

Summary: House Bill 5520 (H-1) FY 2004-05 JUDICIARY



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	FY 2003-04 YTD (as of 2/12/04)	Executive	House	Senate	Enacted	Difference: House from FY 2003-04 YTD	
						Amount	%
IDG/IDT	\$4,633,500	\$4,633,500	\$4,633,500			\$0	0.0
Federal	4,106,500	3,815,600	4,015,600			(90,900)	(2.2)
Local	3,148,700	3,298,100	3,298,100			149,400	4.7
Private	842,500	842,500	842,500			0	0.0
Restricted	80,120,300	82,333,600	82,333,600			2,213,300	2.8
GF/GP	160,216,400	158,093,300	158,093,300			(2,123,100)	(1.3)
Gross	\$253,067,900	\$253,016,600	\$253,216,600			\$148,700	0.1
FTEs	582.5	582.5	582.5			0.0	0.0

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 the enacted FY 2003-04 budget, justices' and judges' salaries constitute the largest portion of the Judiciary budget: 36% of the gross budget and 53% of the GF/GP budget.

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. No adjustments for judgeship changes under discussion in current session.

Court Equity Fund Reimbursements/Judicial Technology Fund

Reduces Court Equity Fund reimbursements for local trial court operations by \$1.0 million, but uses boilerplate to earmark \$1.0 million of Judicial Technology Improvement Fund (funded at current-year level) for local courts.

Other Programs

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

New Federal Grant

House substitute 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.

Major Budget Changes from FY 2003-04 YTD Appropriations:

1. Court Equity Fund Reimbursements

Executive and proposed House: decrease 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. Associated boilerplate directs \$1.0 million from the Judicial Technology Fund to counties to provide funds for court technology needs.

	FY 2003-04 YTD (as of 2/12/04)	Proposed House Change
Gross	\$69,906,000	(\$1,000,000)
Restricted	44,669,900	1,768,900
GF/GP	\$25,236,100	(\$2,768,900)

Major Budget Changes from FY 2003-04 YTD Appropriations:		FY 2003-04 YTD (as of 2/12/04)	Proposed House Change
2. Drug Court Grant Program	Gross	\$4,635,000	\$0
<u>Executive</u> and proposed <u>House</u> : increase 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
	Federal	300,000	0
	Restricted	1,267,500	420,800
	GF/GP	\$1,267,500	(\$420,800)
3. Judgeship Changes	Gross	\$86,872,100	(\$101,700)
<u>Executive</u> and proposed <u>House</u> : reflect 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
	GF/GP	\$79,781,900	(\$101,700)
4. New Federal Grant	Gross	\$0	\$200,000
Proposed <u>House</u> 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
	GF/GP	\$0	\$0
5. Employee-Related Savings	Gross	N/A	(\$1,496,900)
<u>Executive</u> and proposed <u>House</u> : unspecified savings applied to lines funding FTEs and totaling \$1.5 million Gross, \$1.4 million GF/GP.	Federal	N/A	(13,100)
	Local	N/A	(81,600)
	Restricted	N/A	(11,500)
	GF/GP	N/A	(\$1,390,700)
6. Economics	Gross	N/A	\$2,858,800
<u>Executive</u> and proposed <u>House</u> : 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
	Local	N/A	231,000
	Restricted	N/A	35,100
	GF/GP	N/A	\$2,559,000

Major Boilerplate Changes from FY 2003-04:

Sec. 211. Personal Service Contracts – RETAINED

House substitute retains requirement for monthly report on personal service contracts. Executive proposed to delete.

Sec. 213. Contingency Funds – NEW

Executive and House: Appropriates federal, restricted, local, and private contingency funds that can be expended upon legislative transfer to a specific line item.

Sec. 304. Cooperation with Auditor General – RETAINED

House substitute retains section requiring judicial branch to cooperate with auditor general regarding judicial branch audits. Executive proposed to delete.

Sec. 304. Court Technology – NEW

Executive and House: Appropriates \$1.0 million from Judicial Technology Fund to counties to provide funds for court technology needs; distribution proportionate to Court Equity Fund distributions.

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

House retains two subsections establishing criteria for use of Judicial Technology Improvement Fund (JTIF) and explicitly allowing bill's appropriations be used for cyber court, and deletes subsection appropriating \$6.0 million of the refund of federal child support enforcement system (CSES) penalties for JTIF, including \$1.0 million for cyber court. Executive deletes entire section.

Sec. 314. Mental Health Courts – RETAINED

House substitute 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 proposed to delete.

Sec. 315. Communication with DIT – RETAINED

House substitute retains requirement for judicial branch to communicate with Department of Information Technology on information technology activities. Executive proposed to delete.