To: Members of the Public Policy Committee  
Board of Commissioners

From: Janet Welch, Executive Director  
Peter Cunningham, Director of Governmental Relations  
Kathryn L. Hennessey, Public Policy Counsel

Date: May 8, 2019

Re: FY 2019-2020 Judiciary Budget as contained in SB 142 (S-1) and the Executive Budget Recommendation.

Background
The Judiciary Budget for FY 2019-2020 provides a total of $309 million to fund the Michigan Supreme Court, Court of Appeals, Judicial compensation, the Judicial Tenure Commission, the State Appellate Defender Office (SADO), and various other programs and initiatives such as specialty courts, e-filing, and indigent civil legal assistance. $108 million of the budget comes from restricted funds (mainly from court generated revenue) and the balance is from the state’s general fund.

Highlights from the Executive Judiciary Budget Recommendation include:

- $1.9 million for Website Redesign (general fund) to enhance the security of the Michigan Supreme Court website, enhance protection of confidential information, and improve user friendliness.
- $841,900 for *Montgomery v Louisiana* Compliance (general fund) to continue addressing the United States Supreme Court decision requiring resentencing of juveniles serving mandatory sentences of life without parole.
- $457,200 for Public Defender Caseload Enhancement (general fund) to enable the SADO to serve more indigent clients appealing trial conviction.
- $325,700 for a Pretrial Risk Assessment Tool (general fund) that will improve public safety, protect defendants’ rights, and reduce incarceration of low-risk defendants through informed bond decisions.
- $18.2 million for Michigan’s problem-solving courts to provide mental health and substance abuse services leading to a reduction in incarceration and more rapid treatment and rehabilitation.
- $3.3 million for Online Community Dispute Resolution Services. An investment of $450,000 general fund is included in fiscal year 2020 to expand availability statewide from the current 17 counties and to increase the case types for which online dispute resolution services are provided.
**Keller Considerations**
SB 142 and the Executive Judiciary Budget Recommendation meet the requirements of Keller. Adequate funding of the courts is essential to their functioning. Many of the programs funded by the Judiciary Budget, such as increasing caseloads for the State Appellate Defender Office, would improve the quality and increase the availability of legal services to society.

**Keller Quick Guide**

<table>
<thead>
<tr>
<th>THE TWO PERMISSIBLE SUBJECT-AREAS UNDER KELLER:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulation of Legal Profession</strong></td>
</tr>
<tr>
<td>As interpreted by AO 2004-1</td>
</tr>
<tr>
<td>• Regulation and discipline of attorneys</td>
</tr>
<tr>
<td>• Ethics</td>
</tr>
<tr>
<td>• Lawyer competency</td>
</tr>
<tr>
<td>• Integrity of the Legal Profession</td>
</tr>
<tr>
<td>• Regulation of attorney trust accounts</td>
</tr>
</tbody>
</table>

**Staff Recommendation**
The bill satisfies the requirements of Keller and may be considered on its merits.
Senate Bill 0142 (2019)


Sponsor
Tom Barrett (district 24)
(click name to see bills sponsored by that person)

Categories
Appropriations: zero budget; Appropriations: judiciary;

Appropriations; zero budget; judiciary; provide for fiscal year 2019-2020. Creates appropriation act.

Bill Documents
Bill Document Formatting Information
[x]
The following bill formatting applies to the 2019-2020 session:
- New language in an amendatory bill will be shown in **BOLD AND UPPERCASE**.
- Language to be removed will be **stricken**.
- Amendments made by the House will be blue with square brackets, such as: [House amended text].
- Amendments made by the Senate will be red with double greater/lesser than symbols, such as: <<Senate amended text>>.

(gray icons indicate that the action did not occur or that the document is not available)

Documents

- **Senate Introduced Bill**
  Introduced bills appear as they were introduced and reflect no subsequent amendments or changes.

- **As Passed by the Senate**
  As Passed by the Senate is the bill, as introduced, that includes any adopted Senate amendments.

- **As Passed by the House**
  As Passed by the House is the bill, as received from the Senate, that includes any adopted House amendments.

- **Senate Enrolled Bill**
  Enrolled bill is the version passed in identical form by both houses of the Legislature.

Bill Analysis

**Senate Fiscal Analysis**

- **SENATE SUBCOMMITTEE REC. (Date Completed: 4-25-19)**
  This document analyzes: SB0142

- **SENATE APPROPRIATIONS REC. (Date Completed: 5-1-19)**
  This document analyzes: SB0142

History

(House actions in lowercase, Senate actions in UPPERCASE)

<table>
<thead>
<tr>
<th>Date</th>
<th>Journal</th>
<th>Action</th>
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<tbody>
<tr>
<td>2/28/2019</td>
<td>SJ 21</td>
<td>Pg. 186 INTRODUCED BY SENATOR TOM BARRETT</td>
</tr>
</tbody>
</table>
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Judiciary

Governor’s Recommended Budget for Fiscal Years 2020 and 2021

Michigan’s Constitution grants full judicial power to a court system composed of the Supreme Court, the Court of Appeals, the Circuit Court, the Probate Court, and courts of limited jurisdiction such as the District Court and municipal courts. The Supreme Court administers the state’s judiciary through the State Court Administrative Office.

The Governor’s recommended budget for fiscal year 2020 includes total ongoing funding of $307.8 million, of which $199.6 million comes from the state’s general fund. The Governor also recommends $1.6 million general fund in one-time funding in fiscal year 2020.

Highlights

The Governor’s recommended budget includes five key investments:

• $1.9 million for Website Redesign (general fund) to enhance the security of the Michigan Supreme Court website, enhance protection of confidential information, and improve user-friendliness. The majority of these costs are one-time.

• $841,900 for Montgomery v Louisiana Compliance (general fund) to continue addressing the U. S. Supreme Court decision requiring resentencing of juveniles serving mandatory sentences of life without parole.

• $457,200 for Public Defender Caseload Enhancement (general fund) to enable the State Appellate Defender Office to serve more indigent clients appealing trial conviction.

• $325,700 for a Pretrial Risk Assessment Tool (general fund) that will improve public safety, protect defendants' rights, and reduce incarceration of low-risk defendants through informed bond decisions.

• $200,000 for Judicial Tenure Commission to promote the integrity of the judicial process and preserve public confidence in the courts.
Continuing Funding

Beyond the investments highlighted above, the Governor’s recommended budget includes funding for the following programs:

- **$18.2 million for Michigan’s problem-solving courts** to provide mental health and substance abuse services leading to a reduction in incarceration and more rapid treatment and rehabilitation.

- **$3.3 million for Online Community Dispute Resolution Services.** An investment of $450,000 general fund is included in fiscal year 2020 to expand availability statewide from the current 17 counties, and to increase the case types for which online dispute resolution services are provided.
## Judiciary

**Governor's Recommended Budget for Fiscal Years 2020 and 2021**

$ in Thousands

### FY 2020 Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>GF/GP</th>
<th>GROSS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2019 Current Law</strong></td>
<td>$196,079.5</td>
<td>$304,079.1</td>
</tr>
<tr>
<td>Removal of FY 2019 One-Time Funding</td>
<td>($1,830.7)</td>
<td>($1,830.7)</td>
</tr>
<tr>
<td><strong>FY 2020 Ongoing Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance with <em>Montgomery v Louisiana</em> - Fund costs associated with resentencing of juveniles serving mandatory sentences of life without parole in compliance with U.S. Supreme Court decision</td>
<td>$841.9</td>
<td>$841.9</td>
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<tr>
<td>Public Defender Caseload Capacity - Funding will enable State Appellate Defenders Office to represent additional indigent clients appealing criminal convictions</td>
<td>$457.2</td>
<td>$457.2</td>
</tr>
<tr>
<td>Cybersecurity Upgrade - $1.9 million (combined ongoing plus one-time) to enhance the security of the Michigan Supreme Court website and improve user-friendliness</td>
<td>$454.1</td>
<td>$454.1</td>
</tr>
<tr>
<td>Online Dispute Resolution Services - Expand participation in online dispute resolution services to all 83 counties (currently only in 17 counties) and expand case types available to serve more Michigan residents</td>
<td>$450.0</td>
<td>$450.0</td>
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<tr>
<td>Pretrial Risk Assessment Tool - Improve public safety, protect defendants' rights, and reduce incarceration of low-risk defendants through informed bond decisions</td>
<td>$325.7</td>
<td>$325.7</td>
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<tr>
<td>Judicial Tenure Commission - Contractual attorney to reduce caseload backlogs and pursue ongoing investigations</td>
<td>$100.0</td>
<td>$100.0</td>
</tr>
<tr>
<td><strong>None Recommended</strong></td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td><strong>FY 2020 Reductions</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>FY 2020 Baseline Adjustments</strong></td>
<td></td>
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<tr>
<td>Judgeship Adjustments</td>
<td>($451.9)</td>
<td>($436.3)</td>
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<tr>
<td>Employee Payroll Related Adjustments</td>
<td>$3,141.4</td>
<td>$3,325.0</td>
</tr>
<tr>
<td><strong>FY 2020 Total Executive Recommendation - Ongoing Funding</strong></td>
<td>$199,567.2</td>
<td>$307,766.0</td>
</tr>
<tr>
<td><strong>FY 2020 One-Time Investments</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cybersecurity Upgrade - $1.9 million (combined ongoing plus one-time) to enhance the security of the Michigan Supreme Court website and improve user-friendliness</td>
<td>$1,475.0</td>
<td>$1,475.0</td>
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<tr>
<td>Judicial Tenure Commission - Additional resources for salary adjustments</td>
<td>$100.0</td>
<td>$100.0</td>
</tr>
<tr>
<td><strong>FY 2020 Total Executive Recommendation - One-Time Funding</strong></td>
<td>$1,575.0</td>
<td>$1,575.0</td>
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<tr>
<td><strong>FY 2020 Total Executive Recommendation - Ongoing and One-Time</strong></td>
<td>$201,142.2</td>
<td>$309,341.0</td>
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<tr>
<td>$ Change from FY 2019 - Total Funding</td>
<td>$5,062.7</td>
<td>$5,261.9</td>
</tr>
<tr>
<td>% Change from FY 2019 - Total Funding</td>
<td>2.6%</td>
<td>1.7%</td>
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</table>

### FY 2021 Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>GF/GP</th>
<th>GROSS</th>
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</thead>
<tbody>
<tr>
<td><strong>FY 2020 Total Executive Recommendation</strong></td>
<td>$201,142.2</td>
<td>$309,341.0</td>
</tr>
<tr>
<td>Removal of FY 2020 One-Time Funding</td>
<td>($1,575.0)</td>
<td>($1,575.0)</td>
</tr>
<tr>
<td>FY 2021 Baseline Adjustments - Remove FY 2020 one-time employee salary increase</td>
<td>($587.0)</td>
<td>($712.1)</td>
</tr>
<tr>
<td><strong>FY 2021 Total Executive Recommendation</strong></td>
<td>$198,980.2</td>
<td>$307,053.9</td>
</tr>
<tr>
<td>$ Change from FY 2020 - Total Funding</td>
<td>($2,162.0)</td>
<td>($2,287.1)</td>
</tr>
<tr>
<td>% Change from FY 2020 - Total Funding</td>
<td>(1.1%)</td>
<td>(0.7%)</td>
</tr>
</tbody>
</table>

**% Change from FY 2019 - Total Funding**

2.6% (FY 2020) vs. 1.7% (FY 2021)
A bill to make appropriations for the judiciary for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2020, from the following funds:

JUDICIARY

APPROPRIATION SUMMARY

Full-time equated exempted positions............ 505.0

GROSS APPROPRIATION........................................ $ 311,092,100

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental
ADJUSTED GROSS APPROPRIATION $309,540,400

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal revenues:</td>
<td></td>
</tr>
<tr>
<td>Total federal revenues</td>
<td>6,028,400</td>
</tr>
<tr>
<td>Special revenue funds:</td>
<td></td>
</tr>
<tr>
<td>Total local revenues</td>
<td>6,579,500</td>
</tr>
<tr>
<td>Total private revenues</td>
<td>994,300</td>
</tr>
<tr>
<td>Total other state restricted revenues</td>
<td>94,796,000</td>
</tr>
<tr>
<td>State general fund/general purpose</td>
<td>201,142,200</td>
</tr>
</tbody>
</table>

**Sec. 102. SUPREME COURT**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time equated exempted positions</td>
<td>249.0</td>
</tr>
<tr>
<td>Community dispute resolution--3.0 FTE positions</td>
<td>3,276,700</td>
</tr>
<tr>
<td>Direct trial court automation support--44.0 FTE positions</td>
<td>6,579,500</td>
</tr>
<tr>
<td>Drug treatment courts</td>
<td>11,833,000</td>
</tr>
<tr>
<td>Foster care review board--10.0 FTE positions</td>
<td>1,342,500</td>
</tr>
<tr>
<td>Judicial information systems--22.0 FTE positions</td>
<td>4,931,600</td>
</tr>
<tr>
<td>Judicial institute--13.0 FTE positions</td>
<td>1,876,500</td>
</tr>
<tr>
<td>Mental health courts and diversion service--1.0 FTE position</td>
<td>5,468,500</td>
</tr>
<tr>
<td>Next generation Michigan court system</td>
<td>4,116,000</td>
</tr>
<tr>
<td>Other federal grants</td>
<td>275,100</td>
</tr>
<tr>
<td>State court administrative office--64.0 FTE positions</td>
<td>11,248,800</td>
</tr>
<tr>
<td>Supreme court administration--92.0 FTE positions</td>
<td>14,379,200</td>
</tr>
<tr>
<td>Swift and sure sanctions program</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Veterans courts</td>
<td>936,400</td>
</tr>
</tbody>
</table>

GROSS APPROPRIATION $70,263,800
Appropriated from:

Interdepartmental grant revenues:
1. IDG from department of corrections ...................... 51,700
2. IDG from department of state police ...................... 1,500,000

Federal revenues:
3. DOJ, drug court training and evaluation .................. 300,000
4. DOT, National Highway Traffic Safety Administration .. 2,222,800
5. HHS, access and visitation grant ......................... 488,300
6. HHS, children's justice grant ............................ 241,700
7. HHS, court improvement project .......................... 927,100
8. HHS, title IV-D child support program ................... 822,400
9. HHS, title IV-E foster care program ...................... 403,500
10. Other federal grant revenues .............................. 275,100

Special revenue funds:
11. Local - user fees ....................................... 6,579,500
12. Private .................................................. 198,100
13. Private - interest on lawyers' trust accounts ........... 273,100
14. Private - state justice institute ....................... 436,100
15. Community dispute resolution fund ..................... 2,400,000
16. Court of appeals filing/motion fees ..................... 1,450,000
17. Drug court fund ......................................... 1,920,500
18. Justice system fund ..................................... 595,700
19. Law exam fees .......................................... 742,000
20. Miscellaneous revenue ................................... 245,900
21. State court fund ........................................ 397,600
22. State general fund/general purpose .................... $47,792,700

Sec. 103. COURT OF APPEALS
Full-time equated exempted positions............ 175.0
Court of appeals operations--175.0 FTE positions ..... $ 25,130,300
GROSS APPROPRIATION................................ $ 25,130,300

Appropriated from:
State general fund/general purpose................. $ 25,130,300

Sec. 104. BRANCHWIDE APPROPRIATIONS

Full-time equated exempted positions............. 4.0
Branchwide appropriations--4.0 FTE positions ...... $ 8,959,100
GROSS APPROPRIATION................................ $ 8,959,100

Appropriated from:
State general fund/general purpose............. $ 8,959,100

Sec. 105. JUSTICES' AND JUDGES' COMPENSATION

Full-time judges positions ......................... 587.0
Supreme court justices' salaries--7.0 justices ...... $ 1,152,300
Circuit court judges' state base salaries--217.0
judges ............................................... 22,939,900
Circuit court judicial salary standardization....... 9,922,100
Court of appeals judges' salaries--25.0 judges ...... 4,097,700
District court judges' state base salaries--235.0
judges ............................................... 24,424,000
District court judicial salary standardization....... 10,745,200
Probate court judges' state base salaries--103.0
judges ............................................... 10,802,900
Probate court judicial salary standardization....... 4,669,600
Judges' retirement system defined contributions ..... 4,974,800
OASI, Social Security................................ 6,280,000
GROSS APPROPRIATION................................ $ 100,008,500
Appropriated from:
Special revenue funds:

Court fee fund .................................................. 3,329,400
State general fund/general purpose ...................... $  96,679,100

Sec. 106. JUDICIAL AGENCIES

Full-time equated exempted positions .............. 7.0
Judicial tenure commission--7.0 FTE positions .... $  1,276,000
GROSS APPROPRIATION .................................. $  1,276,000

Appropriated from:
State general fund/general purpose .............. $  1,276,000

Sec. 107. INDIGENT DEFENSE - CRIMINAL

Full-time equated exempted positions .............. 53.0
Appellate public defender program--53.0 FTE positions $  8,789,500
GROSS APPROPRIATION .................................. $  8,789,500

Appropriated from:
Federal revenues:
Other federal grant revenues ....................... 347,500
Special revenue funds:
Private - interest on lawyers' trust accounts .... 87,000
Miscellaneous revenue ................................. 168,300
State general fund/general purpose .............. $  8,186,700

Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE

Indigent civil legal assistance ....................... $  7,937,000
GROSS APPROPRIATION .................................. $  7,937,000

Appropriated from:
Special revenue funds:
State court fund ............................................ 7,937,000
Sec. 109. TRIAL COURT OPERATIONS

Full-time equated exempted positions.............. 6.0
Court equity fund reimbursements................... $ 60,815,700
Drug case-flow program............................. 250,000
Drunk driving case-flow program.................... 3,300,000
Judicial technology improvement fund............... 4,815,000
Juror compensation reimbursement--1.0 FTE position... 6,604,600
Statewide e-file system--5.0 FTE positions.......... 10,200,000

GROSS APPROPRIATION................................. $ 85,985,300

Appropriated from:

Special revenue funds:
Court equity fund..................................... 50,440,000
Drug fund............................................. 250,000
Drunk driving fund................................... 3,300,000
Electronic filing fee fund............................ 10,200,000
Judicial technology improvement fund............... 4,815,000
Juror compensation fund............................. 6,604,600
State general fund/general purpose................... $ 10,375,700

Sec. 110. ONE-TIME APPROPRIATIONS

Full-time equated exempted positions............ 11.0
Compliance with Montgomery v Louisiana--11.0 FTE
positions .............................................. $ 841,900
Michigan Supreme Court public website upgrade.... 1,475,000
Pretrial risk assessment............................. 325,700
Judicial tenure commission........................... 100,000

GROSS APPROPRIATION................................. $ 2,742,600
Appropriated from:

State general fund/general purpose $2,742,600

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS
Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2019-2020 is $295,938,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is $146,101,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT
Drug treatment courts $8,158,000
Mental health courts and diversion services 5,468,500
Next generation Michigan court system 4,116,000
Court of appeals operations 200,000
Swift and sure sanctions program 4,000,000
Veterans courts 936,400

JUSTICES' AND JUDGES' COMPENSATION
Circuit court judicial salary standardization $9,922,100
District court judicial salary standardization 10,745,200
Probate court judges' state base salaries 10,802,900
Probate court judicial salary standardization........ 4,669,600
Grant to OASI contribution fund, employer's share,
   Social Security ........................................... 1,097,300
TRIAL COURT OPERATIONS
Court equity fund reimbursements.................. $  60,815,700
Drug case-flow program................................. 250,000
Drunk driving case-flow program..................... 3,300,000
Judicial technology improvement fund.............. 4,815,000
Juror compensation reimbursement.................. 6,604,600
Statewide e-file system................................. 10,200,000
TOTAL................................................  $ 146,101,300

Sec. 202. (1) The appropriations authorized under this part
and part 1 are subject to the management and budget act, 1984 PA
431, MCL 18.1101 to 18.1594.
(2) Funds appropriated in part 1 to an entity within the
judicial branch shall not be expended or transferred to another
account without written approval of the authorized agent of the
judicial entity. If the authorized agent of the judicial entity
notifies the state budget director of its approval of an
expenditure or transfer, the state budget director shall
immediately make the expenditure or transfer. The authorized
judicial entity agent shall be designated by the chief justice of
the supreme court.

Sec. 203. As used in this part and part 1:
(a) "DOJ" means the United States Department of Justice.
(b) "DOT" means the United States Department of
Transportation.
(c) "FTE" means full-time equated.
(d) "HHS" means the United States Department of Health and Human Services.
(e) "IDG" means interdepartmental grant.
(f) "OASI" means old age survivor's insurance.
(g) "SADO" means the state appellate defender office created under the appellate defender act, 1978 PA 620, MCL 780.711 to 780.719.
(h) "Title IV-D" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the child support enforcement program.
(i) "Title IV-E" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the foster care program.

Sec. 204. The reporting requirements of this part shall be completed with the approval of, and at the direction of, the supreme court, except as otherwise provided in this part. The judicial branch shall use the internet to fulfill the reporting requirements of this part. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable
quality. In addition, preference shall be given to goods or
services, or both, that are manufactured or provided by Michigan
businesses owned and operated by veterans, if they are
competitively priced and of comparable quality.

Sec. 207. Not later than January 1 of each year, the state
court administrative office shall prepare a report on out-of-state
travel listing all travel by judicial branch employees outside this
state in the immediately preceding fiscal year that was funded in
whole or in part with funds appropriated in the budget for the
judicial branch. The report shall be submitted to the senate and
house appropriations committees, the senate and house fiscal
agencies, and the state budget office. The report shall include the
following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel
occurrence, including the proportion funded with state general
fund/general purpose revenues, the proportion funded with state
restricted revenues, the proportion funded with federal revenues,
and the proportion funded with other revenues.

Sec. 209. Not later than November 30, the state budget office
shall prepare and transmit a report that provides for estimates of
the total general fund/general purpose appropriation lapses at the
close of the prior fiscal year. This report shall summarize the
projected year-end general fund/general purpose appropriation
lapses by major program or program areas. The report shall be
transmitted to the chairpersons of the senate and house
appropriations committees and the senate and house fiscal agencies.
Sec. 211. From the funds appropriated in part 1, the judicial branch shall maintain a searchable website accessible by the public at no cost that includes all expenditures made by the judicial branch within a fiscal year. The posting shall include the purpose for which each expenditure is made. The judicial branch shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the judicial branch shall cooperate with the state budget office to provide the senate and house appropriations committee chairs, the senate and house appropriations subcommittee chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for fiscal years ending September 30, 2019 and September 30, 2020.

Sec. 213. The judiciary shall maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the judiciary's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2020 are estimated at $13,102,700.00. From this amount, total judiciary appropriations for pension-related legacy costs are estimated at $6,369,500.00. Total judiciary appropriations for
Sec. 215. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. It is the intent of the legislature that judges who are presiding over a hearing on a foster care case shall publicly acknowledge and request the input of the foster parent or foster parents during the hearing.

Sec. 217. If the judicial branch makes any changes to a foster care family service plan before its finalization, it is the intent of the legislature that the presiding judge provide an explanation for any changes to that plan in the court record.

Sec. 218. From the funds appropriated in part 1, the state court administrative office shall identify programs, within the department of health and human services, the department of talent and economic development, and the department of corrections, that have programmatic connections with the participants in the swift and sure sanctions program. The purpose of this relationship is to leverage collaborations and to determine avenues of success for offenders who are eligible for state-provided programs. The state court administrative office shall provide guidance to courts participating in the swift and sure sanctions program, under the probation swift and sure sanctions act, chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8, of the available department of health and human services, department of talent and economic development, and department of corrections programming.
Sec. 219. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

**JUDICIAL BRANCH**

Sec. 301. From the funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems.

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

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, $711,900.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for costs associated with the court of claims.

Sec. 304. A member of the legislature may request a report or data from the data collected in the judicial data warehouse. The report shall be made available to the public upon request, unless disclosure is prohibited by court order or state or federal law. Any data provided under this section shall be public and
nonidentifying information.

Sec. 305. From the funds appropriated in part 1 for community dispute resolution, community dispute resolution centers shall provide dispute resolution services specified in the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, and shall help to reduce suspensions and truancy, and improve school climate. Funding appropriated in part 1 for community dispute resolution may be used to develop or expand juvenile diversion services in cooperation with local prosecutors. Participation in the dispute resolution processes is voluntary for all parties.

Sec. 306. By February 1, the state court administrative office shall produce a statistical report, categorized by county, regarding both the collected and uncollected amounts of restitution payments, court fees, and any other applicable judgments placed upon persons within the county, reported for the fiscal year 2017-2018.

Sec. 307. From the funds appropriated in part 1 for mental health courts and diversion services, $1,730,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation. If an appropriation is made under this section, the state court administrative office shall notify, within 14 days of the appropriation, the senate and house
standing committees on appropriations, the senate and house
appropriations subcommittees on judiciary, the senate and house
fiscal agencies, and the state budget office.

Sec. 309. By April 1, the state court administrative office
shall provide a report on drug treatment, mental health, and
veterans court programs in this state. The report shall include
information on the number of each type of program that has been
established, the number of program participants in each
jurisdiction, and the impact of the programs on offender criminal
involvement and recidivism. The report shall be submitted to the
senate and house appropriations subcommittees on judiciary, the
senate and house fiscal agencies, and the state budget office.

Sec. 311. (1) The funds appropriated in part 1 for drug
treatment courts as that term is defined in section 1060 of the
revised judicature act of 1961, 1961 PA 236, MCL 600.1060, shall be
administered by the state court administrative office to operate
drug treatment court programs. A drug treatment court shall be
responsible for handling cases involving substance abusing
nonviolent offenders through comprehensive supervision, testing,
treatment services, and immediate sanctions and incentives. A drug
treatment court shall use all available county and state personnel
involved in the disposition of cases including, but not limited to,
parole and probation agents, prosecuting attorneys, defense
attorneys, and community corrections providers. The funds may be
used in connection with other federal, state, and local funding
sources.

(2) From the funds appropriated in part 1, the chief justice
shall allocate sufficient funds for the Michigan judicial institute
to provide in-state training for those identified in subsection
(1), including training for new drug treatment court judges.

(3) For drug treatment court grants, consideration for
priority may be given to those courts where higher instances of
substance abuse cases are filed.

(4) The judiciary shall receive $1,500,000.00 in Byrne formula
grant funding as an interdepartmental grant from the department of
state police to be used for expansion of drug treatment courts, to
assist in avoiding prison bed space growth for nonviolent offenders
in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state
court administrator shall produce a statistical report regarding
the implementation of the parental rights restoration act, 1990 PA
211, MCL 722.901 to 722.908, as it pertains to minors seeking
court-issued waivers of parental consent. The state court
administrative office shall report the total number of petitions
filed and the total number of petitions granted under that act.

Sec. 316. (1) From the funds appropriated in part 1 for
pretrial risk assessment, the state court administrative office
shall pilot a pretrial risk assessment tool in an effort to provide
relevant information to judges so they can make evidence-based bond
decisions that will increase public safety and reduce costs
associated with unnecessary pretrial detention.

(2) The state court administrative office shall submit a
status report by February 1 to the senate and house appropriations
subcommittees on judiciary, the senate and house fiscal agencies,
and the state budget office on progress made toward implementing
the pretrial risk assessment tool and associated costs.

Sec. 317. Funds appropriated in part 1 shall not be used for
the permanent assignment of state-owned vehicles to justices or
judges or any other judicial branch employee. This section does not
preclude the use of state-owned motor pool vehicles for state
business in accordance with approved guidelines.

Sec. 320. (1) From the funds appropriated in part 1 for the
swift and sure sanctions program, created under section 3 of
chapter XIA of the code of criminal procedure, 1927 PA 175, MCL
771A.3, the state court administrative office shall administer a
program to distribute grants to qualifying courts in accordance
with the objectives and requirements of the probation swift and
sure sanctions act, chapter XIA of the code of criminal procedure,
1927 PA 175, MCL 771A.1 to 771A.8. Of the funds designated for the
program, not more than $100,000.00 shall be available to the state
court administrative office to pay for employee costs associated
with the administration of the program funds. Of the funds
designated for the program, $500,000.00 is reserved for programs in
counties that had more than 325 individuals sentenced to prison in
the previous calendar year. Courts interested in participating in
the swift and sure sanctions program may apply to the state court
administrative office for a portion of the funds appropriated in
part 1 under this section.

(2) By April 1, the state court administrative office, in
cooporation with the department of corrections, shall provide a
report on the courts that receive funding under the swift and sure
sanctions program described in subsection (1) to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget office. The report shall include all of the following:

(a) The number of offenders who participate in the program.
(b) The criminal history of offenders who participate in the program.
(c) The recidivism rate of offenders who participate in the program, including the rate of return to jail, prison, or both.
(d) A detailed description of the establishment and parameters of the program.

(3) As used in this section, "program" means a swift and sure sanctions program described in subsection (1).

Sec. 321. From the funds appropriated in part 1, the judicial branch shall support a statewide legal self-help internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals representing themselves in civil legal proceedings. The state court administrative office shall summarize the costs of maintaining the website, provide statistics on the number of people visiting the website, and provide information on content usage, form completion, and user feedback. By March 1, the state court administrative office shall report this information for the preceding fiscal year to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget office.

Sec. 322. If Byrne formula grant funding is awarded to the state appellate defender, the state appellate defender office may
receive and expend Byrne formula grant funds in an amount not to exceed $250,000.00 as an interdepartmental grant from the department of state police. If the appellate defender appointed under section 3 of the appellate defender act, 1978 PA 620, MCL 780.713, receives federal grant funding from the United States Department of Justice in excess of the amount appropriated in part 1, the office of appellate defender may receive and expend grant funds in an amount not to exceed $300,000.00 as other federal grants.

Sec. 324. From the funds appropriated in part 1 for the medication-assisted treatment program, the judiciary shall maintain a medication-assisted treatment program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred to and voluntarily participate in the medication-assisted treatment program.

Sec. 325. From the funds appropriated in part 1 for veterans courts, the state court administrative office shall create a pilot program in a veteran court within a county with a population between 100,000 and 125,000 according to the most recent federal decennial census. The pilot program will investigate the effectiveness of saliva testing to determine compliance with required mental health medicine prescriptions or requirements.

**ONE-TIME APPROPRIATIONS**

Sec. 402. (1) From the funds appropriated in part 1, the state appellate defender office attorneys and support staff shall ensure Michigan compliance with Montgomery v Louisiana, 577 US _____
(2016). The purpose of the program expansion is to ensure competent, resourced, and supervised counsel in cases involving the resentencing of juvenile lifers. The representation by SADO counsel will create opportunities for release, saving prison costs for the state.

(2) The state appellate defender office shall submit a report by September 30 to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget office on the number of juvenile lifer cases investigated and prepared by the state appellate defender office. The report shall include a calculation of hours spent and focus on incremental costs associated with investigating and conducting a robust examination of each case, with particular emphasis on those costs that may be avoided after the cases have been disposed.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2020-2021

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2021 for the line items listed in part 1. Fiscal year 2020-2021 appropriations are anticipated to be the same as those for fiscal year 2019-2020, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be
determined after the January 2020 consensus revenue estimating conference.
Senate Bill 142 (S-1 as reported)  
Committee: Appropriations  
Throughout this document Senate means Appropriations Committee.

<table>
<thead>
<tr>
<th>FULL-TIME EQUITATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE</th>
<th>FY 2018-19 YEAR-TO-DATE*</th>
<th>FY 2019-20 SEN. FULL COMM.</th>
<th>AMOUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
<td>502.0</td>
<td>505.0</td>
<td>3.0</td>
<td>0.6</td>
</tr>
<tr>
<td>GROSS</td>
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<td>311,092,100</td>
<td>7,013,000</td>
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<tr>
<td>Interdepartmental Grants Received</td>
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<td>1,551,700</td>
<td>400</td>
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<tr>
<td>ADJUSTED GROSS</td>
<td>302,527,800</td>
<td>309,540,400</td>
<td>7,012,600</td>
<td>2.3</td>
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<tr>
<td>Federal Funds</td>
<td>5,987,400</td>
<td>6,028,400</td>
<td>41,000</td>
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<tr>
<td>Local and Private</td>
<td>7,481,400</td>
<td>7,573,800</td>
<td>92,400</td>
<td>1.2</td>
</tr>
<tr>
<td>TOTAL STATE SPENDING</td>
<td>289,059,000</td>
<td>295,938,200</td>
<td>6,879,200</td>
<td>2.4</td>
</tr>
<tr>
<td>Other State Restricted Funds</td>
<td>92,979,500</td>
<td>94,796,000</td>
<td>1,816,500</td>
<td>2.0</td>
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<tr>
<td>GENERAL FUND/GENERAL PURPOSE</td>
<td>196,079,500</td>
<td>201,142,200</td>
<td>5,062,700</td>
<td>2.6</td>
</tr>
<tr>
<td>PAYMENTS TO LOCALS</td>
<td>148,614,500</td>
<td>146,101,300</td>
<td>(2,513,200)</td>
<td>(1.7)</td>
</tr>
</tbody>
</table>

*As of March 5, 2019.

| FY 2018-19 Year-to-Date Appropriation                        | $304,079,100 | $196,079,500 |

Changes from FY 2018-19 Year-to-Date:

1. **Cybersecurity for Michigan Supreme Court Website.** The Governor included additional funding for cybersecurity for the supreme court website, as well as new customer relationship management software. The bulk of the additional funding was included as one-time, $1,475,000, with the remaining amount, $454,100, added to the Judicial Information Systems line item. The Senate concurred.

2. **Increased Spending Authority from the E-Filing Fund.** The Senate authorized increased restricted fund spending authority to accommodate greater expense projections at the request of the State Court Administrative Office.

3. **State Appellate Defender Office Public Defender Caseload Enhancement.** The Governor included a 5% increase the Appellate Public Defender program. The Senate concurred.

4. **Expansion of Online Dispute Resolution.** The Governor included a 16% increase in Community Dispute Resolution funding for the expansion of online dispute resolution from 17 counties to 83 counties. The Senate concurred.

5. **Judicial Tenure Commission.** The Governor included a 17% increase in funding for the Commission to address backlog reduction, ongoing investigations, and salary adjustments. Half of the increase is one-time funding. The Senate concurred.
6. **SADO Funding for Montgomery v. Louisiana Compliance.** The Governor included a slight increase in funding for the resentencing of Michigan's juvenile lifers, as required by the Supreme Court. The line for this funding was also moved from the one-time section to the Indigent Defense - Criminal section of the budget. The Senate concurred in the amount of the increase, but moved the funding back to one-time.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
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<tbody>
<tr>
<td>6.</td>
<td>141,900</td>
<td>141,900</td>
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</table>

7. **Increased Restricted Fund Revenue for Criminal Defense.** The Senate added an additional $75,000 of restricted funds for Appellate Public Defender program due to a projected increase in Criminal Defense Resource Center services subscriptions.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>75,000</td>
<td>0</td>
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</table>

8. **Pretrial Risk Assessment Tool.** The Governor included a slight increase in funding for development of the pretrial risk assessment tool. The funding was moved from one-time for the current fiscal year to the State Court Administrative Office line-item of the ongoing budget. The Senate concurred in the amount of the increase, but moved the funding back to one-time.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
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<tbody>
<tr>
<td>8.</td>
<td>20,000</td>
<td>20,000</td>
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</table>

9. **Additional FTEs in Anticipation of Federal Grant Funding.** The Senate authorized an additional 2 FTEs for the Appellate Public Defender Program line item in anticipation of federal grant funding.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>0</td>
<td>0</td>
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</table>

10. **Removal of One-time Funding for Problem Solving Courts.** The Governor removed current year one-time for drug treatment, mental health, and veterans problem solving courts. Despite the reduction, those programs are still funded in the ongoing section of the budget at $18.2 million. The Senate concurred.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>(750,000)</td>
<td>(750,000)</td>
</tr>
</tbody>
</table>

11. **Judicial Position Adjustments.** The Governor included the elimination of two Court of Appeals Judge positions in District 3 and District 4, the elimination of two District Court Judge positions in Livingston and Wayne Counties, and the addition of two part-time Circuit Court Judge positions in Oakland and Macomb Counties and one full-time Circuit Court Judge position in Livingston County. The Senate concurred.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.</td>
<td>(436,300)</td>
<td>(451,900)</td>
</tr>
</tbody>
</table>

12. **Program Elimination.** The Governor did not include funding for the current year's pilot program: Youthful Sex Offender Treatment. The Senate concurred.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
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<tbody>
<tr>
<td>12.</td>
<td>(75,000)</td>
<td>(75,000)</td>
</tr>
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</table>

13. **Economic Adjustments.** Includes $3,325,000 Gross and $3,141,400 GF/GP for total economic adjustments, of which an estimated negative $189,800 Gross and $115,300 GF/GP is for legacy retirement costs (pension and retiree health). The Senate concurred.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.</td>
<td>3,325,000</td>
<td>3,141,400</td>
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</table>

14. **Comparison to Governor's Recommendation.** The Senate is $1,751,100 Gross and $0 GF/GP over the Governor.

<table>
<thead>
<tr>
<th>Line</th>
<th>Original Amount</th>
<th>Senate Amount</th>
</tr>
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<tbody>
<tr>
<td>14.</td>
<td>3,325,000</td>
<td>3,141,400</td>
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</table>

**Total Changes**

<table>
<thead>
<tr>
<th>Original Amount</th>
<th>Total Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,013,000</td>
<td>5,062,700</td>
</tr>
</tbody>
</table>

**FY 2019-20 Senate Appropriations Committee Gross Appropriation**

<table>
<thead>
<tr>
<th>Original Amount</th>
<th>Total Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>311,092,100</td>
<td>201,142,200</td>
</tr>
</tbody>
</table>

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**Boilerplate Changes from FY 2018-19 Year-to-Date:**

1. **Definitions.** The Governor removed boilerplate definitions for the following terms: "DOJ", "DOT", "HHS", "SADO", "Title IV D", "Title IV E". The Senate retained. (Sec. 203)

2. **Depressed Communities - New.** The Governor added a section directing the Judicial branch to take reasonable steps to contract or subcontract with businesses in deprived and depressed communities. The Senate removed. (Sec. 206)

3. **Disciplinary Action - Removed.** The Governor removed a section prohibiting the Judicial branch from taking disciplinary action against an employee for communicating with the Legislature. The Senate retained. (Sec. 215)
4. **Foster Parent Input - Removed.** The Governor removed a section requiring judges to publicly request the input of foster parents during foster care hearings. The Senate retained. (Sec. 216)

5. **Explanation of Foster Care Service Plan Changes - Removed.** The Governor removed a section requiring judges to provide an explanation of changes to a foster care family service plan. The Senate retained. (Sec. 217)

6. **Interagency Collaboration for Swift & Sure - Removed.** The Governor removed a requirement that the State Court Administrative Office (SCAO) identify programs available for Swift & Sure participants. The Senate retained. (Sec. 218)

7. **Report Retention - Removed.** The Governor removed a requirement that the Judicial branch retain copies of all reports funded from appropriations. The Senate retained. (Sec. 219)

8. **Reporting on Restitution Payments - Removed.** The Governor removed an SCAO reporting requirement regarding collected and uncollected restitution payments, court fees and applicable judgments. The Senate retained. (Sec. 306)

9. **Reporting on the Parental Rights Restoration Act - Removed.** The Governor removed a report requiring the State court administrator to report on the number of petitions filed and granted of minors seeking a waiver of parental consent. The Senate retained. (Sec. 312)

10. **Veterans Courts Pilot Program.** The Senate added a section requiring the State Court Administrative Office to conduct a pilot program within a single Veteran court to evaluate the effectiveness of saliva testing as a measure of compliance regarding medical prescriptions or requirements.

11. **Juvenile Lifers Compliance and Reporting - Removed.** The Governor removed one-time funding and reporting language associated with the State’s required compliance with the Supreme Court’s Montgomery v. Louisiana decision. Funding for compliance in part 1 of the recommendation was moved to ongoing. The Senate retained. (Sec. 402)

12. **Youthful Sex Offender Treatment Pilot Program - Removed.** The Governor removed language regarding the one-time funding for the pilot program. The program was not funded in part 1 of the budget recommendation. The Senate concurred. (Sec. 403)

13. **Second Year Appropriations - Removed.** The Governor removed language expressing legislative intent to provide appropriations for the upcoming two fiscal years. The Senate retained. (Sec. 1201)

Date Completed: 5-1-19

Fiscal Analyst: Michael Siracuse
Public Policy Position
State Budget for the State Appellate Defender Office

Support

Explanation
The committee voted unanimously to support the Governor’s budget recommendation for the State Appellate Defender Office as presented in SB 142 (S-1).

Position Vote:
Voted For position: 14
Voted against position: 0
Abstained from vote: 0
Did not vote (absent): 3

Keller Explanation:
The committee agreed that this legislation is Keller permissible because this funding to the State Appellate Defender Office affects the availability of legal services to society and improves the functioning of the Courts.

Contact Persons:
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Michael A. Tesner    mtesner@co.genesee.mi.us