

**Summary: HB 5520 CR-1
 FY 2004-05 JUDICIARY CONFERENCE REPORT
 September 7, 2004**



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	FY 2003-04 YTD					Difference: Conference	
	(as of 2/12/04)	Executive	House	Senate	Conference	Amount	%
IDG/IDT	\$4,633,500	\$4,633,500	\$4,633,500	\$4,633,500	\$4,633,500	\$0	0.0
Federal	4,106,500	3,815,600	4,015,600	4,015,600	4,015,600	(90,900)	(2.2)
Local	3,148,700	3,298,100	3,298,100	3,298,000	3,298,100	149,400	4.7
Private	842,500	842,500	842,500	842,500	842,500	0	0.0
Restricted	86,120,300*	82,333,600	82,333,600	82,333,100	82,333,700	(3,786,600)	(4.4)
GF/GP	160,216,400	158,093,300	158,093,300	158,092,100	158,093,300	(2,123,100)	(1.3)
Gross	\$259,067,900	\$253,016,60	\$253,216,60	\$253,214,80	\$253,216,70	(5,831,200)	(2.3)
FTEs	582.5	582.5	582.5	582.5	582.5	0.0	0.0

* includes \$6.0 million in one-time boilerplate appropriations

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. The budget also 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.

Summary of FY 2004-05 Major Budget Issues

Court Fees and Assessments

Replaces \$2.2 million GF/GP with additional state restricted revenue anticipated under court funding revisions that took effect October 1, 2003.

Judgeships

Recognizes changes in judgeships under 2001-02 session enactments; net effect of \$101,700 reduction.

Court Equity Fund Reimbursements/Judicial Technology Fund

Reduces Court Equity Fund reimbursements for local trial court operations by \$1.0 million.

Other Programs

Maintains FY 2003-04 funding levels for drug courts, indigent legal assistance, Michigan Judicial Institute.

New Federal Grant

Adds funding for newly-approved distribution of \$200,000 in federal children's justice grant funding, to be used to develop, print, and implement a written protocol and training curriculum for guardians ad litem and parents in child protection proceedings.

Transcript Fees

Adds \$100 placeholder (funded with state restricted funds) to accommodate possibility that statutory transcript fee maximums are increased and a source of revenue is found to reimburse counties for their increased costs.

<u>Major Budget Changes from FY 2003-04 YTD Appropriations:</u>		FY 2003-04 YTD (as of 2/12/04)	Conference Change
1. Court Equity Fund Reimbursements	Gross	\$69,906,000	(\$1,000,000)
Decreases line item for court equity formula grant program by \$1.0 million Gross, reflecting \$2.8 million GF/GP reduction offset by \$1.8 million increased restricted revenue deriving from fee changes that took effect October 1, 2003.	Restricted	44,669,900	1,768,900
<u>Executive:</u> same as Conference	GF/GP	\$25,236,100	(\$2,768,900)
<u>House:</u> same as Conference			
<u>Senate:</u> same as Conference			
2. Drug Court Grant Program	Gross	\$4,635,000	\$0
Increases restricted revenues deriving from civil infraction assessments and statutory state costs in criminal cases; reduce GF/GP support by identical amount.	IDG	1,800,000	0
<u>Executive:</u> same as Conference	Federal	300,000	0
<u>House:</u> same as Conference	Restricted	1,267,500	420,800
<u>Senate:</u> same as Conference	GF/GP	\$1,267,500	(\$420,800)
3. Judgeship Changes	Gross	\$86,872,100	(\$101,700)
Reflects changes in costs of salaries, retirement, and social security due to changes in judgeships enacted during 2001-2002 legislative session.	Restricted	7,090,200	0
<u>Executive:</u> same as Conference	GF/GP	\$79,781,900	(\$101,700)
<u>House:</u> same as Conference			
<u>Senate:</u> same as Conference			
4. New Federal Grant	Gross	\$0	\$200,000
Adds funding for newly-approved distribution of \$200,000 in federal children's justice grant funding, to be used to develop, print, and implement a written protocol and training curriculum for guardians ad litem and parents in child protection proceedings.	Federal	0	200,000
<u>Executive:</u> not included	GF/GP	\$0	\$0
<u>House:</u> same as Conference			
<u>Senate:</u> same as Conference			
5. Employee-Related Savings	Gross	N/A	(\$1,496,900)
Incorporates unspecified savings applied to lines funding FTEs and totaling \$1.5 million Gross, \$1.4 million GF/GP.	Federal	N/A	(13,100)
<u>Executive:</u> same as Conference	Local	N/A	(81,600)
<u>House:</u> same as Conference	Restricted	N/A	(11,500)
<u>Senate:</u> same as Conference	GF/GP	N/A	(\$1,390,700)
6. Economics	Gross	N/A	\$2,858,800
Includes economic adjustments for salaries and wages (\$2.0 million Gross, \$1.8 million GF/GP), insurances (\$568,300 Gross, \$526,600 GF/GP), retirement (\$1.5 million Gross, \$1.4 million GF/GP), workers' compensation (\$10,000 Gross and GF/GP), and building occupancy charges (\$1.2 million Gross and GF/GP).	Federal	N/A	33,700
<u>Executive:</u> same as Conference	Local	N/A	231,000
<u>House:</u> same as Conference	Restricted	N/A	35,100
<u>Senate:</u> same as Conference	GF/GP	N/A	\$2,559,000

Major Boilerplate Changes from FY 2003-04:

Sec. 211. Personal Service Contracts – RETAINED

Retains requirement for monthly report on personal service contracts.

Executive: not included

House: same as Conference

Senate: same as Conference

Sec. 213. Contingency Funds – NEW/DELETED

Does not include that would have provided for appropriation and expenditure authorization via legislative transfer for federal, state-restricted, local, and private funds that became available during the fiscal year, but were not included in the budget act.

Executive: included

House: included

Senate: same as Conference

Sec. 304. Cooperation with Auditor General – RETAINED

Retains section requiring judicial branch to cooperate with auditor general regarding judicial branch audits.

Executive: not included

House: same as Conference

Senate: same as Conference

Sec. 304. Court Technology – NEW/DELETED

Does not include Executive-proposed language that would have distributed \$1.0 million of the Judicial Technology Improvement Fund (JTIF) to counties in the same proportion as Court Equity Fund distributions.

Executive: included

House: included

Senate: same as Conference

Sec. 313. Judicial Technology Improvement Fund/CSES Refund/Cyber Court – MODIFIED

Retains language establishing criteria for use of Judicial Technology Improvement Fund (JTIF) and explicitly allowing bill's appropriations be used for cyber court, and deletes obsolete language that appropriates to the JTIF a portion of the refund of federal penalties pertaining to child support enforcement system (CSES).

Executive: deleted entire section

House: same as Conference

Senate: same as Conference

Sec. 314. Mental Health Courts – RETAINED

Retains requirement for State Court Administrative Office (SCAO) to assist interested local courts in obtaining federal funds for mental health courts, should such funds become available.

Executive: not included

House: same as Conference

Senate: same as Conference

Sec. 315. Communication with DIT – RETAINED

Retains requirement for judicial branch to communicate with Department of Information Technology on information technology activities.

Executive: not included

House: same as Conference

Senate: same as Conference

Sec. 317. Transcript Fee Reimbursements – NEW

Provides for Judiciary to use as-yet-identified transcript fee reimbursement funds to reimburse counties for additional costs incurred in the event of a statutory increase in maximum allowable transcript fees. Associated line item is a \$100 placeholder.

Executive: not included

House: not included

Senate: same as Conference