

# Legislative Analysis



## JUDGES' SALARIES

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**House Bill 4447 as introduced**  
**Sponsor: Rep. Sarah L. Lightner**  
**Committee: Judiciary**  
**Complete to 3-22-21**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

House Bill 4447 would amend the Revised Judicature Act (RJA) to change how salaries for circuit, probate, and district judges are calculated and paid.

Judges' salaries are currently paid by the state, with part of the salary paid directly to the judge and the rest paid as a reimbursement to the local court funding unit. The salaries for circuit, probate, and district court judges are based on a percentage of the salary paid to Supreme Court justices.<sup>1</sup> Salary adjustments for the judges are based on pay increases awarded to state executives and administrators. The salary adjustments are equal to a percentage of the salary of a Supreme Court justice as of December 31, 2015, plus an amount equal to that amount multiplied by the compounded aggregate percentage pay increases, excluding lump-sum payments, paid to civil service nonexclusively represented employees (NEREs) classified as executives and administrators on or after January 1, 2016. (NERE pay adjustments are determined by the Civil Service Commission.)

Under the bill, beginning on October 1, 2021, judges would be compensated as follows:

### **Circuit judges**

Circuit judges would receive an annual salary payable by the state that is 85% of the salary of a justice of the Supreme Court as of December 31, 2015. Each circuit judge could receive an additional salary as determined and payable by the county board of commissioners under section 18 of Article VI of the state constitution and section 555(1) of the RJA.

A current provision that allows a salary payable by the county or counties of a judicial circuit that is in addition to the amount currently calculated for judges' salaries, and which is reimbursed by the state, would expire on September 30, 2021. The bill would retain a provision allowing for a salary adjustment based on pay increases awarded by the Civil Service Commission to state executives and administrators.

### **Probate judges**

An annual salary would have to be paid by the state that is 85% of the salary of a justice of the Supreme Court as of December 31, 2015, and could receive an additional salary as determined and payable by the county board of commissioners under section 821(5). The bill would retain a provision allowing for a salary adjustment based on pay increases awarded by the Civil Service Commission to state executives and administrators.

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<sup>1</sup> Under section 12 of Article IV of the state constitution, the State Officers' Compensation Commission determines Supreme Court justices' salaries.

The following provisions would expire on September 30, 2021:

- A requirement for the salary to include a salary of \$45,724 paid by the county or counties composing a probate court district.
- A requirement that \$6,000 of the minimum annual salary be paid by the counties composing the probate court jurisdiction and subsequently reimbursed by the state.
- A requirement that each county of a probate court district contribute to the salary in the same proportion as the population of the county bears to the population of the district.

Probate judge excluded from section 821

Currently, a probate judge not included in section 821 (the provisions described above) receives a minimum annual salary of \$20,000, with the county paying \$6,000 and the state paying the balance as a grant to the county. Under the bill, beginning October 1, 2021, a judge would instead receive a minimum annual salary payable by the state of the amount he or she earned in the 2020-21 fiscal year and could receive an additional salary as determined in section 822(3). That provision allows a probate judge to receive an additional salary from the county of up to \$45,724. This would expire September 30, 2021. Beginning October 1, 2021, a probate judge could receive an additional salary as determined and payable by the county board of commissioners. In a county where an additional salary is granted, it must be paid at the same rate to all probate judges regularly holding court in the county. The additional salary could increase during a term of office but could not decrease except to the extent of a general salary reduction in all other branches of government in the county. Further, the total annual salary paid to a probate judge who receives the minimum annual salary and additional county salary could not exceed 85% of the salary of a justice of the Supreme Court.

The following provisions would expire on September 30, 2021:

- A cap on total annual salary, including additional salaries as described above, of \$65,724.
- A state standardization payment of \$5,750 and additional payment of \$6,000 for each probate judge to offset the portion of minimum annual salary paid by the county.
- An additional minimum annual salary, in addition to the \$20,000 minimum annual salary, when certain conditions apply, and several other provisions relating to this additional minimum annual salary. A prohibition on a probate judge who receives this additional minimum annual salary from engaging in the practice of law other than as a judge would also expire.
- The salary calculation for a probate judge who becomes a probate judge included in section 821.

**District judges**

District judges must receive an annual salary payable by the state as calculated under section 8202 and may receive an additional salary from a district funding unit in which the judge regularly holds court as determined by the governing legislative body of the district funding unit. The current method to calculate the minimum annual salary would expire September 31, 2021, and be replaced, beginning October 1, 2021, with an annual salary payable by the state equal to 84% of the salary of a justice of the Supreme Court as of December 31, 2015, but a district judge could receive an additional salary as determined and payable by the county board of commissioners.

A provision would expire on September 30, 2021, that pertains to the portion of a judge's salary paid by the district funding unit or units. The bill would retain a provision allowing for a salary adjustment based on pay increases awarded by the Civil Service Commission to state executives and administrators.

MCL 600.555, 600.821, 600.822, and 600.8202

#### **FISCAL IMPACT:**

Currently, district and circuit court judges' salaries are paid by the state in two stages. The first portion of the salary is paid via a warrant provided directly to the judge. The remaining portion is paid by the local court funding unit, which is then reimbursed for the entire amount by the state. Probate court judges' salaries are paid by the local funding unit, which is then reimbursed in full by the state. Under provisions of House Bill 4447, trial court judges would become State of Michigan employees. The bill would have a significant fiscal impact on the state. Although the bill would have a net \$0 impact on the way trial court judges' salaries are paid, under provisions of the bill, judges would become eligible for state-sponsored benefits. According to the State Court Administrative Office (SCAO), the cost to the state for providing state-sponsored benefits to trial court judges is estimated at \$12.3 million (\$5.2 million for district court judges, \$4.8 million for circuit court judges, and \$2.3 million for probate court judges). Funding would cover costs of providing state-sponsored health, dental, vision, and life insurance, as well as long-term disability benefits.

SCAO also estimates that, if trial court judges become state employees, an additional 3.0 full-time human resources employees would be needed to handle the new responsibilities of incorporating judges into the state's payroll system and assisting them on an ongoing basis with payroll and benefits-related issues. The estimated cost of the additional staff is \$373,500, which includes salary, retirement, FICA, and insurance costs.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.