

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 368**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the judicial branch for
5 the fiscal year ending September 30, 2000, from the funds indicated in
6 this part. The following is a summary of the appropriations in this
7 part:

SB0368, As Passed House, 052599Sub. S.B. 368 (H-1) as amended May 25, 1999
2For Fiscal Year Ending
September 30, 2000**1 JUDICIARY****2 APPROPRIATION SUMMARY:**

3	Full-time equated exempted positions.....	593.0	
4	GROSS APPROPRIATION.....	\$	[228,300,100]
5	Interdepartmental grant revenues:		
6	Total interdepartmental grants and intradepartmental		
7	transfers.....		2,287,400
8	ADJUSTED GROSS APPROPRIATION.....	\$	[226,012,700]
9	Federal revenues:		
10	Total federal revenues.....		3,077,800
11	Special revenue funds:		
12	Total local revenues.....		2,496,600
13	Total private revenues.....		1,702,400
14	Total other state restricted revenues.....		56,074,900
15	State general fund/general purpose.....	\$	[162,661,000]
16	Sec. 102. SUPREME COURT		
17	Full-time equated exempted positions.....	283.0	
18	Supreme court administration--118.0 FTE positions....	\$	13,973,900
19	Judicial institute--18.0 FTE positions.....		2,809,700
20	State court administrative		
21	office-administration--80.0 FTE positions.....		8,675,600
22	Judicial information systems--21.0 FTE positions....		4,182,900
23	Direct trial court automation support--30.0 FTE		
24	positions.....		2,496,600
25	Foster care review board--12.0 FTE positions.....		1,198,700
26	Community dispute resolution program--4.0 FTE		
27	positions.....		<u>2,872,300</u>

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1	GROSS APPROPRIATION.....	\$	36,209,700
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from state police-Michigan justice training fund.		300,000
5	IDG from state police-criminal justice improvement...		1,443,900
6	IDG from Michigan jobs commission.....		120,000
7	Federal revenues:		
8	HHS-court improvement project.....		629,800
9	USDA-agriculture mediation grant.....		469,900
10	DOT-national highway safety traffic administration...		215,300
11	DOJ-victims assistance program.....		50,000
12	Federal special education grant.....		130,000
13	HHS-title IV-D child support program.....		419,100
14	HHS-title IV-E foster care review program.....		276,700
15	HHS-OCSE-access and visitation program.....		387,000
16	HHS-temporary assistance for needy families federal		
17	funds.....		500,000
18	Special revenue funds:		
19	Local-user fees.....		2,496,600
20	Private.....		419,000
21	Private-interest on lawyers trust accounts.....		712,600
22	Private-state justice institute.....		500,800
23	State court fund.....		319,000
24	Community dispute resolution fees.....		1,642,300
25	Miscellaneous restricted.....		227,900
26	Law exam fees.....		477,200

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1	State general fund/general purpose.....	\$	24,472,600
2	Sec. 103. COURT OF APPEALS		
3	Full-time equated exempted positions.....	235.5	
4	Operations--223.5 FTE positions.....	\$	18,754,900
5	Delay reduction--12.0 FTE positions.....		<u>950,000</u>
6	GROSS APPROPRIATION.....	\$	19,704,900
7	Appropriated from:		
8	Special revenue funds:		
9	Court filing/motion fees.....		1,571,000
10	Miscellaneous revenues.....		77,800
11	State general fund/general purpose.....	\$	18,056,100
12	Sec. 104. TRIAL COURT OPERATIONS		
13	State court equity fund reimbursements.....	\$	69,840,400
14	Hold harmless reimbursements.....		<u>8,000,000</u>
15	GROSS APPROPRIATION.....	\$	77,840,400
16	Appropriated from:		
17	Special revenue funds:		
18	Court equity fund.....		36,044,000
19	State general fund/general purpose.....	\$	41,796,400
20	Sec. 105. JUSTICES' AND JUDGES COMPENSATION		
21	Full-time judges positions.....	610.0	
22	Supreme court justices' salaries--7.0 judges.....	\$	975,100
23	Court of appeals judges salaries--28.0 judges.....		3,588,400
24	District court judges state base salaries--259.0		
25	judges.....		18,463,700
26	District court judicial salary standardization.....		11,842,500

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1	Probate court judges state base salaries--106.0	
2	judges.....	7,029,100
3	Probate court judicial salary standardization.....	4,332,800
4	Circuit court judges state base salaries--210.0	
5	judges.....	15,637,000
6	Circuit court judicial salary standardization.....	9,228,000
7	Judges retirement-defined contribution.....	2,204,900
8	Grant to the OASI contribution fund, employers share,	
9	social security.....	<u>4,002,600</u>
10	GROSS APPROPRIATION.....	\$ 77,304,100
11	Appropriated from:	
12	Special revenue funds:	
13	Court fee fund.....	6,065,600
14	State general fund/general purpose.....	\$ 71,238,500
15	Sec. 106. JUDICIAL AGENCIES	
16	Full-time equated exempted positions.....10.0	
17	Judicial tenure commission--10.0 FTE positions.....	\$ <u>953,700</u>
18	GROSS APPROPRIATION.....	\$ 953,700
19	Appropriated from:	
20	State general fund/general purpose.....	\$ 953,700
21	Sec. 107. INDIGENT DEFENSE - CRIMINAL	
22	Full-time equated exempted positions.....64.5	
23	Appellate public defender program--56.5 FTE positions	\$ [5,368,400]
24	Grants to counties for indigent appellate services...	500,000
25	Appellate assigned counsel administration--8.0 FTE	
26	positions.....	<u>881,900</u>

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1	GROSS APPROPRIATION.....	\$	[6,750,300]
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from state police-Michigan justice training fund.		423,500
5	Special revenue funds:		
6	Private-interest on lawyers trust accounts.....		70,000
7	Miscellaneous revenue.....		113,100
8	State general fund/general purpose.....	\$	[6,143,700]
9	Sec. 108. INDIGENT DEFENSE - CIVIL		
10	Indigent civil defense.....	\$	<u>7,337,000</u>
11	GROSS APPROPRIATION.....	\$	7,337,000
12	Appropriated from:		
13	Special revenue funds:		
14	State court fund.....		7,337,000
15	State general fund/general purpose.....	\$	0
16	Sec. 109. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT		
17	Drunk driving caseflow program.....	\$	2,000,000
18	Drug caseflow program.....		<u>200,000</u>
19	GROSS APPROPRIATION.....	\$	2,200,000
20	Appropriated from:		
21	Special revenue funds:		
22	Drunk driving fund.....		2,000,000
23	Drug fund.....		200,000
24	State general fund/general purpose.....	\$	0
25			
26			

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1 PART 2

2 PROVISIONS CONCERNING APPROPRIATIONS

3 GENERAL SECTIONS

4 Sec. 201. (1) Pursuant to section 30 of article IX of the state
5 constitution of 1963, total state spending from state sources for fiscal
6 year 1999-2000 is estimated at [\$218,735,900.00] in this act and state
7 spending from state sources paid to local units of government for fiscal
8 year 1999-2000 is estimated at \$113,484,700.00. The itemized statement
9 below identifies appropriations from which spending to units of local
10 government will occur:

11 SUPREME COURT

12 State court administrative office - administration... \$ 511,900

13 TRIAL COURT OPERATIONS

14 Court equity fund reimbursements..... \$ 69,840,400

15 Hold harmless fund reimbursement..... 8,000,000

16 JUSTICES' AND JUDGES' COMPENSATION

17 District court judicial salary standardization..... \$ 11,842,500

18 Probate court judges' state base salaries..... 7,029,100

19 Probate court judicial salary standardization..... 4,332,800

20 Circuit court judicial salary standardization..... 9,228,000

21 INDIGENT DEFENSE - CRIMINAL

22 Grants to counties for indigent appellate services... \$ 500,000

23 GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

24 Drunk driving caseflow program..... \$ 2,000,000

25 Drug caseflow program..... 200,000

26 TOTAL..... \$ 113,484,700

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1 (2) If it appears to the principal executive officer of a department
2 or branch that state spending to local units of government will be less
3 than the amount that was projected to be expended under subsection (1),
4 the principal executive officer shall immediately give notice of the
5 approximate shortfall to the state budget director, the house and senate
6 appropriations committees, and the house and senate fiscal agencies.

7 Sec. 202. The appropriations made and the expenditures authorized
8 under this act and the departments, agencies, commissions, boards,
9 offices, and programs for which an appropriation is made under this act
10 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
11 18.1594.

12 Sec. 203. As used in this act:

13 (a) "DAG" means the United States department of agriculture.

14 (b) "DOE" means the United States department of education.

15 (c) "DOJ" means the United States department of justice.

16 (d) "DOT" means the United States department of transportation.

17 (e) "FTE" means full-time equated.

18 (f) "HHS" means the United States department of health and human
19 services.

20 (g) "IDG" means interdepartmental grant.

21 (h) "MDSP" means the department of state police.

22 (h) "OASI" means old age survivor's insurance.

23 (i) "TANF" means temporary assistance for needy families.

24 Sec. 204. Funds appropriated in this act shall not be used for the
25 purchase of foreign goods or services when competitively priced American
26 goods and services are available.

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1 Sec. 205. (1) The chief justice of the supreme court shall take all
2 reasonable steps to ensure businesses in deprived and depressed
3 communities compete for and perform contracts to provide services or sup-
4 plies, or both, for the judicial branch.

5 (2) The chief justice shall strongly encourage firms with which the
6 courts of this state contract to subcontract with certified businesses in
7 depressed and deprived communities for services or supplies, or both.

8 Sec. 206. (1) In addition to the funds appropriated in part 1,
9 there is appropriated an amount not to exceed \$500,000.00 for federal
10 contingency funds.

11 (2) In addition to the funds appropriated in part 1, there is appro-
12 priated an amount not to exceed \$500,000.00 for state restricted contin-
13 gency funds.

14 (3) In addition to the funds appropriated in part 1, there is appro-
15 priated an amount not to exceed \$100,000.00 for local contingency funds.

16 (4) In addition to the funds appropriated in part 1, there is appro-
17 priated an amount not to exceed \$100,000.00 for private contingency
18 funds.

19 (5) A transfer of contingency funds within the judicial branch shall
20 not be made by the authorized agent of the judicial entity unless
21 approved by both appropriations committees. If the state budget director
22 does not approve contingency fund transfers adopted by both appropria-
23 tions committees under this section, the state budget director shall
24 notify the appropriations committees of his or her action within 15
25 days.

26 Sec. 207. (1) The judicial branch shall provide to the senate and
27 house of representatives standing committees on appropriations and the

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1 senate and house fiscal agencies a monthly report on all personal service
2 contracts awarded without competitive bidding, pricing, or rate setting.

3 The notification shall include all of the following:

4 (a) The total dollar amount of the contract.

5 (b) The duration of the contract.

6 (c) The name of the vendor.

7 (d) The type of service to be provided.

8 (2) For personal service contracts of \$100,000.00 or more, the judi-
9 cial branch shall provide a monthly report on all of the following:

10 (a) The total dollar amount of the contract.

11 (b) The duration of the contract.

12 (c) The name of the vendor.

13 (d) The type of service to be provided.

14 Sec. 208. Sixty days prior to beginning any effort to privatize,
15 the judicial branch shall submit a complete project plan to the appropri-
16 ate house and senate appropriations subcommittees and the house and
17 senate fiscal agencies. The plan shall include the criteria under which
18 the privatization initiative will be evaluated. The evaluation shall be
19 completed and submitted to the appropriate house and senate appropria-
20 tions subcommittees and the house and senate fiscal agencies within 30
21 months.

22 Sec. 209. All reports required by this act shall be made available
23 to the public primarily through Internet access, unless a printed version
24 is requested. The judiciary shall provide electronic notification to all
25 legislative offices for specific reports requested by the legislature.

26 Sec. 209a. The judicial branch shall create and retain copies of
27 reports for all money appropriated under section 101.

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1 Sec. 210. The judicial branch shall provide a report prepared by
2 the judicial branch's internal auditor for the prior fiscal year. This
3 report shall include a listing of each audit or investigation performed
4 by the internal auditor pursuant to sections 486(4) and 487 of the man-
5 agement and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report
6 shall identify the proportion of time spent on each of the statutory
7 responsibilities described in sections 485(4), 486(4), and 487 of the
8 management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and
9 18.1487, and the time spent on all other activities performed in the
10 internal audit function. The first report is due March 1, 2000, and
11 beginning on May 1, 2002, biennially thereafter. The reports shall be
12 submitted to the governor, auditor general, the senate and house appro-
13 priations committees, the senate and house fiscal agencies, and the chief
14 justice.

15 **JUDICIAL BRANCH**

16 Sec. 301. (1) The direct trial court automation support program of
17 the state court administrative office shall recover direct and overhead
18 costs from trial courts by charging for services rendered. The fee shall
19 cover the actual costs incurred to the direct trial court automation sup-
20 port program in providing the service. A report of amounts collected in
21 excess of funds identified as user service charges in part 1 shall be
22 submitted to the state budget director and to the house and senate appro-
23 priations subcommittees on judiciary 30 days before expenditure by the
24 direct trial court automation support program.

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1 (2) From funds appropriated in part 1, the direct trial court
2 automation support program of the state court administrative office shall
3 provide to the state budget director, the senate and house appropriations
4 committees, and the senate and house fiscal agencies before January 1 of
5 each year, a detailed list of user service charges collected during the
6 immediately preceding state fiscal year.

7 Sec. 302. Funds appropriated within the judicial branch shall not
8 be expended by any component within the judicial branch without the
9 approval of the supreme court.

10 Sec. 303. Of the amount appropriated in part 1 for the judicial
11 branch, \$325,000.00 is allocated for circuit court reimbursement under
12 section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for
13 court of claims reimbursement under section 6413 of the revised judica-
14 ture act of 1961, 1961 PA 236, MCL 600.6413.

15 Sec. 304. The judicial branch shall cooperate with the auditor gen-
16 eral regarding audits of the judicial branch conducted pursuant to sec-
17 tion 53 of article IV of the state constitution of 1963.

18 Sec. 305. To avoid the overexpenditure of funds appropriated under
19 this act, the supreme court shall report quarterly to the state budget
20 director and to the judiciary subcommittees of the house and senate
21 appropriations committees regarding the status of the accounts set forth
22 in part 1.

23 Sec. 306. From funds appropriated under part 1, forms required to
24 be developed by the state court administrative office pursuant to
25 section 2950b of the revised judicature act of 1961, 1961 PA 236, MCL
26 600.2950b, shall be provided in the quantity requested by each county
27 clerk.

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1 Sec. 306a. (1) The state supreme court and the state court
2 administrative office shall consider and analyze the various methods of
3 providing necessary travel for judges, and shall then adopt as policy for
4 all judicial agencies the most efficient and cost-effective method.

5 (2) This analysis and policy shall be submitted to the house and
6 senate fiscal agencies.

7 Sec. 307. The supreme court shall continue to implement and enforce
8 an appropriate antinepotism policy, which shall include provisions that
9 prohibit a judge from hiring or employing a member of his or her immedi-
10 ate family as a court employee or in any judicial support related
11 capacity.

12 Sec. 308. Funds appropriated in part 1 shall not be used to pay
13 directly or by reimbursement the annual dues for membership in the state
14 bar of Michigan of a judge, justice, or other employee of the judicial
15 branch.

16 Sec. 309. (1) The chief financial officer of a funding unit for a
17 court, in cooperation with the local court, shall provide to the state
18 treasurer and state court administrative office by January 1, 2000
19 audited accounts of all money due and owing the court as of September 30,
20 1999. Where audited accounts are not available, the chief financial
21 officer of a funding unit for a court may provide estimates as long as
22 they are clearly marked as "estimated".

23 (2) The state treasurer shall report to the legislature a compila-
24 tion of the estimated accounts receivable of all courts and cumulative
25 totals by March 1, 2000. This report is a public record.

26 Sec. 310. The state court administrative office, from funds
27 appropriated in part 1, shall assist the court of appeals and trial

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1 courts to meet American bar association model standards on case
2 processing.

3 Sec. 311. If sufficient funds are not available from the court fee
4 fund to pay judges' compensation, the difference between the appropriated
5 amount from that fund for judges' compensation and the actual amount
6 available after the amount appropriated for trial court reimbursement is
7 made shall be appropriated from the state general fund for judges'
8 compensation.

9 Sec. 312. Funds appropriated in part 1 for indigent defense shall
10 be used in accordance with terms and conditions of section 1485(11)(b) of
11 the revised judicature act of 1961, 1961 PA 236, MCL 600.1485, including
12 reference to federal prohibitions against providing legal assistance with
13 respect to any proceeding or litigation which seeks to procure an
14 abortion.

15 Sec. 315. The additional \$500,000.00 state general fund appropria-
16 tion for community dispute resolution contained in part 1 shall be used
17 to supplement funding for community dispute resolution centers. The sup-
18 plemental funding shall be disbursed by formula to achieve a .6 FTE posi-
19 tion base level of funding for centers funded through the community dis-
20 pute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, with the
21 remainder disbursed based upon performance measures as determined by the
22 state court administrative office in conjunction with representatives of
23 all the community dispute resolution centers.

24 Sec. 316. Ten percent of the appropriations under this act shall be
25 placed in a grant known as the "reimbursement accountability grant". The
26 grant money shall be disbursed to the judicial branch upon certification
27 by the legislative auditor general that the supreme court has taken all

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1 steps necessary to guarantee that funds appropriated in part 1 are not
2 used to pay for, or to provide reimbursement for, conferences or social
3 functions, including holiday meals, for state employees or members of
4 state boards and commissions.

5 Sec. 317. (1) The judicial branch shall submit to the department of
6 management and budget, the house and senate appropriations committees,
7 the house and senate fiscal agencies, and the house and senate standing
8 committees with jurisdiction over technology issues quarterly reports on
9 the judicial branch's efforts to change the judicial branch's computer
10 software and hardware as necessary to perform properly in the year 2000
11 and beyond. These reports shall identify actual progress in comparison
12 to the judicial branch's approved work plan for these efforts.

13 (2) Beginning with the report on April 1, 2000, the judicial branch
14 shall submit to the department of management and budget, the senate and
15 house of representatives standing committees on appropriations, the
16 senate and house fiscal agencies, and the senate and house standing com-
17 mittees having jurisdiction over technology issues quarterly reports
18 identifying for the immediately preceding quarter any problems with
19 information systems, any occurrences of information system failure as a
20 result of noncompliance with year 2000 standards, and any previously
21 unidentified area of impact. These reports shall identify all systems
22 needing corrective action and the contractual obligations of all account-
23 able parties. These reports shall give the status of the progress made
24 in repairing and testing applications, the status of all vendor-supplied
25 solutions to problems, information on the activation of manual or con-
26 tract processes used to correct problems, and an itemization of the
27 additional costs incurred.

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1 (3) The judicial branch may present progress billings to the
2 department of management and budget for the costs incurred in changing
3 computer software and hardware as necessary to perform properly in the
4 year 2000 and beyond and for costs incurred as a result of initiating
5 corrective actions. At the time progress billings are presented for
6 reimbursement, the judicial branch shall identify the funding sources
7 that should support the work performed, and the department of management
8 and budget shall forward the appropriate funding.

9 Sec. 318. The appropriations in part 1 for grants to counties for
10 indigent appellate services are intended for a reimbursement pilot
11 program. Distribution of these funds will be by formula established by
12 the state court administrator, Michigan association of counties, and
13 house and senate fiscal agencies. A recommendation shall be presented to
14 the house and senate appropriations subcommittees on judiciary for
15 approval prior to disbursement.

16 Sec. 319. The state auditor general shall perform an audit [of the
17 appellate public defender] to
18 ensure program effectiveness, efficiencies, and compliance with state
law.