

Summary: As Passed by the House
JUDICIARY FY 2003-04
Senate Bill 281 (H-1)



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Budget Overview

Article VI of the State Constitution of 1963 is the basis for Michigan's judicial branch of government. The Judiciary budget includes operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. Additionally, the budget funds the salaries of justices of the Supreme Court and judges at the appeals, circuit, probate, and district levels according to constitutional and statutory requirements. Grant funding for trial court operations is provided to counties through Court Equity Fund reimbursements based on a statutory formula. Various other grant programs provide funding to trial courts and related organizations. In FY 2002-03, justices' and judges' salaries constitute the largest portion of the Judiciary budget: approximately 37 percent of the Gross budget and 48 percent of the GF/GP budget.

Summary of Major Budget Issues

Filing Fee Increases – The Executive Recommendation incorporated \$8.1 million in restricted revenue from proposed filing fee increases. Of this total, \$5.7 million would offset GF/GP funding for Court Equity Fund reimbursements (\$3.0 million), the Judicial Technology Improvement Fund (JTIF; \$2.1 million), and the Community Dispute Resolution Program (\$559,200). The remaining \$2.4 million would provide a net increase in funding for the JTIF. The Senate concurred and also increased the appropriation of restricted revenue for the Court of Appeals by \$87,500 to accurately reflect projected fee revenue for the court under the proposal. The House concurred with the Senate, but included an additional \$100,500 in restricted revenue for the Court of Appeals to reflect additional fee increases that could be incorporated into the proposal.

Justice System Fund – The Executive Recommendation incorporated \$6.9 million in restricted revenue from the proposed Justice System Fund, which would receive revenue from consolidated assessments on traffic citations, other civil infractions, misdemeanors, and felonies. Of this total, \$5.6 million would offset GF/GP funding for Court Equity Fund reimbursements, and \$1.3 million would be used to increase the amount of funding available for the Drug Court Grant Program. The Senate and House concurred.

FY 2003-04 Recommendations

	FY 2002-03 YTD (as of 3/6/03)	Executive	Senate	House	Enacted	Difference: House to 2002-03 YTD	
						Amount	%
IDG/IDT	\$2,833,500	\$4,633,500	\$4,633,500	\$4,633,500		\$1,800,000	63.5
Federal	3,901,000	3,806,500	3,806,500	4,106,500		205,500	5.3
Local	2,941,800	2,898,700	2,898,700	2,898,700		(43,100)	(1.5)
Private	842,500	842,500	842,500	842,500		0	0.0
Restricted	57,477,700	78,995,300	79,082,900	79,183,100		21,705,400	37.8
GF/GP	174,721,000	161,316,400	161,316,400	161,314,400		(13,404,600)	(7.7)
Gross	\$242,717,500	\$252,492,900	\$252,580,500	\$252,978,700		\$10,261,200	4.2
FTEs	582.5	582.5	582.5	582.5		0.0	0.0

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		YTD FY 2002-03	House Change
1. Court Equity Fund Reimbursements	Gross	\$70,656,100	(\$750,100)
Executive Recommendation reflected increased restricted revenue for Court Equity Fund reimbursements from proposed filing fee increases (\$3.0 million) and the proposed Justice System Fund (\$5.6 million). A GF/GP reduction offsets this revenue increase, resulting in a net reduction of \$750,100. Senate and House concurred.	Restricted	36,044,000	8,625,900
	GF/GP	\$34,612,100	(\$9,376,000)
Executive: (\$750,100)			
Senate: (\$750,100)			
2. Judicial Technology Improvement Fund	Gross	\$2,072,800	\$2,392,200
Executive Recommendation included new restricted revenue for the Judicial Technology Improvement Fund from proposed filing fee increases. Elimination of the existing GF/GP funds appropriated for judicial technology improvement and court boundary realignment costs leaves a \$2.4 million net increase. Senate and House concurred.	Restricted	0	4,465,000
	GF/GP	\$2,072,800	(\$2,072,800)
Executive: \$2,392,200			
Senate: \$2,392,200			
3. Drug Court Grant Program	Gross	\$1,280,800	\$3,354,200
Executive Recommendation included new restricted revenue for the Drug Court Grant Program from the proposed Justice System Fund, as well as an IDG of federal Byrne grant funding from the Community Health budget to fund drug court initiatives; see new boilerplate section 306(5). Senate concurred. House also included federal authorization for possible drug court training and evaluation grant.	IDG	0	1,800,000
	Federal	0	300,000
	Restricted	0	1,267,500
	GF/GP	\$1,280,800	(\$13,300)
Executive: \$3,054,200			
Senate: \$3,054,200			
4. Community Dispute Resolution Program	Gross	\$2,505,600	(\$5,800)
Executive Recommendation reflected increased restricted revenue for the Community Dispute Resolution Program from proposed filing fee increases. This increase roughly offsets the elimination of the current GF/GP appropriation for the program. Senate and House concurred.	Federal	275,000	0
	Restricted	1,665,600	559,200
	GF/GP	\$565,000	(\$565,000)
Executive: (\$5,800)			
Senate: (\$5,800)			
5. Operational Reductions	Gross	NA	(\$1,328,600)
Executive Recommendation contained \$1.3 million GF/GP in reductions across all operational line items in the budget. Senate and House concurred.	GF/GP	NA	(\$1,328,600)
Executive: (\$1,328,600)			
Senate: (\$1,328,600)			

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		YTD FY 2002-03	House Change
6. Justices' and Judges' Compensation	Gross	\$90,679,600	\$1,585,100
Executive Recommendation included three types of positive adjustments: (1) restored funding for one-time savings in FY 2002-03 due to timing of pay periods (\$953,500), (2) new/annualized funding for additional/converted judgeships (\$500,100), and (3) social security and retirement cost increases (\$131,500). Senate and House concurred.	Restricted	7,090,200	0
	GF/GP	\$83,589,400	\$1,585,100
Executive: \$1,585,100			
Senate: \$1,585,100			
7. Rent and Building Occupancy Charges	Gross	NA	(\$1,068,000)
Executive Recommendation included reductions in private rent (\$295,100) and building occupancy charges (\$772,900) for facilities in which judicial agencies are housed. Senate and House concurred.	GF/GP	NA	(\$1,068,000)
Executive: (\$1,068,000)			
Senate: (\$1,068,000)			
8. Early Retirement Adjustments	Gross	NA	(\$566,000)
Executive Recommendation reflected two types of adjustments related to 2002 early retirement package: (1) removal of funds for one-time leave payouts and (2) annualization of savings for October 2002 retirees. Senate and House concurred.	GF/GP	NA	(\$566,000)
Executive: (\$566,000)			
Senate: (\$566,000)			
9. Juror Compensation Reimbursement	Gross	\$0	\$6,600,000
Executive Recommendation included new statutory restricted funding source for juror compensation reimbursement payments to trial courts. Senate and House concurred.	Restricted	0	6,600,000
Executive: \$6,600,000			
Senate: \$6,600,000			
10. Court of Appeals Fee Revenue	Gross	\$1,571,000	\$188,000
Senate increased appropriation for Court of Appeals fee revenue to reflect proposed filing fee increase. House included further increase to reflect additional fee increases that could be incorporated into the revenue proposal (motion fees/copying fee).	Restricted	1,571,000	188,000
Executive: \$0			
Senate: \$87,500			
11. Transcript Fee Reimbursement	Gross	\$0	\$0
Senate added \$100 placeholder for transcript fee reimbursement to counties. Placeholder not included by House.	Restricted	0	0
Executive: \$0			
Senate: \$100			

Note: House created \$100 points of difference from Senate in all GF/GP line items, as well as line items in which GF/GP is being completely offset by new restricted funds; \$100 changes are not reflected in figures above.

Major Boilerplate Changes from FY 2002-03:

Sec. 206. Contingency Funds – DELETED

Executive Recommendation retained section appropriating federal, restricted, local, and private contingency funds that can be expended upon legislative transfer to a specific line item. Senate deleted section, with concurrence by House.

Sec. 212. Retention of Reports – RETAINED

Executive Recommendation deleted section requiring Judiciary to create and retain reports according to federal and state guidelines. Senate concurred. House retained section.

Sec. 307. Court of Appeals Backlog Reduction – NEW

Senate added new section stating legislative intent that \$225,000 of additional revenue from the proposed Court of Appeals filing fee increase (from \$250 to \$375) be used for the purpose of delay reduction. House concurred.

Sec. 310. (Current Year) Community Dispute Resolution Program – DELETED

Executive Recommendation deleted section providing for distribution of GF/GP funding for the program (1) to achieve a base level of \$30,000 and (2) for the remainder, based on performance measures (similar language proposed for incorporation into governing statute). Section also encourages distribution of informational brochures regarding program. Senate and House concurred.

Sec. 310. (House) Drug Court Evaluation – NEW

Senate added new section requiring an independent evaluation of drug court programs funded by the Judiciary budget, with the evaluation to include measures of the impact of drug court programs in changing recidivism and substance abuse and reducing prison admissions. House concurred.

Sec. 311(5). Byrne Grant Funding – NEW

Executive Recommendation added new language providing for Judiciary to receive \$1.8 million in Byrne formula grant funding for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders. Senate and House concurred.

Sec. 313. Child Support Enforcement System (CSES) Penalties – DELETED

Executive Recommendation deleted section providing that counties not be penalized for discompliance with federal CSES requirements if the Family Independence Agency determines that certain conditions have been met. Senate and House concurred.

Sec. 316(3). CSES Refund/Cyber Court – RETAINED/MODIFIED

Executive Recommendation deleted language appropriating \$6.0 million into Judiciary Technology Improvement Fund (JTIF) contingent on receipt of a CSES penalty refund from the federal government. Senate retained language. House modified language to require that *not less than* \$1.0 million, but not more than \$2.0 million, of the \$6.0 million appropriated into the JTIF be used for development of a cyber court (current-year language provides that *up to* \$1.0 million could be used for that purpose).

Sec. 318. Child Care Studies – DELETED

Executive Recommendation deleted section directing Supreme Court to assist local trial courts with feasibility studies on the provision of child care for parents who must appear in court. Senate and House concurred.

Sec. 320. Juvenile Justice System – DELETED

Executive Recommendation deleted section calling for judicial branch to work with other state agencies to improve delivery of mental health/substance abuse treatment and education/training services for individuals leaving the juvenile justice system. Senate and House concurred.

Sec. 322. Court Boundary Realignment – DELETED

Executive Recommendation deleted section providing for allocation of funds appropriated for court boundary realignment (one-time appropriation). Senate and House concurred.