



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5520 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$253,067,900
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Changes from FY 2003-04 Year-to-Date:

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| <p>1. Court Equity Fund Reimbursements. The budget replaces \$1,768,900 in GF/GP funding with additional state restricted revenue available from the Court Equity Fund due to the increases in court filing fees, the state minimum court costs and the justice system assessments implemented in October 1, 2003. In addition, the Governor and House budget reduces reimbursements to courts by \$1,000,000, but includes associated boilerplate requiring that \$1,000,000 of the Judicial Technology Improvement Fund be allocated to counties according to the Court Equity Fund reimbursement formula and that it should be expended for court technology improvements. The Senate retains the line item reduction but deletes the related boilerplate.</p> | (1,000,000) |
| 2. Drug Treatment Courts. The budget also replaces \$420,800 in GF/GP funding with additional state restricted revenue available from the drug court fund due to the state minimum court costs and justice system assessments implemented October 1, 2003. | 0 |
| 3. Judgeships. The recommendation reflects changes in judges' salary lines due to legislation enacted prior to 2004 reducing the number of judgeships during FY 2004-05. | (101,700) |
| 4. New Federal Grant. The House and Senate recognize a new Federal children's justice grant for development, printing, and implementation of a written protocol and training curriculum for guardians ad litem and parents in child protection proceedings. | 200,000 |
| 5. Loss of Federal Funds. The budget recognizes the discontinuation of two federal mediation grant programs totaling \$275,000 as well as the loss of a Federal Department of Justice grant of \$36,500 to the State Appellate Defender's Office. It also recognizes the elimination of two Federal grants totaling \$225,000 to the Judicial Institute for training judges on domestic violence prevention and the enforcement of underage drinking laws. Finally, it includes the loss of a Federal Temporary Aid to Needy Families (TANF) grant of \$50,000. The budget does create a new Other Federal Grants line to provide general authorization to spend up to \$275,000 in Federal funds if they become available. | (311,500) |
| 6. Employee-Related Savings. The recommendation includes savings as part of a Statewide plan for employee concessions equal to 5% of all salaries. | (1,496,900) |
| 7. Economic Adjustments. The budget includes economic increases for salaries, insurances, and retirement as well as savings in worker's compensation and building occupancy charges. | 2,858,800 |
| 8. Transcript Fee Reimbursement. The Senate includes a \$100 placeholder funded with state restricted funds in the event that statutory transcript fee maximums are increased and a source of revenue is found to reimburse counties for associated increased costs. | 100 |
| 9. Points of Difference. The Senate creates \$100 points of difference in all lines funded by GF/GP and state restricted funds except judicial salaries, which constitutionally cannot be reduced. | (1,900) |
| 10. Comparison to Governor's Recommendation. The Senate recommendation is \$198,200 Gross over and \$1,200 GF/GP under the Governor's recommendation. | |

Total Changes.....	146,900
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FY 2004-05 Senate Gross Appropriation	\$253,214,800
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Changes from FY 2003-04 Year to Date:

1. **Privatization.** The Executive deletes, but the House and Senate retain language requiring a privatization plan and evaluation. (Section 207)
2. **Internet Reports.** The budget maintains the internet and electronic mail reporting requirement but deletes a quarterly list of reports which have been provided electronically. (Section 208)
3. **Deprived and Depressed.** The House retains, but the Executive and Senate delete language encouraging contracts with businesses from deprived and depressed communities. (Section 210)
4. **Personal Service Contracts.** The Executive deletes, but the House and Senate retain a monthly reporting requirement on personal service contracts awarded without competitive bidding as well as personal service contracts of \$100,000 or more. (Section 211)
5. **Report Retention.** The Executive deletes, but the House and Senate retain a requirement that the Judiciary follow Federal and State guidelines for retention of reports and records funded from appropriations in part 1. (Section 212)
6. **Contingency Funds.** The Executive and House add language allowing the transfer of contingency funds of up to \$500,000 in Federal funds, \$500,000 in state restricted funds, \$100,000 in local funds, and \$100,000 in private funds. (Section 213) The Senate deletes this section.
7. **Travel restrictions.** The Senate includes boilerplate language prohibiting the expenditure of funds on travel outside the State of Michigan. (Section 215)
8. **Cooperation with Auditor General.** The Executive deletes, but the House and Senate retain a requirement that the Judiciary cooperate with the Auditor General regarding audits. (Section 304)
9. **Account Status Reports.** The Executive deletes, but the House and Senate retain quarterly reporting requirements on the status of accounts in order to avoid overexpenditures. (Section 305)
10. **Judicial Technology Improvement Fund (JTIF).** The Executive deletes the entire section describing appropriate expenditures of funds from the JTIF. The House and Senate retain it except for subsection 3, which directed the expenditure of a one-time \$6,000,000 refund of penalties from the Federal government received in FY 2003-04 for the child support enforcement system. (Section 313)
11. **Mental Health Courts.** The Executive deletes, but the House and Senate retain a requirement that the State Court Administrative Office assist local courts in obtaining Federal funding for mental health courts if it were to become available. (Section 314)
12. **Information Technology.** The Executive deletes, but the House and Senate retain language encouraging communication between the Judiciary and the Department of Information Technology regarding information technology activities. (Section 315)
13. **JTIF Distribution to Counties.** The Executive and House add new language designating \$1,000,000 of the JTIF for distribution to counties based on their percent of court equity fund reimbursements. The funds would be expended for court technology needs. (Section 316) The Senate deletes this section.
14. **Transcript Fees.** The Senate includes new boilerplate language directing that the appropriation in part 1 for transcript fee reimbursement be used to reimburse counties for increased costs in the event that statutory transcript fee maximums are increased. (Section 317)

Date Completed: June 3, 2004

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