualifying period, if the county is in a probate district.

"Qualifying period" means, for FY 1996-97, calendar year 1995; for FY 1997-98, the last two calendar years for which reasonably complete trial court caseload statistics are available; and for FY 1998-99 and subsequent fiscal years, the last three calendar years for which reasonably complete trial court caseload statistics are available.

Hold Harmless Fund. A Hold Harmless Fund will be created in the State Treasury through September 30, 2001, and will consist of GF money as follows:

- \$20 million for FY 1996-97.
- \$16 million for FY 1997-98.
- \$12 million for FY 1998-99.
- \$8 million for FY 1999-00.
- \$4 million for FY 2000-01.

Beginning in FY 1996-97, the following will receive money from the Hold Harmless Fund:

- A county that receives a smaller amount under the bill's Court Equity Fund formula in a fiscal year than the amount it received from the SCF in FY 1995-96.
- A city that received an amount from the SCF in FY 1995-96.
- Wayne County.
- Detroit.

A county, other than Wayne, receiving money from the Hold Harmless Fund will receive the difference in the amount it received from the SCF in FY 1995-96 and the amount it will receive under the bill's Court Equity Fund formula. (Allegan and Macomb Counties will receive money under this provision.) A city, other than Detroit, that received SCF money in FY 1995-96 will receive that amount from the Hold Harmless Fund. (Flint, Grand Rapids, and Pontiac will receive money under this provision.)

Wayne County will receive \$22,820,300 minus the amount the county receives under the bill's formula for distribution of the Court Equity Fund. (The \$22,820,300 represents the GF and SCF amounts allocated by the Supreme Court to the Third Circuit Court, the Detroit Recorder's Court, and Wayne County clerk services in FY 1995-96.)

Detroit will receive \$28,887,300 minus the sum of all of the following:

- Federal drug funds allocated by the Supreme Court for FY 1995-96 to offset operational expenses of the 36th District Court.
- \$7,150,000 payable by the city to the State as the "fixed city obligation" for FY 1995-96.
- Revenue due to the State from the Detroit parking violation bureau under the RJA for FY 1995-96, as determined by the audit of the State Auditor General.
- All court revenues received by the 36th District Court for FY 1995-96 and payable to the State under the RJA.
- Any funds from private sources.

(The \$28,887,300 represents the amount allocated by the Supreme Court as expenses for the 36th District Court for FY 1995-96.)

If the total amount payable from the Hold Harmless Fund for a fiscal year exceeds the amount available in that Fund, the amount paid to each recipient must be reduced to a pro rata share of the available funds. If the total amount in the Hold Harmless Fund exceeds the amount payable from the Fund for a fiscal year, the balance of the Hold Harmless Fund must be retained in a work project account at the end of the fiscal year to be added to the amount otherwise available in the Hold Harmless Fund in the next State fiscal year.

Distributions from the Hold Harmless Fund will have to be made every three months.

District Court Revenue. The RJA requires that, when fines and costs are assessed by a magistrate, a traffic bureau, or a judge of the district court, at least \$9 be assessed as costs. That amount also must be collected for each conviction or civil infraction determination and each guilty plea or civil infraction admission, except for parking violations. Of each \$9 collected, 45 cents goes to the Michigan Judges Retirement System, 30 cents to the Legislative Retirement Fund, \$4.25 is dedicated to the State General Fund, and the balance must be deposited

in the State Court Fund. Effective October 1, 1996, the bill deletes the requirement that \$4.25 go to the General Fund, and dedicates that portion, instead, to the Court Equity Fund.

#### Recorder's Court

Abolishment and Merger. The bill abolishes the Detroit Recorder's Court and merges it with the Third Circuit Court, effective October 1, 1997.

The incumbent judges of the Recorder's Court on September 30, 1997, will become judges of the Third Circuit Court on October 1, 1997, and will serve as circuit judges until January 1 of the year in which their terms as Recorder's Court judges normally would have expired. Effective October 1, 1997, each incumbent judge of the Recorder's Court who was appointed to that office by the Governor after the filing deadline for the August primary preceding the 1996 general election will become a judge of the Third Circuit Court and will serve as a circuit court judge until the January 1 succeeding the first general election held after the vacancy to which he or she was appointed occurs. At that election, a successor will be elected for the remainder of the unexpired term that the predecessor incumbent of the Recorder's Court would have served had he or she remained in office. In seeking election to the Third Circuit Court after October 1, 1997, a Recorder's Court judge may file an affidavit of candidacy in the same manner as other incumbent judges of the circuit court, and will be entitled to designation on the ballot as a judge of the circuit court.

Effective October 1, 1997, all files, records, and pending cases of the Recorder's Court must be transferred to the Third Circuit Court according to Supreme Court rules, and the circuit court must exercise all powers regarding those files, records, and cases, as provided by Supreme Court rules. The Third Circuit Court will have jurisdiction to hear and determine all transferred cases, and will have to exercise all authority with regard to those cases as though they had been commenced in the Third Circuit Court. Orders and judgments of the Recorder's Court will be appealable in the same manner and to the same courts as applicable before the merger date.

Maintenance and Operation. Effective October 1, 1996, the bill requires Wayne County to appropriate, by line-item or lump-sum budget, funds for operating and maintaining the Detroit Recorder's Court for FY 1996-97. Before the county may appropriate a lump-sum budget,

however, the chief judge of the Recorder's Court must submit to the county a budget request in line-item form with appropriate detail. If the court receives a line-item budget, it may not exceed a line-item appropriation or transfer funds between line items without prior approval from Wayne County. If the court receives a lump-sum budget, it may not exceed that budget without prior approval of the Wayne County board of commissioners.

Except as otherwise provided by law, the chief judge of the Recorder's Court will have to appoint, supervise, discipline, or dismiss the court's employees pursuant to applicable personnel policies and procedures and any applicable collective bargaining agreement. Compensation of employees serving in the Recorder's Court will have to be paid by Wayne County.

All personal property, including equipment and furniture, that was owned by the Recorder's Court, or owned and furnished by the State to the Recorder's Court, on the date of the bill's enactment or that is subsequently purchased by or furnished to that court, must remain with the Recorder's Court until October 1, 1996. On that date, the property will become the property of Wayne County and must continue to be used to the benefit of the Recorder's Court. The State must reimburse Wayne County for any property furnished by the State to the Recorder's Court and removed from the court between June 27, 1996, and October 1, 1996.

#### State Judicial Council

Repeal and Succession. Under the RJA, the State Judicial Council is the employer of trial court employees who are paid by the State. Effective October 1, 1996, the bill repeals sections of the RJA that provide for the SJC (MCL 600.9101-600.9107). From the date of the bill's enactment until the transfer of SJC employees to their appropriate employer under the bill, the SJC may not grant any pay raises or make any changes in benefit plans for any of its employees.

Wayne County Judicial Council. The Wayne County board of commissioners, by resolution, may create the "Wayne County Judicial Council" (WCJC) by September 30, 1996. If created, the WCJC is to begin exercising its powers and duties effective October 1, 1996. The WCJC will be a successor agency to the SJC and, effective October 1, 1996, will be the employer of those employees of the former SJC assigned to serve in

the Third Circuit and Detroit Recorder's Courts. The composition of the WCJC and its powers and duties must be prescribed by resolution of the Wayne County board of commissioners. If the WCJC is not created, the employees of the former SJC serving in the Third Circuit and Detroit Recorder's Courts will become employees of Wayne County, effective October 1, 1996.

Employees of the former SJC serving in the Third Circuit or the Recorder's Court will be transferred to, and appointed as, employees of the WCJC or Wayne County, subject to all rights and benefits they have held with the former court employer. An employee who is transferred may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other terms and conditions of employment that the employee enjoys as an employee of the SJC. The protected rights and benefits may be altered, however, by a future collective bargaining agreement or, for employees not covered by collective bargaining agreements, by benefit plans established and adopted by the personnel and human resource department of the governmental unit paying their compensation. An employee who is transferred may not be made subject to any residency requirement of the WCJC or Wayne County.

The employer, whether the WCJC or Wayne County, must assume and be bound by an existing collective bargaining agreement held by the former SJC and, except where the agreement otherwise permits, must retain the employees covered by that agreement. A transfer of court employees may not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement.

Annual leave that an employee of the Third Circuit or Detroit Recorder's Court has accumulated before October 1, 1996, but not in excess of 160 hours, must be transferred with the employee as a result of his or her becoming an employee of the WCJC or Wayne County. The Legislature, by law, must provide the employee with an option to receive a cash payment for the value of his or her accumulated annual leave in excess of 160 hours, to be paid over a period of time not to exceed two years, or a payment of that amount in the form of deferred compensation.

The appropriate employer, whether the WCJC or Wayne County, must pay to the State Employees' Retirement System (SERS), on a quarterly basis,

an amount based upon the contribution rates determined under the State Employees' Retirement Act, in the manner prescribed by the SERS.

The employer of the Recorder's Court and Third Circuit Court workers, whether the WCJC or Wayne County, and the chief judge of the appropriate court, will have the same authority as the bill provides for employers and chief judges of other courts.

Detroit Judicial Council. The Detroit city council, by resolution, may create the "Detroit Judicial Council" (DJC) by September 30, 1996. If created, the DJC is to begin exercising its powers and duties effective October 1, 1996. The DJC will be a successor agency to the SJC and, effective October 1, 1996, will be the employer of those employees of the former SJC assigned to serve in the 36th District Court. The composition of the DJC and its powers and duties must be prescribed by resolution of the city. If the DJC is not created, the employees of the former SJC serving in the 36th District Court will become employees of Detroit, effective October 1, 1996.

Employees of the former SJC serving in the 36th District Court will be transferred to, and appointed as, employees of the DJC or the City of Detroit, subject to all rights and benefits they have held with the former court employer. An employee who is transferred may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other terms and conditions of employment that the employee enjoys as an employee of the SJC. The protected rights and benefits may be altered, however, by a future collective bargaining agreement or, for employees not covered by collective bargaining agreements, by benefit plans established and adopted by the personnel and human resource department of the governmental unit paying their compensation. An employee who is transferred may not be made subject to any residency requirement of the DJC or Detroit.

The employer, whether the DJC or Detroit, must assume and be bound by an existing collective bargaining agreement held by the former SJC and, except where the agreement otherwise permits, must retain the employees covered by that agreement. A transfer of court employees may not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement.

Annual leave that an employee of the 36th District Court has accumulated before October 1, 1996, but not in excess of 160 hours, must be transferred with the employee as a result of his or her becoming an employee of the DJC or Detroit. The Legislature, by law, must provide the employee with an option to receive a cash payment for the value of his or her accumulated annual leave in excess of 160 hours, to be paid over a period of time not to exceed two years, or a payment of that amount in the form of deferred compensation.

The employer, whether the DJC or Detroit, must pay to the SERS, on a quarterly basis, an amount based upon the contribution rates determined under the State Employees' Retirement Act, in the manner prescribed by the SERS.

The employer of the 36th District Court workers, whether the DJC or Detroit, and the chief judge of the court, will have the same authority as the bill provides for employers and chief judges of other courts.

#### Judicial Salaries

The salaries of Supreme Court justices (which are set by the State Officers Compensation Commission) and Court of Appeals judges are fully funded by the State. Currently, and until December 31, 1996, appeals court judges' salaries are set at 96% of the salary of a Supreme Court justice, and salaries of trial court judges vary depending on the level of the court in which they serve. The maximum salary of a circuit court judge, and a Detroit Recorder's Court judge, is set at 92% of the salary of a Supreme Court justice; the maximum salary of a district or probate court judge is set at 88% of the salary of a Supreme Court justice. The salaries of trial court judges consist of a salary base, paid by the State, and a local supplement paid by the county or district control unit in which the court is located. The State, however, reimburses local units for most of the difference between the base salary and the maximum salary. (This is known as the "standardization payment".) The State, then, pays about 90% of each trial court judge's salary with the remainder being borne by the local unit. A trial court judge's total salary, however, may not exceed the statutory maximum percentage of a Supreme Court justice's salary. (The salaries of judges in the three State-funded trial courts are paid entirely by the State.)

Public Acts 259 and 260 of 1995 (House Bills 5457 and 5460) broke the "tie-bar" of a judge's salary to a Supreme Court justice's salary. Under those amendments to the RJA, beginning January 1, 1997, the salaries of judges of the Court of Appeals, circuit court, probate court, and district court paid by the State cannot increase unless the Legislature, by statute, sets a higher salary. The State-paid portion of the salaries is set at specific dollar amounts and specific limits are placed on the amount of local supplements.

House Bill 5158, instead, provides that beginning January 1, 1997, judges will receive specific State-paid salaries and specific amounts of local supplements, which will be reimbursed by the State if they are not more or less than prescribed amounts, so that judges' salaries will be fully funded by the State. After Supreme Court justices' salaries reach certain levels, judges' salaries again will be set at a percentage of a Supreme Court justice's salary. An increase in the salary of a judge caused by an increase in the salary of a Supreme Court justice may not be effective until February 1 of the year in which the justice's salary increase becomes effective, but will be retroactive to January 1 of that year.

Court of Appeals Judges. Currently, under the RJA, through December 31, 1996, each judge of the Court of Appeals receives an annual salary equal to 96% of the annual salary of a Supreme Court justice. Beginning January 1, 1997, each appeals court judge is to receive an annual salary of \$114,007, which cannot be increased unless the Legislature enacts a higher salary.

Under the bill, however, effective January 1, 1997, each judge of the Court of Appeals will receive an annual salary equal to 92% of the annual salary of a Supreme Court justice or \$114,007, whichever is greater.

Circuit Court Judges. Under the RJA, for calendar year 1996 and each subsequent calendar year, the portion of a circuit judge's annual salary payable by the State is \$65,314. For calendar years 1996 and beyond, the State must reimburse to a county paying an additional salary to a circuit judge 90% of that additional salary, unless the additional salary payable by that county causes the judge's total annual salary to exceed \$109,257. Effective January 1, 1997, a circuit judge's salary cannot be increased unless the Legislature enacts a higher salary.

The bill, instead, specifies that each circuit judge will receive an annual salary payable by the State as provided in the bill and may receive from any county in which he or she regularly holds court an additional salary as determined from time to time by the county board of commissioners. In any county in which an additional salary is granted, the additional amount must be paid at the same rate to all circuit judges regularly holding court in that county.

Until the salary of a Supreme Court justice exceeds \$128,538, each circuit judge will receive an annual salary determined as follows:

- An annual salary, payable by the State, of \$65,314.
- An additional salary, payable by the county or counties of the judicial circuit. The State must reimburse to a county or counties paying an additional salary \$43,943, if the total additional salary is not less than or more than that amount. If the county or counties pay a circuit judge less than or more than \$43,943, the county or counties will not be entitled to reimbursement from the State.

If the salary of a Supreme Court justice exceeds \$128,538, but is not more than \$130,633, each circuit court judge will receive an annual salary determined as follows:

- An annual salary, payable by the State, of \$65,314.
- An additional salary, payable by the county or counties of the judicial circuit. If a county or counties paying an additional salary to a circuit judge pay the judge the difference between 85% of a Supreme Court justice's salary and \$65,314, the State must reimburse the county or counties for that amount. If the county or counties pay a circuit judge an additional salary that exceeds that amount, the county or counties will not be entitled to reimbursement from the State.

If the salary of a Supreme Court justice exceeds \$130,633, each circuit court judge will receive an annual salary determined as follows:

- An annual salary payable by the State that is the difference between 85% of a Supreme Court justice's salary and \$45,724.

- An additional salary, payable by the county or counties of the judicial circuit. The State must reimburse to a county or counties \$45,724, if the total additional salary is not less than or more than that amount. If the county or counties pay a circuit judge less than or more than \$45,724, the county or counties will not be entitled to reimbursement from the State.

Recorder's Court Judges. Public Act 369 of 1919, which regulates the Detroit Recorder's Court, provides for the salaries of Recorder's Court judges. Under that Act, each judge, including the presiding judge, receives an annual salary from the county in which the court is located in the same amount as paid by the State to circuit judges. The State must reimburse the county. As an additional salary, through December 31, 1996, Detroit must pay each judge an amount equal to the difference between 92% of the annual salary of a Supreme Court justice and the annual salary paid to a Recorder's Court judge by the county. The State must reimburse the city. For each calendar year beginning with 1997, Public Act 369 requires the city to pay to each judge \$43,943, which the State must reimburse. Public Act 369 prohibits either the county or the city from paying a cost-of-living allowance or any other cash compensation, other than the authorized salaries. Beginning January 1, 1997, the salary of a Recorder's Court judge cannot be increased unless the Legislature enacts an increased salary. (MCL 725.13)

The bill repeals the section of Public Act 369 providing for the salaries of Recorder's Court judges effective January 1, 1997, and specifies that each judge of the Detroit Recorder's Court, including the chief judge and the recorder, will receive an annual salary from the county in which the court is located, in the same amount as paid by the State to circuit court judges under the bill. The State must reimburse the county in an amount equal to the annual salary paid by the county to a Recorder's Court judge.

As an additional salary, the city in which the court is located must pay to each judge of the Recorder's Court an amount determined as follows:

- Until the salary of a Supreme Court justice exceeds \$128,538, each Recorder's Court judge will receive an additional salary of \$43,943. If the city pays each judge \$43,943, and not more or less than that

amount, the State must reimburse the city for the amount of the additional salary.

- If the salary of a Supreme Court justice exceeds \$128,538 but is not more than \$130,633, each judge will receive an additional salary of the difference between 85% of the salary of a Supreme Court justice and \$65,314. If the city pays each judge that amount, the State must reimburse the city. If the city pays any judge an additional salary, including any cost-of-living allowance, that exceeds that amount, the city will not be entitled to reimbursement from the State.
- If the salary of a Supreme Court justice exceeds \$130,633, each judge will receive an additional salary of \$45,724. If the city pays each judge that amount, the State must reimburse the city. If the city pays any judge an additional salary, including any cost-of-living allowance, that exceeds \$45,724, the city will not be entitled to reimbursement from the State.

The bill prohibits either the county or the city from paying a cost-of-living allowance or any other cash compensation, other than the salaries authorized in the bill, to a judge of the Recorder's Court.

Probate Court Judges. Currently, under the RJA, the minimum annual salary for a probate judge is 90% of the annual salary payable by the State to a circuit judge. Of that amount, \$6,000 must be paid by the county, or by the counties comprising a probate court district, and the balance must be paid by the State.

In addition, a probate judge may receive from any county in which he or she regularly holds court an additional salary determined by the county board of commissioners. Through December 31, 1996, an additional salary cannot cause a probate judge's total annual salary to exceed 88% of the annual salary of a Supreme Court justice. Beginning January 1, 1997, an additional salary cannot exceed \$45,724.

For calendar year 1996, the State must reimburse \$41,152 to a county paying an additional salary, unless the additional salary causes the judge's total salary to exceed 88% of a Supreme Court justice's salary. For calendar year 1996 and each subsequent year, the portion of a probate judge's annual salary payable by the State is \$52,783, and the State must reimburse \$41,152 to a county paying an additional salary. Beginning January 1, 1997, a probate judge's salary payable by the



State cannot be increased unless the Legislature enacts a higher salary.

The bill, instead, provides that, until the salary of a Supreme Court justice exceeds \$125,912, each probate judge will receive an annual salary of \$104,507, determined as follows:

- A minimum annual salary of \$58,783.
- An additional salary of \$45,724 paid by the county or by the counties comprising a probate court district. If a probate judge receives a total additional salary of \$45,724, and not more or less than that amount, the State must reimburse the county or counties for the additional salary.

If the salary of a Supreme Court justice exceeds \$125,912, each probate judge will receive an annual salary determined as follows:

- A minimum annual salary of the difference between 83% of a Supreme Court justice's salary and \$45,724.
- An additional salary of \$45,724 paid by the county or by the counties comprising a probate court district. If a probate judge receives a total additional salary of \$45,724, and not more or less than that amount, the State must reimburse the county or counties for the additional salary.

The bill retains the requirement that \$6,000 of a probate judge's minimum annual salary be paid by the county, or by counties comprising a probate court district, but also requires that, beginning January 1, 1997, the State annually reimburse counties for that contribution.

Part-Time Probate Court Judges. The RJA provides that a probate judge of a county comprising part of a proposed probate court district in which the electors of one or more counties did not approve the district, receives an annual salary based on the county's population. For counties having a population under 10,000, the judge's salary is \$9,000, payable half by the State and half by the county. In a county having a population of 10,000 or more but less than 15,000, the judge's salary is \$10,000, payable half by the State and half by the county. In addition, a probate judge may receive from the county an additional salary of up to \$43,000, as determined by the board of commissioners. From funds appropriated to the judiciary, the State must pay to a county a

State salary standardization payment of \$5,750 for each probate judge.

The bill, instead, provides that the probate judge of a county having a population under 15,000 and comprising part of a proposed probate court district in which the electors of one or more counties did not approve the district will receive an annual salary of \$20,000. Of that amount, \$6,000 must be paid by the county and the balance by the State. The bill retains the option of an additional salary of up to \$43,000, and specifies that the total salary of a part-time probate judge may not exceed \$63,000. In addition to the \$5,750 standardization payment, the State must pay to a county \$6,000 for each probate judge, to offset the portion of the minimum annual salary paid by the county.

District Court Judges. Currently, the RJA requires that, through December 31, 1996, a district judge receive an annual salary payable by the State equal to 90% of the annual salary payable by the State to a circuit judge. In addition, a district judge may receive from the "district control unit" (which the bill refers to as the "district funding unit") an additional salary determined by the unit's governing legislative body, which cannot cause a district judge's total annual salary to exceed 88% of a Supreme Court justice's annual salary. For calendar year 1996, the State must reimburse to a district control unit paying an additional salary \$41,152 of that additional salary.

For calendar year 1996 and each subsequent calendar year, the portion of a district judge's annual salary payable by the State is \$58,783. The State must reimburse to a district control unit paying an additional salary \$41,152 of that additional salary. Beginning January 1, 1997, the salary of a district judge cannot be increased unless the Legislature enacts a salary increase.

The bill, instead, provides that, until the salary of a Supreme Court justice exceeds \$125,912, each district judge will receive an annual salary of \$104,507 determined as follows:

- An annual salary of \$58,783 payable by the State.
- An additional salary of \$45,724 payable by the district funding unit or units. If a district judge receives a total additional salary of \$45,724, and not more or less than that amount, the State must reimburse the

funding unit or units the amount paid to the judge.

If the salary of a Supreme Court justice exceeds \$125,912, each district judge will receive an annual salary determined as follows:

- A minimum annual salary of the difference between 83% of the salary of a Supreme Court justice and \$45,724.
- An additional salary of \$45,724 from the district funding unit or units. If a district judge receives a total additional salary of \$45,724, and not more or less than that amount, the State must reimburse the funding unit or units the amount paid to the judge.

#### Court Personnel

Circuit Court. Currently, the RJA specifies that, except as otherwise provided by law, the chief judge of the circuit court in each judicial circuit must appoint the employees of the court and fix their compensation within appropriations provided by the county board of commissioners of the county or counties comprising the judicial circuit. Compensation of the employees in each circuit must be paid by the county or counties.

The bill, instead, provides that, in a single-county circuit, other than Wayne County, the county will be the employer of the county-paid employees of the circuit court. In a multiple-county circuit, the employer of the county-paid employees of the court will be as determined pursuant to a contract entered into by the counties within the circuit under Public Act 8 of the Extra Session of 1967, which provides for the intergovernmental transfer of functions and responsibilities (MCL 124.531-124.536). If the counties do not enter into an agreement under Public Act 8, each county will be the employer of the county-paid employees who serve in that county or who are designated by agreement of the counties within the circuit as being employed by that county.

The employer of county-paid employees of the circuit court, in concurrence with the chief judge of the circuit court, will have the following authority:

- To establish personnel policies and procedures, including, but not limited to, those relating to compensation, fringe benefits, pensions, holidays, leave, work schedules, discipline, grievances, personnel

records, probation, and hiring and termination practices.

- To make and enter into collective bargaining agreements with representatives of the county-paid employees of the circuit court in that county or in the counties covered by a contract entered into under Public Act 8.

If the employer and the chief judge are not able to concur on the exercise of their authority as to personnel policies and procedures, the employer will have the authority to establish policies and procedures relating to compensation, fringe benefits, pensions, holidays, and leave, and the chief judge will have the authority to establish policies and procedures relating to work schedules, discipline, grievances, personnel records, probation, hiring, and termination practices, and other personnel matters over which the bill does not specifically grant authority to the employer.

The employer and the chief judge each may appoint an agent for collective bargaining, and the chief judge may elect not to participate in the collective bargaining process for county-paid employees of the circuit court.

The chief judge will have the authority to appoint, supervise, discipline, or dismiss the employees of the circuit court in accordance with both the personnel policies and procedures developed by the employer and any applicable collective bargaining agreement. Compensation of circuit court employees will continue to be paid by the county or counties comprising the judicial circuit.

If the bill's implementation requires a transfer of court employees or a change of employers, all employees of the former court employer must be transferred to, and appointed as employees of, the appropriate employer pursuant to the bill, subject to all rights and benefits they have held with the former court employer. An employee who is transferred may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other terms and conditions of employment that the employee enjoys as an employee of the former court employer. The protected rights and benefits may be altered, however, by a future collective bargaining agreement.

The employer designated under the bill must assume and be bound by any existing collective

bargaining agreement held by the former court employer and, except where the existing agreement otherwise permits, must retain the employees covered by that agreement. The bill specifies that a transfer of court employees may not adversely affect any existing rights and obligations contained in the existing agreement.

The role of the chief judge in employment matters will be that of the principal administrator of court officers and personnel and not that of a representative of a funding source. The State will not be a party to an employment contract. Except as otherwise provided by law, the State will not be the employer of court officers or personnel and will not be liable for claims arising out of the employment relationship of court officers or personnel or out of their conduct.

Third Circuit and Recorder's Courts. Effective October 1, 1996, the WCJC or Wayne County will be the employer of the county-paid employees of the Third Circuit Court and the Recorder's Court. The WCJC or Wayne County and the chief judges of the Third Circuit and Recorder's Courts will have the same authority and responsibilities with respect to court employees as the bill confers upon counties and circuit court chief judges as employers and administrators of circuit court employees.

Probate Court. The bill includes provisions granting the same authority to and imposing the same responsibilities upon counties and probate court chief judges with respect to probate court employees as it confers upon counties and circuit court chief judges as employers and administrators of circuit court employees.

District Court. Except for employees serving in the 36th District Court, the bill includes provisions granting the same authority to and imposing the same responsibilities upon district funding units and district court chief judges with respect to district court employees as it confers upon counties and circuit court chief judges as employers and administrators of circuit court employees.

36th District Court. Effective October 1, 1996, the DJC or Detroit will be the employer of the locally paid employees of the 36th District Court. The DJC or Detroit and the chief judge of the 36th District Court will have the same authority and responsibilities with respect to the 36th District Court employees as the bill confers upon counties

and circuit court chief judges as employers and administrators of circuit court employees.

Nepotism. The bill prohibits a judge or justice from hiring or employing a member of his or her immediate family as a court employee, as a process server, or in any judicial support-related capacity. "Member of his or her immediate family" means a person related to the judge or justice by blood or affinity to the third degree. This provision does not apply to employees hired before the bill's effective date.

#### Local Court Management Council

The bill allows a county or group of counties to create, by resolution, a local court management council pursuant to Public Act 8 of the Extra Session of 1967. A council may be given the responsibility for coordinating the delivery of court services within the county or group of counties.

#### Trial Court Assessment Commission

The bill creates the Trial Court Assessment Commission within the Legislative Council. The Commission must study and classify the civil and criminal cases filed in the district, circuit, and probate courts, and the Detroit Recorder's Court, and develop a set of criteria for determining the complexity of the various types of cases filed. The Commission then must apply the criteria to the caseloads of various courts and recommend to the Legislature by July 15, 1997, a funding formula for the money annually appropriated by the State for the operation of those courts. For each county and district funding unit, the formula must consider both the total caseload and the relative complexity of those cases.

By October 1 of each odd-numbered year, the Commission must report to the Legislature all of the following:

- A detailed recommendation of the number of circuit, probate, and district judges necessary to dispose of Michigan's trial court caseload.
- A report concerning the need for revisions to the courts or court system, including, but not limited to, the issue of part-time probate judges, and proposals for implementing any recommendations.
- An analysis of the implementation of any revisions in the courts or court system based on monitoring and review of the implementation.

The Trial Court Assessment Commission will consist of the following:

- Six judges appointed by the Governor with the consent of the Senate from a list of candidates recommended by the chief justice of the Supreme Court. Three of the judges must be from counties with a population over 200,000, including one from the circuit court or Detroit Recorder's Court, one from the probate court, and one from the district court. The other three judges must be from counties with a population of 200,000 or less, including one from the circuit court, one from the probate court, and one from the district court.
- A local court administrator appointed by the Governor with the consent of the Senate from a list of candidates recommended by the State Court Administrator.
- Five members representing the interests of local governments, appointed by the Governor, with the consent of the Senate. (Two must be appointed from a list of candidates recommended by the Michigan Association of Counties, two from a list recommended by the Michigan Municipal League, and one from a list recommended by the Michigan Townships Association.)
- Two members appointed by the Governor with the consent of the Senate from a list of candidates recommended by the State Bar of Michigan.
- Two elected and serving members of the Senate, one appointed by the Majority Leader and one appointed by the Minority Leader.
- Two elected and serving members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the Minority Leader.
- The Director of the Department of Management and Budget, or the Director's designee.
- Four public members appointed by the Governor, one from each of the four judicial districts for the election of Court of Appeals judges, including at least one certified public accountant.

Members must be appointed within 30 days after the bill's effective date and will serve for a term of two years or until a successor is appointed, whichever is later. Vacancies must be filled in the same manner as the original appointment.

The Commission's first meeting must occur within 90 days of the bill's enactment. The Governor must appoint the chair from among the four public members and appoint other Commission officers. The Commission must comply with the Open Meetings Act and the Freedom of Information Act.

Members will serve without compensation, but may be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

#### Judicial Performance Commission

The bill requires the Supreme Court to create a Judicial Performance Commission, which must develop standards for evaluating the performance of all Michigan judges. The results of the evaluation of judges must be made available to the public on an annual basis, beginning June 1, 1999.

Beginning on January 1, 2000, unless the judicial performance standards are developed and implemented, the trial court performance standards published by the National Center for State Courts must be implemented, with each judge making public an annual report on how he or she has complied with each standard.

#### Appointment of Chief Judges

The bill requires the Supreme Court to appoint a chief judge for each county that is not part of a multicounty judicial circuit. The county chief judge then must appoint a chief judge of the circuit court in that county, a chief judge of the probate court in that county, and a chief judge of the district court in each district in the county.

The chief judge of a county must adopt procedures for the assignment of cases and for the reassignment of cases, and procedures for the assignment of judges between courts, trial divisions, and districts in that county.

#### Judicial Districts

The bill provides that, if the State Constitution of 1963 permits the creation of election districts in a county for countywide judicial office, or if, by a final nonreviewable judgment, a court determines that the Federal Voting Rights Act requires election districts rather than at-large election for countywide judicial office, the county board of commissioners will have the authority to create election districts to conform with those requirements.

### Revenue Collection and Funding Obligations

The RJA specifies that, in each fiscal year, Detroit must pay to the State, in quarterly installments, amounts determined by formula based on the expenses of and revenue collected by the 36th District Court, and one-half of the revenue generated by the Detroit parking violation bureau in excess of the cost of operating that bureau. The provision also outlines city and State obligations for funding the operation and maintenance of the 36th District Court and requires that, for purposes of establishing city and State obligations, the State Auditor General conduct biennial audits.

Under the bill, these provisions will not apply after September 30, 1996.

### Other Provisions

Court Budgeting. The bill requires that the Legislature annually appropriate, by line-item and not lump-sum budget, funds for the operation of the judicial branch.

The county board of commissioners in each county annually must appropriate, by either line-item or lump-sum budget, funds for the operation of the circuit court and the probate court in that county. Before a board of commissioners may appropriate a lump-sum budget, however, the chief judge of the judicial circuit and the chief judge of the probate court must submit to the board a budget request in line-item form with appropriate detail. A court that receives a line-item budget may not exceed a line-item appropriation or transfer funds between line items without the board's prior approval. A court that receives a lump-sum budget may not exceed that budget without the board's prior approval.

The governing body of each district funding unit annually must appropriate, by either line-item or lump-sum budget, funds for the operation of the district court in that district. Before a governing body of a district funding unit may appropriate a lump-sum budget, however, the chief judge of the judicial district must submit to the governing body a budget request in line-item form with appropriate detail. A court that receives a line-item budget may not exceed a line-item appropriation or transfer funds between line items without the governing body's prior approval. A court that receives a lump-sum budget may not exceed that budget without the governing body's prior approval.

Competitive Bid Procedures. The bill prohibits a Michigan court from entering into a contract for \$10,000 or more for a good or service, excluding a contract for indigent legal assistance, unless the court first follows the competitive bid procedures outlined in the Management and Budget Act (MCL 18.1261). This prohibition does not apply, however, to basic grant money from the Family Independence Agency (formerly the Department of Social Services).

Assignment of Judges. The RJA allows the Supreme Court to assign a judge of any court to serve as a judge in any other court in Michigan. The bill specifies that the Supreme Court's judicial assignment authority applies to elected judges. The bill also deleted a provision that a nonattorney probate judge could only be assigned to serve as a judge in another county or probate court district.

In addition, the bill deleted a requirement that, if possible, judges within the same county within which a court is located be assigned to serve as judges of that court. The bill specifies, instead, that all assignments and reassignments of cases filed in any court in a county must be made among the judges of that county, unless no trial court judge in that county is qualified and able to undertake a particular case. A judge in one county may not be assigned to serve as a judge in another county unless no other trial court judge in the county needing assistance is able to render that assistance.

The bill also provides that a judge who is assigned to another court must receive as salary for each day he or she serves in the court, 1/250 of the amount by which the total annual salary of a judge of the court to which he or she is assigned exceeds his or her total annual salary. Previously, the judge had to be paid the 1/250 amount or \$25, whichever amount was greater.

State Funding. The bill deletes requirements that the costs of various specific employees and functions of the State-funded trial courts be paid by the State. These include the Third Circuit Court and 36th District Court reporter or recorder; the Wayne County jury board; and the 36th District Court's judicial assistant, probation department, and magistrate.

Evening and Weekend Sessions. The bill specifically allows the circuit court and the probate court to hold evening and weekend sessions of the court.

Sunset. The bill deletes a January 1, 1998, sunset on the RJA's authorization for assessing a 20% late penalty on overdue payments for penalties, fees, or costs.

District Court. The RJA provides that the district court does not have jurisdiction in actions for injunctions, divorce, or actions that are historically equitable in nature, except as otherwise provided by law. The bill also specifies, however, that the district court has the jurisdiction and power to make any order proper to effectuate fully the court's jurisdiction and judgments.

The bill retains a provision that appeals from the district court are to the circuit court, but deletes an exception under which all appeals in misdemeanor and ordinance violation cases tried in the 36th District Court, or in a felony case over which the 36th District Court has jurisdiction before trial, are to the Detroit Recorder's Court.

#### Repealers

The bill repeals, effective October 1, 1996, sections of the RJA that address the following:

- Establishment and responsibilities of the executive committee and executive chief judge of the Third Circuit and Recorder's Courts (MCL 600.563, 600.564, 600.567, and 600.592).
- Requiring the probate court to furnish a letter of authority or guardianship to a fiduciary or guardian free-of-charge (MCL 600.872).
- The salary of the Third Circuit Court's reporter or recorder (MCL 600.1123).
- Wayne County's payment to Detroit for courtroom security in the Recorder's Court (MCL 600.1417).
- The authority of the 36th District Court chief judge to appoint SJC employees serving in that court (MCL 600.8272).
- The establishment, operation, and responsibilities of the State Judicial Council (MCL 600.9101-600.9107).
- The 36th District Court's judicial assistant's designation as an employee of the SJC (MCL 600.9944).

The bill also repeals, effective October 1, 1996, sections of Public Act 369 of 1919 that address the following:

- Establishment and responsibilities of the executive committee and executive chief

judge of the Third Circuit and Recorder's Courts (MCL 725.31-725.34).

- Designation of Recorder's Court staff as employees of the SJC (MCL 725.35 and 725.36).
- State operation and maintenance of the Detroit Recorder's Court and remittance to the State of city and county revenue received from the Recorder's Court (MCL 725.37).
- The transfer of district court functions and employees from the Recorder's Court to the 36th District Court (MCL 725.38).

In addition, the bill repeals, on October 1, 1996, enacting Section 2 of Public Act 389 of 1994, which is scheduled to repeal the RJA's part-time probate judges provisions on January 1, 1997.

Effective January 1, 1997, the bill repeals both of the following:

- Section 13 of Public Act 369 of 1919, which provides for the salaries of Recorder's Court judges (MCL 725.13).
- Section 641 of the RJA, which allows the circuit court to remove to a lower court, without consent of the parties, an action commenced in the circuit court, if it appears, after a pretrial hearing, that the amount of damages sustained may be less than the jurisdictional threshold (i.e., \$10,000) (MCL 600.641).

Effective October 1, 1997, the bill repeals both of the following:

- Public Act 326 of the Local Acts of 1893, which regulates the Detroit Recorder's Court.
- The remainder of Public Act 369 of 1919, which also regulates the Detroit Recorder's Court.

MCL 600.151a et al.

Legislative Analyst: P. Affholter

#### FISCAL IMPACT

State. The fiscal impact on the State is indeterminate. Some sections of the bill will produce savings to the State while other sections will increase State costs. Savings will occur when the State Judicial Council is abolished. The State will no longer incur costs for the Council management or for the employment of the Third

Circuit, 36th District, and Recorder's Court employees, effective October 1, 1996. In the area of employee salaries, however, the State will not realize those savings, as the General Fund dollars will be redirected to provide funding to all of the trial courts in the State. The State also will incur additional costs for the full assumption of judges' salaries. This is estimated to be approximately \$3 million for fiscal year 1996-97.

The bill also will result in a loss of State General Fund revenues by redirecting revenue generated from district court costs from the General Fund to the Court Equity Fund. According to the SCAO, the loss is estimated to be approximately \$7 million in FY 1996-97. The funds instead will be used to provide additional funding to the trial courts in the State. The Court Equity Fund also

will receive \$24,000,000 in General Fund dollars effective October 1, 1996, which will increase by \$20 million over five years, while \$20 million of General Fund money will be used during FY 1996-97, to "hold harmless" counties and cities that would lose under the new formula for the Court Equity Fund. These additional General Fund dollars will be offset in part by the General Fund money presently allocated to the State-funded courts.

Table 1 provides a summary of the State General Fund impact comparing the FY 1995-96 structure with the FY 1996-97 structure under House Bill 5158. On an overall basis, enactment of House Bill 5158 will lead to a \$12.9 million General Fund increase in court funding.

Table 1  
GF/GP Changes to the Judiciary Budget Pursuant to House Bill 5158

Program	Current Year GF/GP	FY 1996-97 GF/GP	Changes to Budget Bill
Trial Court Operations	\$ 28,980,100	\$ 0	\$(28,980,100)
Juror Fee Reimbursement <sup>1)</sup>	2,891,800	0	(2,891,800)
Court Equity Fund <sup>2)</sup>	--	21,796,400	21,796,400
Hold Harmless Fund	--	20,000,000	20,000,000
Judges' Salaries <sup>3)</sup>	60,667,100	63,499,700	<u>2,832,600</u>
			\$12,979,600

<sup>1)</sup> Although elimination of juror fee reimbursement funds is not part of H.B. 5158, the funds are being used as an offset to the GF/GP portion of funding for trial courts.

<sup>2)</sup> Note: The FY 1996-97 enacted Judiciary budget has reduced the GF/GP portion of the Court Equity Fund to \$21,796,400 from \$24,000,000, and increased restricted funding by the same amount.

<sup>3)</sup> Excludes Supreme Court and Court of Appeals.

Since the Judiciary budget is tie-barred to House Bill 5158, the impact on the fiscal year 1996-97 budget will be approximately \$13 million in additional General Fund dollars over current-year appropriations, or \$3 million over the appropriation targets established by legislative leadership and the Governor in May 1996.

Local. For all counties excluding Wayne, there will be savings from the State's full assumption of judges' salaries. Counties also will see an increase in funding for civil legal assistance, and trial court operations. Effective October 1, 1997,

civil legal assistance will retain the full 23% of the State Court Fund that is allocated to it, without the diversion of \$2,000,000 that otherwise would go to the Court of Appeals for reduction of its backlog.

The proceeds of the State Court Fund will increase and become part of the Court Equity Fund, allowing counties that do not now receive money from this Fund to receive some of the funding based on the new formula. The Fund will include the current State Court Fund estimate for FY 1996-97 of \$19,004,000 for the out-State and State-funded trial courts, \$9,203,600 in restricted

funds, and \$1,796,400 of General Fund support. This is a total of \$50,004,000, which will be distributed under the bill to all funding units based on the new formula. With the additional \$20,000,000 hold harmless funds, this is a total of \$70,004,000 for trial courts.

Wayne County and the City of Detroit will incur additional cost as they will become responsible for court employees who will no longer be employees of the State Judicial Council. Although the General Fund dollars received by the county for court operations will be eliminated, the new formula and the hold harmless provision will allow Wayne County for the first two years to receive the same amount of State funds.

Although the bill will abolish the Recorder's Court and merge it with the Third Circuit Court, the amount of additional costs that may result from the merger is indeterminate. Currently, Wayne County is the funding unit for both the Third Circuit Court and the Recorder's Court; therefore, with or without the merger, the county will be responsible for any additional expenses not paid for by the State.

Fiscal Analyst: M. Bain

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.