

**SUBSTITUTE FOR  
HOUSE BILL NO. 5596**

A bill to make appropriations for the judicial branch for the fiscal years ending September 30, 1998 and September 30, 1999; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

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Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

# HB5596, As Passed House, May 6, 1998

Sub. H.B. 5596 (H-1) as amended May 6, 1998  
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For Fiscal Year Ending  
September 30, 1999

## 1 JUDICIARY

### 2 APPROPRIATION SUMMARY:

3	Full-time equated exempted positions.....	[621.0]
4	GROSS APPROPRIATION.....	\$ [230,675,600]
5	Interdepartmental grant revenues:	
6	Total interdepartmental grants and intradepartmental	
7	transfers.....	3,616,300
8	ADJUSTED GROSS APPROPRIATION.....	\$ [227,059,300]
9	Federal revenues:	
10	Total federal revenues.....	1,294,600
11	Special revenue funds:	
12	Total local revenues.....	1,946,500
13	Total private revenues.....	1,217,600
14	Total other state restricted revenues.....	65,117,100
15	State general fund/general purpose.....	\$ [157,483,500]
16	<b>Sec. 102. SUPREME COURT</b>	
17	Full-time equated exempted positions.....	294.0
18	Supreme court administration--144.0 FTE positions....	\$ 16,317,900
19	State court administrative	
20	office-administration--89.0 FTE positions.....	10,310,700
21	Judicial information systems--21.0 FTE positions.....	2,572,600
22	Direct trial court automation support--24.0 FTE	
23	positions.....	1,946,500
24	Foster care review board--12.0 FTE positions.....	1,160,600
25	Community dispute resolution program--4.0 FTE	
26	positions.....	<u>2,318,400</u>

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1	GROSS APPROPRIATION.....	\$	34,626,700
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from state police-Michigan justice training fund.		208,000
5	IDG from state police-criminal justice improvement...		1,443,900
6	IDG from family independence agency-title IV-D child		
7	support program.....		419,100
8	IDG from family independence agency-title IV-E foster		
9	care review program.....		276,700
10	IDG from family independence agency-OCSE-access and		
11	visitation program.....		380,200
12	IDG from family independence agency-temporary assist-		
13	ance for needy families federal funds.....		500,000
14	Federal revenues:		
15	HHS-court improvement project.....		619,300
16	USDA-agriculture mediation grant.....		470,000
17	Federal highway safety planning revenue.....		115,300
18	Federal special education grant.....		90,000
19	Special revenue funds:		
20	Local-user fees.....		1,946,500
21	Private.....		519,000
22	Private-interest on lawyers trust accounts.....		668,600
23	Private-state justice institute.....		30,000
24	State court fund.....		379,600
25	Community dispute resolution fees.....		1,628,400
26	Miscellaneous restricted.....		216,700

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1	Discretionary savings.....	1,241,600
2	Law exam fees.....	327,200
3	State general fund/general purpose..... \$	23,146,600
4	<b>Sec. 103. COURT OF APPEALS</b>	
5	Full-time equated exempted positions.....[250.0]	
6	Operations--[228.0] FTE positions..... \$	[18,603,000]
7	Delay reduction--22.0 FTE positions.....	<u>1,500,000</u>
8	GROSS APPROPRIATION..... \$	[20,103,200]
9	Appropriated from:	
10	Special revenue funds:	
11	Court filing/motion fees.....	1,517,800
12	Discretionary savings.....	188,800
13	Miscellaneous revenues.....	75,200
14	State general fund/general purpose..... \$	[18,321,400]
15	<b>Sec. 104. TRIAL COURT OPERATIONS</b>	
16	State court equity fund reimbursements..... \$	79,856,400
17	Hold harmless reimbursements.....	<u>8,000,000</u>
18	GROSS APPROPRIATION..... \$	87,856,400
19	Appropriated from:	
20	Special revenue funds:	
21	Court equity fund.....	41,060,000
22	Court fee fund.....	4,000,000
23	State general fund/general purpose..... \$	42,796,400
24	<b>Sec. 105. JUSTICES' AND JUDGES COMPENSATION</b>	
25	Full-time judges positions.....611.0	
26	Supreme court justices' salaries--7.0 judges..... \$	893,000

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1	Court of appeals judges salaries--28.0 judges.....	3,286,400
2	District court judges state base salaries--259.0	
3	judges.....	15,913,300
4	District court judicial salary standardization.....	11,842,500
5	Probate court judges state base salaries--107.0	
6	judges.....	6,188,600
7	Probate court judicial salary standardization.....	4,332,800
8	Circuit court judges state base salaries--210.0	
9	judges.....	13,715,900
10	Circuit court judicial salary standardization.....	9,228,000
11	Judges retirement-defined contribution.....	476,000
12	Grant to the OASI contribution fund, employers share,	
13	social security.....	3,654,300
14	COLA for retired judges.....	<u>426,000</u>
15	GROSS APPROPRIATION.....	\$ 69,956,800
16	Appropriated from:	
17	Special revenue funds:	
18	Court fee fund.....	3,286,000
19	State general fund/general purpose.....	\$ 66,670,800
20	<b>Sec. 106. JUDICIAL AGENCIES</b>	
21	Full-time equated exempted positions.....10.0	
22	Judicial tenure commission--10.0 FTE positions.....	\$ <u>903,100</u>
23	GROSS APPROPRIATION.....	\$ 903,100
24	Appropriated from:	
25	State general fund/general purpose.....	\$ 903,100
26	<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	

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1	Full-time equated exempted positions.....	67.0	
2	Appellate public defender program--59.0 FTE positions	\$	5,367,400
3	Appellate assigned counsel administration--8.0 FTE		
4	positions.....		<u>907,000</u>
5	GROSS APPROPRIATION.....	\$	6,274,400
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from state police-Michigan justice training fund.		388,400
9	Special revenue funds:		
10	Discretionary savings.....		131,200
11	Miscellaneous revenue.....		109,600
12	State general fund/general purpose.....	\$	5,645,200
13	<b>Sec. 108. INDIGENT DEFENSE - CIVIL</b>		
14	Indigent civil defense.....	\$	<u>8,855,000</u>
15	GROSS APPROPRIATION.....	\$	8,855,000
16	Appropriated from:		
17	Special revenue funds:		
18	State court fund.....		8,855,000
19	State general fund/general purpose.....	\$	0
20	<b>Sec. 109. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>		
21	Drunk driving caseload program.....	\$	1,900,000
22	Drug caseload program.....		<u>200,000</u>
23	GROSS APPROPRIATION.....	\$	2,100,000
24	Appropriated from:		
25	Special revenue funds:		
26	Drunk driving fund.....		1,900,000

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1	Drug fund.....	200,000
2	State general fund/general purpose..... \$	0

## 3 PART 1A

### 4 SUPPLEMENTAL APPROPRIATIONS

5 Sec. 151. Subject to the conditions set forth in this act, the  
6 amounts listed in this part are appropriated for the judicial branch for  
7 the fiscal year ending September 30, 1998, from the funds indicated in  
8 this part. The following is a summary of the appropriations in this  
9 part:

#### 10 JUDICIARY

##### 11 APPROPRIATION SUMMARY:

12	GROSS APPROPRIATION..... \$	5,200,000
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13 Special revenue funds:

14	Total other state restricted revenues.....	5,200,000
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15	State general fund/general purpose..... \$	0
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#### 16 Sec. 152. SUPREME COURT

17	State court administrative office-administration.....	<u>52,000</u>
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18	GROSS APPROPRIATION..... \$	52,000
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19 Appropriated from:

20 Special revenue funds:

21	State court fund.....	52,000
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22	State general fund/general purpose..... \$	0
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#### 23 Sec. 153. TRIAL COURT OPERATIONS

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1	State court equity fund reimbursements.....	<u>3,952,000</u>
2	GROSS APPROPRIATION..... \$	3,952,000
3	Appropriated from:	
4	Special revenue funds:	
5	Court equity fund.....	3,952,000
6	State general fund/general purpose..... \$	0
7	<b>Sec. 154. INDIGENT DEFENSE - CIVIL</b>	
8	Indigent civil defense.....	<u>1,196,000</u>
9	GROSS APPROPRIATION..... \$	1,196,000
10	Appropriated from:	
11	Special revenue funds:	
12	State court fund.....	1,196,000
13	State general fund/general purpose..... \$	0

14 PART 2

15 PROVISIONS CONCERNING APPROPRIATIONS

## 16 GENERAL SECTIONS

17 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
18 constitution of 1963, total state spending from state sources for fiscal  
19 year 1998-99 is estimated at [\$222,600,600.00] in this act and state spend-  
20 ing from state sources paid to local units of government for fiscal year  
21 1998-99 is estimated at \$119,960,200.00. The itemized statement below  
22 identifies appropriations from which spending to units of local  
23 government will occur:

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## 1 SUPREME COURT

2 State court administrative office - administration... \$ 511,900

## 3 TRIAL COURT OPERATIONS

4 Court equity fund reimbursements..... \$ 79,856,400

5 Hold harmless fund reimbursements..... 8,000,000

## 6 JUSTICES AND JUDGES COMPENSATION

7 District court judicial salary standardization..... \$ 11,842,500

8 Probate court judges state base salaries..... 6,188,600

9 Probate court judicial salary standardization..... 4,332,800

10 Circuit court judicial salary standardization..... 9,228,000

11 TOTAL..... \$ 119,960,200

12 (2) If it appears to the principal executive officer of a department  
13 or branch that state spending to local units of government will be less  
14 than the amount that was projected to be expended under subsection (1),  
15 the principal executive officer shall immediately give notice of the  
16 approximate shortfall to the state budget director.

17 Sec. 201a. Pursuant to section 30 of article IX of the state con-  
18 stitution of 1963, total state spending from state sources for fiscal  
19 year 1997-98 is estimated at \$5,200,000.00 in this act and state spending  
20 from state sources paid to local units of government for fiscal year  
21 1997-98 is estimated at \$3,952,000.00. The itemized statement below  
22 identifies appropriations from which spending to units of local govern-  
23 ment will occur:

## 24 TRIAL COURT OPERATIONS

25 Court equity fund reimbursements..... \$ 3,952,000

26 TOTAL..... \$ 3,952,000

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1       Sec. 202. (1) The expenditures and funding sources authorized under  
2 this act are subject to the management and budget act, 1984 PA 431, MCL  
3 18.1101 to 18.1594.

4       (2) Funds appropriated in part 1 to an entity within the judicial  
5 branch shall not be expended or transferred to another account without  
6 written approval of the authorized agent of the judicial entity. If the  
7 authorized agent of the judicial entity notifies the state budget direc-  
8 tor of its approval of an expenditure or transfer, the state budget  
9 director shall immediately make the expenditure or transfer. The autho-  
10 rized judicial entity agent shall be designated by the chief justice of  
11 the supreme court.

12       Sec. 203. As used in this act:

13       (a) "DAG" means the United States department of agriculture.

14       (b) "FIA" means the family independence agency.

15       (c) "FTE" means full-time equated position.

16       (d) "HHS" means the United States department of health and human  
17 services.

18       (e) "IDG" means interdepartmental grant.

19       (f) "MDSP" means the department of state police.

20       (g) "OASI" means old age survivor's insurance.

21       (h) "TANF" means temporary assistance for needy families.

22       Sec. 204. Funds appropriated in this act shall not be used for the  
23 purchase of foreign goods or services when competitively priced American  
24 goods and services are available.

25       Sec. 205. (1) The chief justice of the supreme court shall take all  
26 reasonable steps to ensure businesses in deprived and depressed

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1 communities compete for and perform contracts to provide services or  
2 supplies, or both, for the judicial branch.

3 (2) The chief justice shall strongly encourage firms with which the  
4 courts of this state contract to subcontract with certified businesses in  
5 depressed and deprived communities for services or supplies, or both.

6 Sec. 206. (1) The judicial branch shall provide to the house and  
7 senate appropriations committees and the house and senate fiscal agencies  
8 a monthly report on all sole source contracts and personal service con-  
9 tracts awarded that month without competitive bidding, pricing, or rate  
10 setting. The monthly report shall include at least all of the  
11 following:

12 (a) The total dollar amount of the contract.

13 (b) The duration of the contract.

14 (c) The name of the vendor.

15 (d) The type of service to be provided.

16 (2) At least quarterly, the appointing authority of the judiciary  
17 shall transmit to the house and senate appropriations committees, the  
18 house and senate fiscal agencies, and the department of management and  
19 budget a report including all of the following for each personal service  
20 contract awarded that quarter:

21 (a) A description of the personal service contract.

22 (b) A copy of the approved CS-138 form.

23 (c) The purpose and type of service to be provided.

24 (d) The name of the person or entity that was awarded the contract.

25 (e) The estimated cost or financial obligation for the contract.

26 (f) The cost savings to the state from awarding the contract. This  
27 cost savings shall be calculated as the difference between the cost of

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1 the personal service contract and the estimated cost if that product or  
2 service were provided through the classified civil service by permanent  
3 civil service employees.

4 (3) The internal auditor of the judicial branch shall prepare an  
5 annual report concerning personal service contracts that explicitly iden-  
6 tifies exceptions between the authorized purpose and level of expendi-  
7 tures and the actual product or service and level of expenditures. This  
8 report shall be submitted to the legislative auditor general, the house  
9 and senate fiscal agencies, and the department of management and budget  
10 not later than 90 days after the books are closed at the conclusion of  
11 the fiscal year.

12 (4) The judicial branch shall provide to the department of manage-  
13 ment and budget a monthly listing of all bid requests or requests for  
14 proposal that were issued for personal service contracts during that  
15 month. The department of management and budget shall provide this  
16 monthly listing to the house and the senate appropriations committees and  
17 the house and senate fiscal agencies.

18 (5) The judicial branch shall provide to the department of manage-  
19 ment and budget a monthly summary listing that identifies any authoriza-  
20 tions for personal service contracts that are provided to the department  
21 of civil service pursuant to delegated authority granted to each princi-  
22 pal executive department and agency related to personal service  
23 contracts. The department of management and budget shall provide this  
24 monthly listing to the house and senate appropriations committees and the  
25 house and senate fiscal agencies.

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1 (6) All reporting and provision of information by the department of  
2 management and budget referred to in this section shall be as provided in  
3 House Bill No. 5595 of the 89th Legislature.

4 Sec. 207. (1) Any initiative to privatize state services funded  
5 under this act shall not commence until after the completion of a pilot  
6 program with a duration of not less than 36 months. At least 30 days  
7 before beginning any privatization pilot program, the judicial branch  
8 shall submit a complete project plan to the appropriate house and senate  
9 appropriations subcommittees and the house and senate fiscal agencies.  
10 The submission of the project plan shall contain a complete set of base-  
11 line data for comparative evaluation of the pilot program at the end of  
12 the program term. The privatization pilot program evaluation shall  
13 include the administrative costs of the contract for privatized  
14 services.

15 (2) A contract for privatized services shall not be continued beyond  
16 the original privatization pilot program term unless the program has con-  
17 clusively demonstrated a cost savings of at least 5% and improved quality  
18 of service.

19 Sec. 208. (1) This appropriation act includes funding for depart-  
20 mental operations financed in whole or in part from early retirement sav-  
21 ings generated through the early retirement program under section 19f of  
22 the state employees' retirement act, 1943 PA 240, MCL 38.19f. The chief  
23 justice shall provide a report that identifies all of the following:

24 (a) The amount of these early retirement savings realized in the  
25 1997-98 fiscal year.

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1 (b) The amount of these early retirement savings explicitly  
2 earmarked and spent for technology improvements in the 1997-98 fiscal  
3 year.

4 (c) The amount of these early retirement savings used for other  
5 organizational enhancements in the 1997-98 fiscal year.

6 (2) The report required under subsection (1) shall be provided to  
7 the house and senate appropriations committees and to the house and  
8 senate fiscal agencies on or before December 15, 1998.

9 Sec. 210. Each department receiving funds under this act shall  
10 submit to the department of management and budget, the house and senate  
11 appropriations committees, the house and senate fiscal agencies, and the  
12 house and senate standing committees having jurisdiction over technology  
13 issues quarterly reports on the department's efforts to change the  
14 department's computer software and hardware as necessary to perform prop-  
15 erly in the year 2000 and beyond. These reports shall identify actual  
16 progress in comparison to the department's approved work plan for these  
17 efforts. These reports shall also identify and forward as appropriate  
18 the funding sources that should support the work performed.

19 Sec. 211. Within 10 working days after the formal presentation of  
20 the executive budget for 1999-2000, the state court administrator shall  
21 identify and report to the house and senate appropriations committees and  
22 to the house and senate fiscal agencies the source of all federal funds  
23 and restricted funds that the principal department or agency proposes to  
24 receive as a grant or proposes to transfer to another principal depart-  
25 ment or agency during the 1999-2000 fiscal year.

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## 1 JUDICIAL BRANCH

2       Sec. 301. (1) The direct trial court automation support program of  
3 the state court administrative office shall recover direct and overhead  
4 costs from trial courts by charging for services rendered. The fee shall  
5 cover the actual costs incurred to the direct trial court automation sup-  
6 port program in providing the service. A report of amounts collected in  
7 excess of funds identified as user service charges in part 1 shall be  
8 submitted to the state budget director and to the house and senate appro-  
9 priations subcommittees on judiciary and general government, respective-  
10 ly, 30 days before expenditure by the direct trial court automation sup-  
11 port program.

12       (2) From funds appropriated in part 1, the direct trial court auto-  
13 mation support program of the state court administrative office shall  
14 provide to the senate and house appropriations committees and the senate  
15 and house fiscal agencies before January 1 of each year, a detailed list  
16 of user service charges collected during the immediately preceding state  
17 fiscal year.

18       Sec. 303. Funds appropriated within the judicial branch shall not  
19 be expended by any component within the judicial branch without the  
20 approval of the supreme court.

21       Sec. 304. Of the amount appropriated in part 1 for the judicial  
22 branch, \$325,000.00 is allocated for circuit court reimbursement under  
23 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims  
24 reimbursement under section 6413 of the revised judicature act of 1961,  
25 1961 PA 236, MCL 600.6413.

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1       Sec. 305. The judicial branch shall cooperate with the auditor  
2 general regarding audits of the judicial branch conducted pursuant to  
3 section 53 of article IV of the state constitution of 1963.

4       Sec. 306. The supreme court shall report to the judiciary subcom-  
5 mittee of the house appropriations committee and the general government  
6 subcommittee of the senate appropriations committee regarding the current  
7 status of the accounts set forth in part 1 if it appears that the  
8 judiciary's expenditures will exceed funds appropriated under this act.

9       Sec. 307. From funds appropriated under part 1, forms required to  
10 be developed by the state court administrative office pursuant to  
11 section 2950b of the revised judicature act of 1961, 1961 PA 236, MCL  
12 600.2950b, shall be provided.

13       Sec. 308. The supreme court shall continue to implement and enforce  
14 an appropriate antinepotism policy, which shall include provisions that  
15 prohibit a judge from hiring or employing a member of his or her immedi-  
16 ate family as a court employee or in any judicial support related  
17 capacity.

18       Sec. 309. (1) The state supreme court and the state court adminis-  
19 trative office shall consider and analyze the various methods of provid-  
20 ing necessary travel for judges, and shall then adopt as policy for all  
21 judicial agencies the most efficient and cost-effective method.

22       (2) This analysis and policy shall be submitted to the house and  
23 senate fiscal agencies.

24       Sec. 310. Funds appropriated in part 1 shall not be used to pay  
25 directly or by reimbursement the annual dues for membership in the state  
26 bar of Michigan of a judge, justice, or other employee of the judicial  
27 branch.



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1       Sec. 311. (1) The chief financial officer of a funding unit for a  
2 court, in cooperation with the local court, shall provide to the state  
3 treasurer and state court administrative office by January 1, 1999  
4 audited accounts of all money due and owing the court as of September 30,  
5 1998. Where audited accounts are not available, the chief financial  
6 officer of a funding unit for a court may provide estimates as long as  
7 they are clearly marked as "estimated".

8       (2) The state treasurer shall report to the legislature a compila-  
9 tion of the estimated accounts receivable of all courts and cumulative  
10 totals by March 1, 1999. This report is a public record.

11       Sec. 312. The state court administrative office, from funds appro-  
12 priated in part 1, shall assist the court of appeals and trial courts to  
13 meet American bar association model standards on case processing, includ-  
14 ing the standard that 95% of all civil appellate cases be disposed within  
15 12 months of filing.

### 16 MISCELLANEOUS

17       Sec. 401. This act does not take effect unless House Bill No. 5668  
18 of the 89th Legislature is enacted into law.