



Budget Briefing: Judiciary

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Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics

Judicial Branch: Constitutional Mandate

“The judicial power of the state is vested exclusively in one court of justice which shall be divided into the supreme court, one court of appeals, one trial court of general jurisdiction known as the circuit court, one probate court, and courts of limited jurisdiction that the legislature may establish by two-thirds vote of the members elected to and serving in each house.”

Article VI, Section 1

Constitution of the State of Michigan of 1963

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2023-24 is October 1, 2023 through September 30, 2024.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

Line Item: Specific appropriation amount in a budget bill that establishes spending authorization for a particular program or function.

Boilerplate: Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapses: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

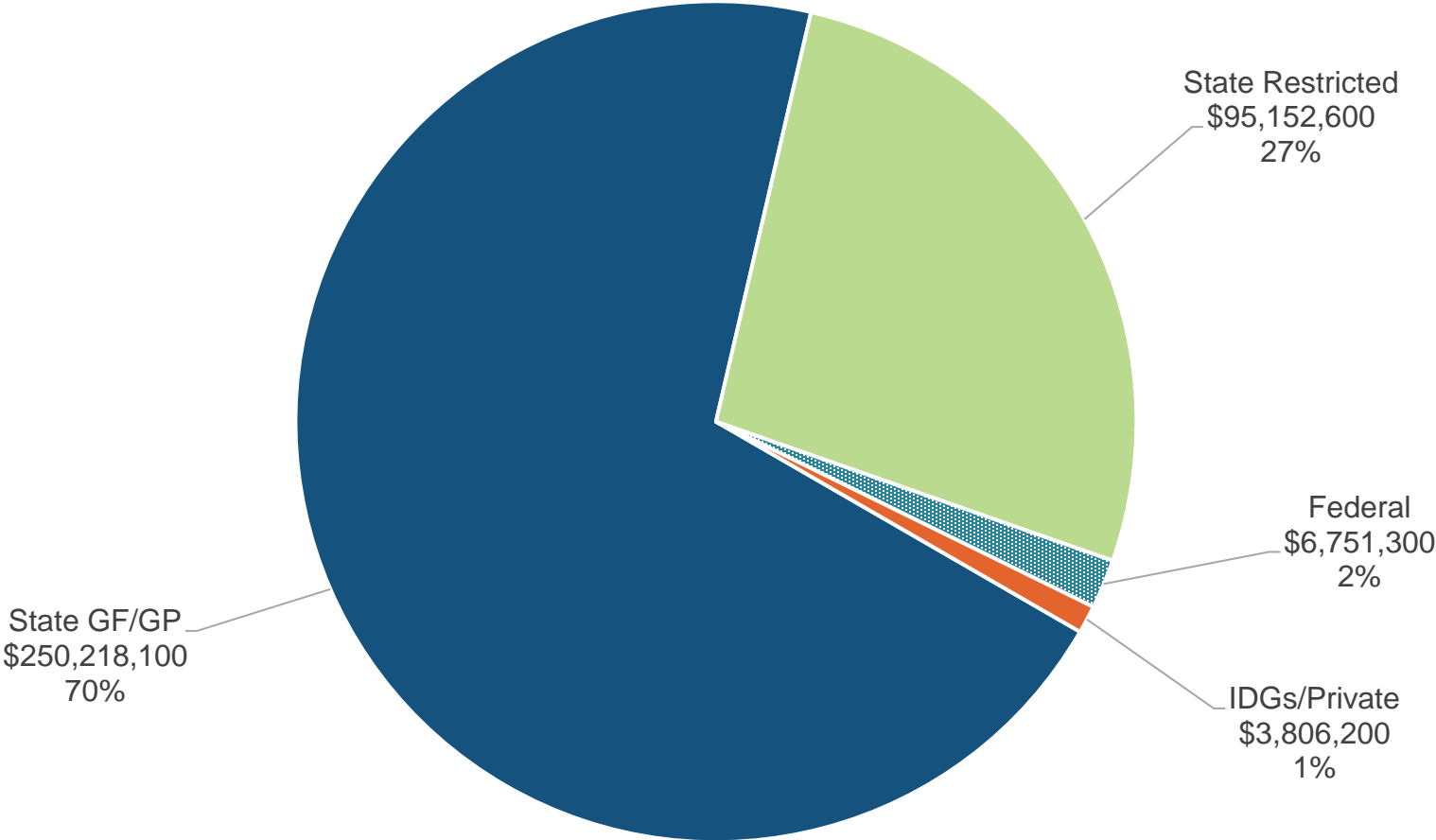
Funding Sources

FY 2023-24 Judiciary Budget

Fund Source	Funding	Description
Gross Appropriations	\$355,928,200	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	1,902,300	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$354,025,900	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	6,751,300	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	1,903,900	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	95,152,600	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$250,218,100	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

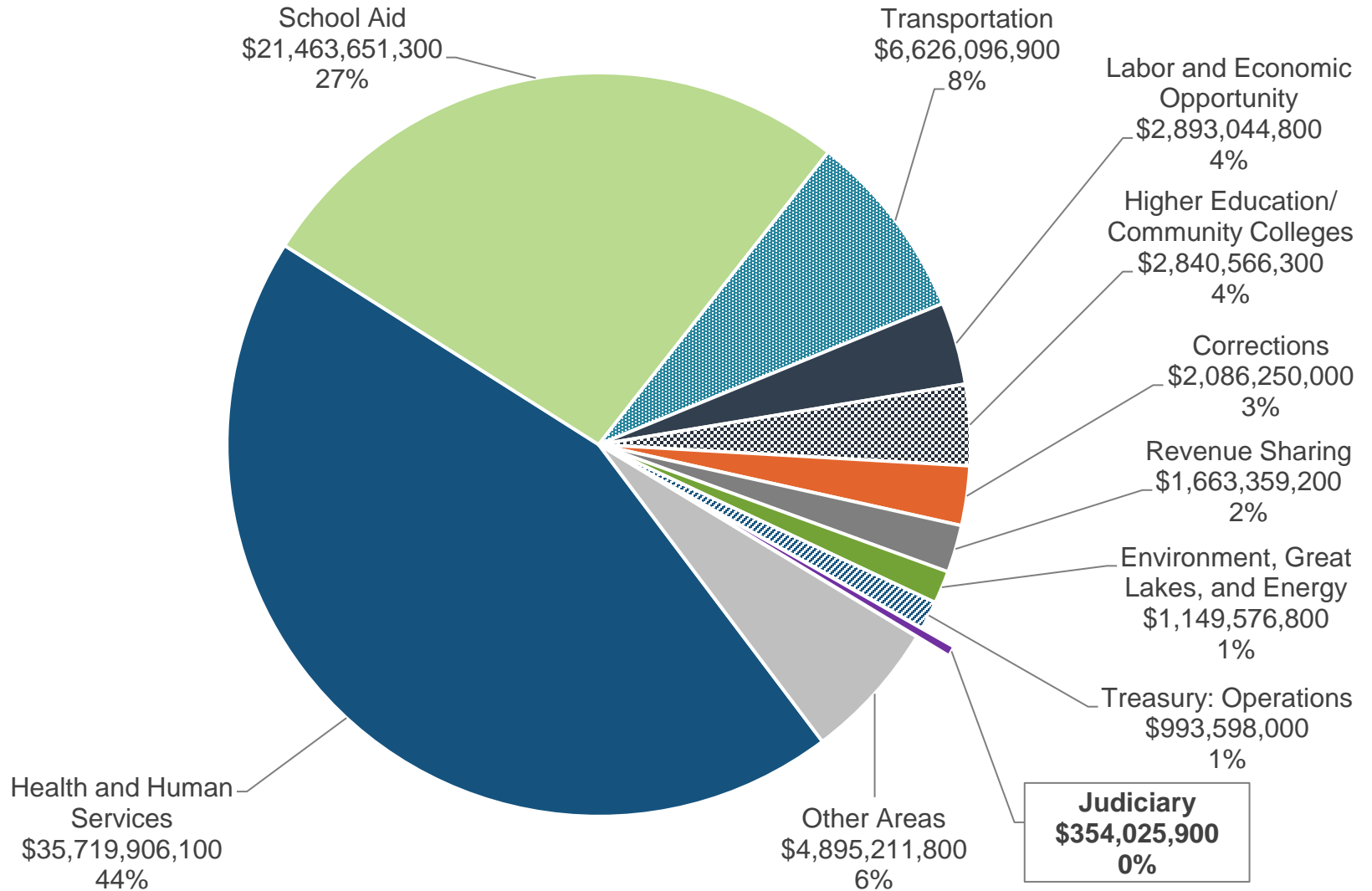
FY 2023-24 Fund Sources

The Judiciary budget is funded **97%** with state general fund and state restricted funding.



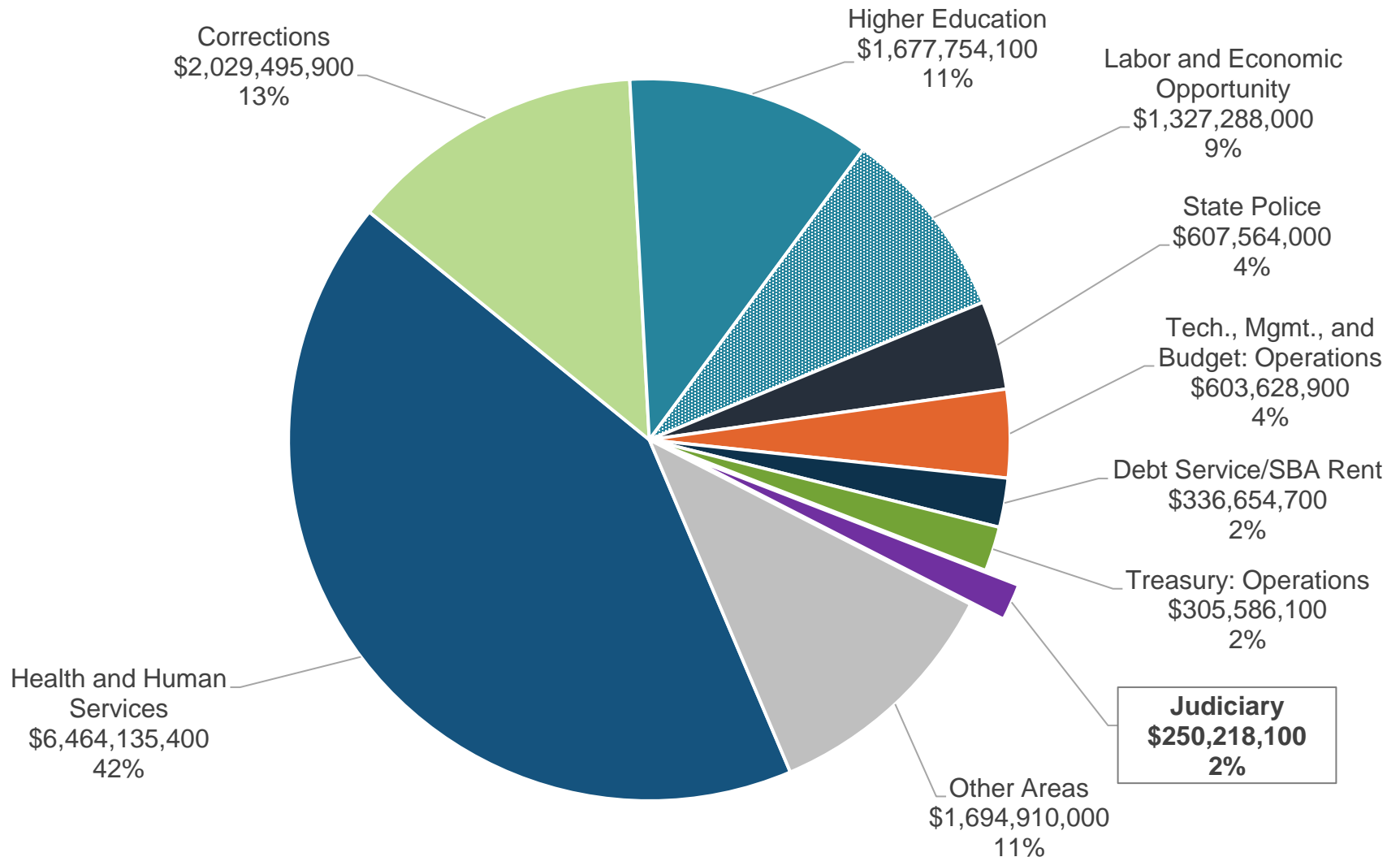
Judiciary Share of Total State Budget

The Judiciary budget represents less than **1%** of the **\$80.7 billion** state budget (adjusted gross) for FY 2023-24.



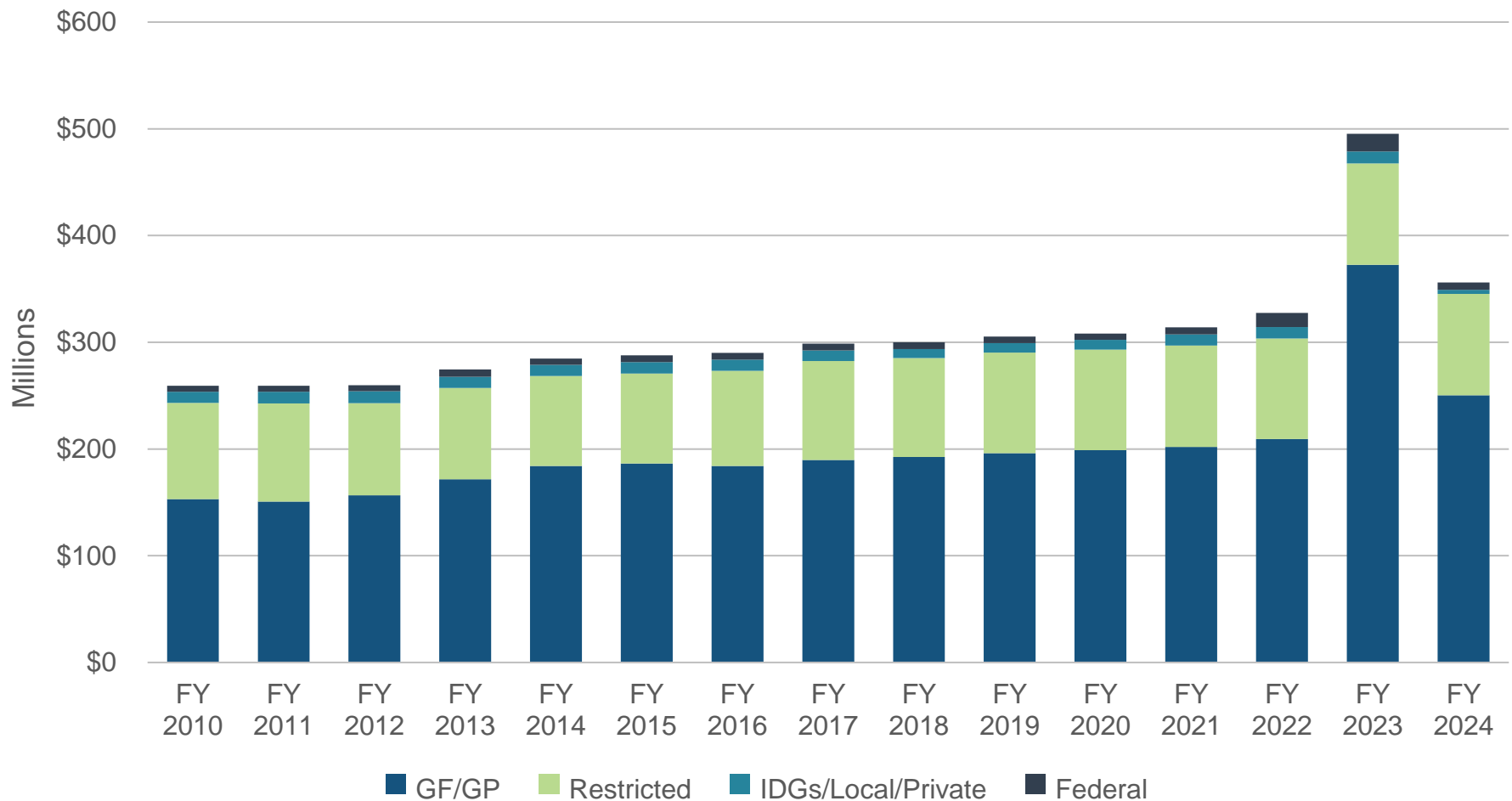
Judiciary Share of Total GF/GP Budget

The Judiciary budget represents **2%** of the state's **\$15.3 billion** GF/GP budget for FY 2023-24.



Judiciary Funding History

Funding for Judiciary has grown by a little over **37%** since FY 2009-10. Substantial growth in FY 2022-23 was due to a one-time appropriation of \$150.0 million to support a new statewide judicial case management system. An ongoing appropriation of \$11.9 million is included in FY 2023-24 for the same purpose. In prior years, growth was due primarily to the expansion of problem-solving courts (i.e., drug treatment/DWI sobriety, mental health, and veterans courts) and other programs that offer community alternatives to prison.



Appropriation Areas

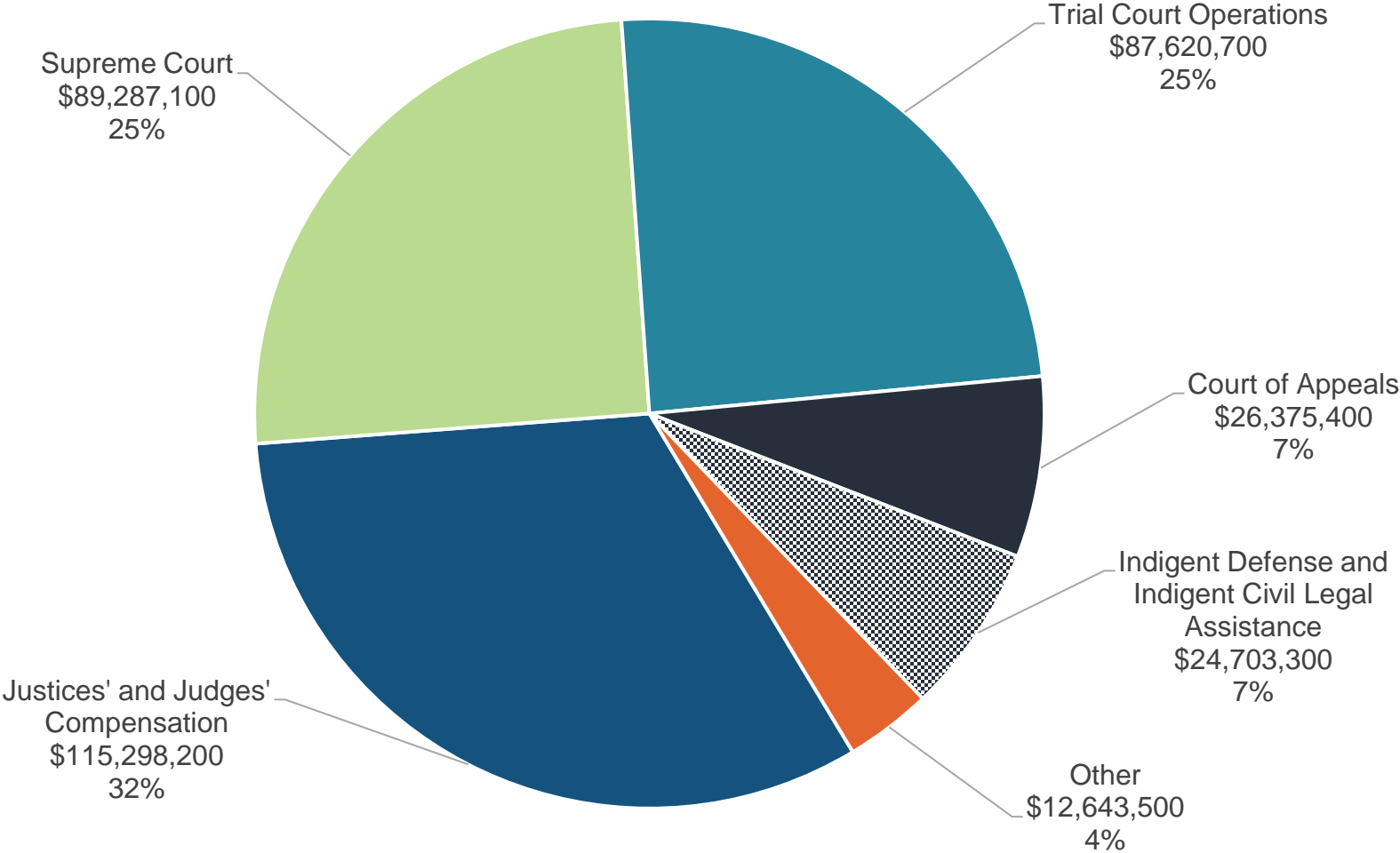
Judiciary Appropriation Areas

The Judiciary budget is allocated into the following major spending areas:

- Supreme Court (includes all FY 2023-24 one-time appropriations)
- Court of Appeals
- Trial Court Operations
- Justices' and Judges' Compensation
- Indigent Defense and Indigent Civil Legal Assistance
- Other (Judicial Tenure Commission and Branchwide Appropriations)

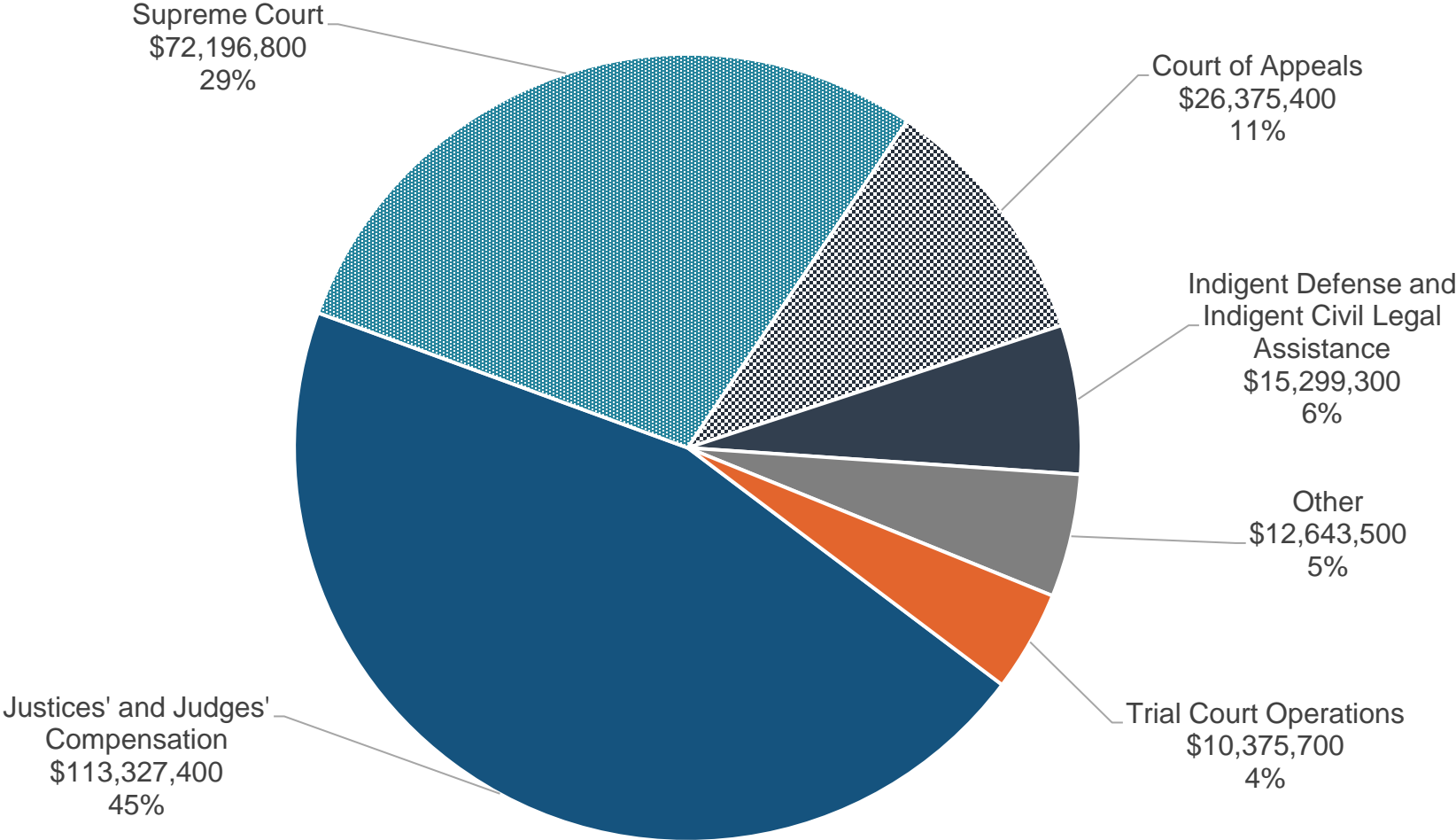
FY 2023-24 Gross Appropriations

Of the total **\$355.9 million** appropriated in the Judiciary budget, **\$292.2 million**, or **82%**, supports justices' and judges' compensation, the Supreme Court, and trial court operations.



FY 2023-24 GF/GP Appropriations

Of the total **\$250.2 million** GF/GP appropriated in the Judiciary budget, **\$113.3 million**, or **45%**, supports justices' and judges' compensation.



Major Budget Topics

Courts in Michigan

The court system in Michigan has three levels: the Supreme Court, the Court of Appeals, and Trial Courts

○ ***Supreme Court***

- The state's highest court; has the final word on state law
- Hears appeals mainly from decisions of the Court of Appeals
- No jurors, no witnesses
- **7 Supreme Court Justices** elected to eight-year terms
- Decisions made by majority vote
- Responsible for general administrative supervision of all other courts in the state; establishes rules for practice and procedure in all state courts

○ ***Court of Appeals***

- Is considered an error-correcting court
- Hears appeals from trial courts
- No jurors, no witnesses
- **25 Court of Appeals judges** elected to six-year terms
- Judges are randomly assigned to 3-judge panels and sit statewide though they are elected from one of four districts – District 1 (Detroit), District 2 (Troy), District 3 (Grand Rapids), and District 4 (Lansing)
- At least 2 of the 3 judges must agree on the ruling in a case for it to be binding

Courts in Michigan

Trial Courts are where facts are decided; there are jurors and witnesses; trial courts are in every county across the state

- **Circuit Courts** – have the broadest powers; handle all civil cases with claims of more than \$25,000 and all felony criminal cases; handle appeals from district courts and administrative appeals; **57 circuit courts** in Michigan; **221 circuit court judges** elected to six-year terms
 - Family division of circuit court handles all cases regarding divorce, paternity, adoptions, personal protection actions, emancipation of minors, juvenile offenses and delinquency, juvenile guardianship, child abuse and neglect, safe delivery of newborns, name changes, and treatment and testing of infectious disease
 - Friend of the Court is part of the family division of the circuit court and handles domestic relations cases involving minor children
- **Probate Courts** – handle wills; administer estates and trusts; appoint guardians and conservators; order treatment for mentally ill and developmentally disabled persons; **78 probate courts** in Michigan; **103 probate court judges** elected to six-year terms

Courts in Michigan

Trial Courts: (continued)

- ***District Courts*** – handle most traffic violations, most traffic tickets, all civil cases with claims up to \$25,000, small claims up to \$6,500, landlord-tenant matters, ordinance violations, all misdemeanor criminal cases, and preliminary stages of felony criminal cases; **100 district courts** in Michigan; **231 district court judges** elected to six-year terms
- ***Municipal Courts*** – handle misdemeanor criminal cases, preliminary stages of felony criminal cases, civil cases up to \$1,500 or \$3,000 if resolution exists, and traffic and parking infractions; have limited powers; located only in Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Park, and Grosse Pointe Shores/Grosse Pointe Woods
- ***Court of Claims*** – handles cases filed against the State of Michigan and its agencies; cases include highway defect, medical malpractice, contracts, constitutional claims, prisoner litigation, tax-related suits, and other claims for money damages over \$1,000

Courts in Michigan

Other Courts:

- Federal Courts (no state appropriations are used to support federal courts)
 - Hear cases that deal with the constitutionality of a law, cases involving laws and treaties of the U.S., cases involving ambassadors and public ministers, disputes between two or more states, admiralty (maritime) law, bankruptcy cases, and Habeas Corpus issues
 - 2 federal district courts in Michigan – U.S. District Court for the Eastern District of Michigan with offices in Bay City, Detroit, and Flint; and U.S. District Court for the Western District of Michigan with offices in Grand Rapids, Kalamazoo, Lansing, and Marquette
 - Judges on these courts are nominated by the U.S. President and confirmed by the U.S. Senate

Courts in Michigan

Other Courts:

- Tribal Courts (no state appropriations are used to support tribal courts)
 - Tribal courts resolve civil, criminal, and other legal matters within Indian jurisdiction
 - Michigan's state courts ensure mutual recognition of state and tribal judgments according to Michigan Court Rule (MCR 2.615)
 - Some tribal courts resemble federal and state courts; others use traditional means such as peacemaking, elders councils, and/or sentencing circles; some have both types of courts
 - There are 12 federally recognized Tribes in Michigan with courts: Bay Mills Indian Community, The Grand Traverse Band of Ottawa and Chippewa Indians, Hannahville Indian Community, Nottawaseppi Huron Band of Potawatomi, Keweenaw Bay Indian Community, Lac Vieux Desert Band of Lake Superior Chippewa Indians, Little River Band of Ottawa Indians, Little Traverse Bay Bands of Odawa Indians, Pokagon Band of Potawatomi Indians, Saginaw Chippewa Indian Tribe, Sault Ste. Marie Tribe of Chippewa Indians, and Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians

Judicial Salaries – Fiscal Year 2023-24

Supreme Court Justices’ salaries are determined by the State Officers Compensation Commission, as required by the State Constitution. All other judicial salaries are set according to the Revised Judicature Act. The number of justices/judges and annual salary amounts listed below are as of December 1, 2023.

Court	# of Justices/ Judges	Annual Salary	Total Cost of Salaries Only
Supreme Court	7	\$181,483	\$1,270,381
Court of Appeals	25	\$186,309	\$4,657,725
Circuit Court	221	\$172,134	\$38,041,614
Probate Court	103	\$172,134	\$17,729,802
District Court	231	\$172,134	\$39,762,954

State Appellate Defender Office

State Appellate Defender Office (SADO): \$16.8 million Gross

- SADO fulfills statutory requirements of the Appellate Defender Act, 1978 PA 620, and the Sixth Amendment of the United States Constitution to represent indigent people appealing criminal convictions
- SADO is comprised of three divisions:
 - Public Defender Division represents at least 25% of individuals appealing their convictions, serves roughly 300 clients per year
 - Includes Juvenile Lifer Unit, Wrongful Conviction Unit, and Project Reentry
 - Michigan Appellate Assigned Counsel System appoints criminal appellate counsel in all state circuit courts, serves up to 3,000 clients per year
 - County-funded private attorneys represent the other 75% of appeals cases
 - Criminal Defense Resource Center provides training and resources to the state's court-appointed trial and appellate counsel; provides resources to the public and to system stakeholders
 - Online access to pleadings, expert witness testimony, appellate case law summaries, and training videos

State Appellate Defender Office

Juvenile Lifer Unit and Project Reentry

- In 2016, the U.S. Supreme Court ruled that imposing mandatory life sentences without the possibility of parole for offenses committed as youth was in violation of the U.S. Constitution
- SADO created the Juvenile Lifer Unit comprised of attorneys and investigators to represent juvenile lifers serving life without parole sentences in resentencing hearings
- Michigan had 364 juvenile lifers serving life without parole; SADO represents 193 of these clients
- In 2022, the Michigan Supreme Court issued multiple decisions on youth sentencing that significantly expanded the impact of the U.S. Supreme Court ruling
- State court rulings resulted in the need for an additional 351 resentencing hearings
- Project Reentry focuses on juvenile lifers paroled as a result of their resentencing hearings; prepares clients for parole, develops comprehensive reentry plans to assist with returning to the community, helps individuals find assistance and resources they need to ensure success in the community

Judicial Tenure Commission

Judicial Tenure Commission (JTC): \$2.8 million Gross

- Judicial Tenure Commission is a 9-member commission, established by Article VI, Section 30 of the State Constitution; commission consists of 4 judges elected by judges of the state's courts, 3 members elected by the State Bar of Michigan, and 2 members appointed by the governor
- JTC serves to promote the integrity of the judicial process and to preserve public confidence in the courts by holding judges accountable for their misconduct; JTC investigates complaints against judges, and, where appropriate, recommends disciplinary action
- In 2022, JTC received 800 request for investigation forms; 507 forms complained about actions by a total of 294 judges
- In 2022, JTC resolved 461 requests for investigation concerning 268 judges; in 431 of the 461 grievances resolved, evidence did not demonstrate misconduct after review of information
- Sources of requests for investigation include litigants, acquaintances of litigants, prisoners, attorneys, other judges, and court personnel
- Subject matter of grievances includes prejudice/partiality, demeanor, review of legal ruling, failure to perform duties, misconduct, and delay

Grant Programs to Assist Local Trial Courts

- **\$121.7 million**, or about **25%**, of the Judiciary budget is appropriated for various grant programs and reimbursements to local units
- Primary among these is the **Court Equity Fund Reimbursements** program, **\$60.8 million** Gross, used to assist local trial courts with operational expenses
- Funding from the Court Equity Fund (**\$50.4 million**) is combined with GF/GP funding (**\$10.4 million**) and is distributed to counties quarterly under a statutory formula that recognizes circuit and probate court caseload activity and the number of judgeships allocated to each county
- Court Equity Fund consists of state court fund revenues set aside for operational expenses of trial courts, proceeds of costs assessed by district courts, and certain court fees

Grant Programs to Assist Local Trial Courts

Other major grant programs include problem-solving courts:

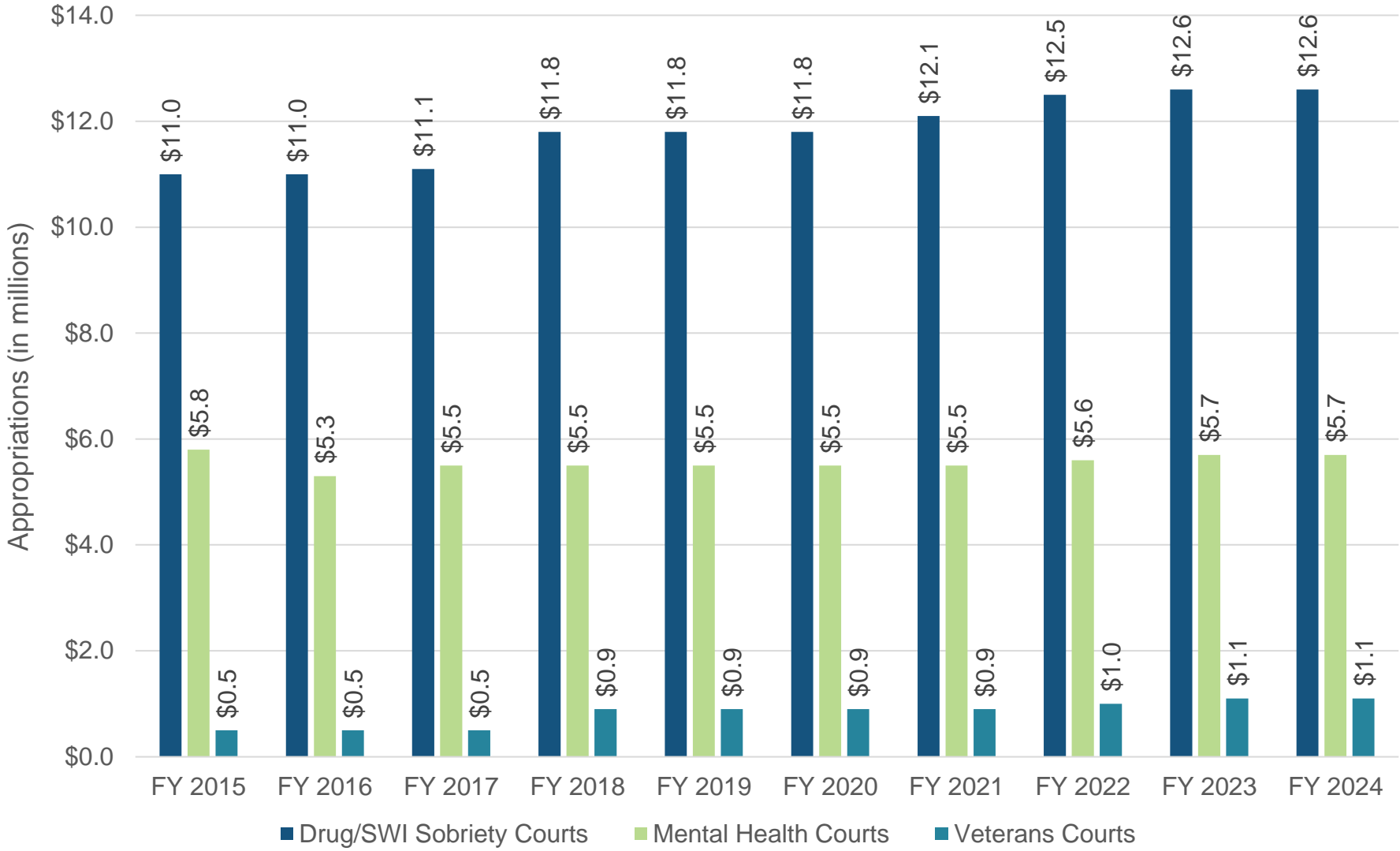
- ***Drug Treatment/DWI Sobriety Courts: \$12.6 million Gross***
 - Operate to reduce criminal activity and to rehabilitate offenders diagnosed with substance use disorders through a combination of therapeutic services and judicial supervision
 - Offer an alternative to imprisonment for non-violent criminal offenders
 - As of November 1, 2023, there were **138 drug treatment/DWI sobriety courts** operating in the state (63 hybrid drug treatment/DWI sobriety courts, 36 DWI sobriety courts, 12 adult and 10 juvenile drug treatment courts, 8 family dependency courts, and 9 tribal drug treatment/DWI sobriety courts)

- ***Mental Health Courts: \$5.7 million Gross***
 - Target offenders who have been diagnosed with serious mental illnesses, serious emotional disturbances, or developmental disabilities, and offer them opportunities to participate in court-based treatment programs to address their mental illnesses instead of sentencing them to lengthy jail or prison terms
 - Include intense judicial oversight, treatment through local community mental health service providers, drug testing when appropriate, referrals to community services, enrollment in educational classes and certificate programs, transportation assistance, and assistance in obtaining employment
 - As of November 1, 2023, there were **43 mental health courts** operating in the state (35 adult and 8 juvenile courts)

Grant Programs to Assist Local Trial Courts

- **Veterans Courts: \$1.1 million Gross**
 - Were first established in 2012 to help address the particular needs of military veterans who become involved with the court system
 - Use a hybrid integration of drug treatment court and mental health court principles
 - Promote sobriety, recovery, and stability through a coordinated response that involves collaboration with the United States Department of Veterans Affairs
 - Provide an alternative to incarceration
 - As of November 1, 2023, there were **28 veterans treatment courts** operating in the state
- **Swift and Sure Sanctions Program: \$3.4 million Gross**
 - Funding is used to provide a high-intensity supervision program that provides close monitoring and swift sanctions in the event of probation violations; program focuses on high-risk, felony offenders
 - Grants were first implemented in FY 2012; \$1.0 million was received from the Department of Corrections for a pilot program
 - Funding was increased to \$6.0 million in FY 2013; funding was decreased to \$4.0 million in FY 2017, decreased to \$3.6 million in FY 2020, and decreased further, to \$3.4 million in FY 2021
 - As of November 1, 2023, there were **23 circuit courts** receiving grant funding under the program

Funding for Problem-Solving Courts



Trial Court Funding

- Michigan trial courts are funded through a complex collection of general tax revenue and fee and fine revenue
- It costs between \$1.1 and \$1.4 billion annually to operate the state's 242 trial courts
- Trial courts are funded 44% by local units of government, 23% by state government, 7% by the federal government, and 26% by the trial courts
- A significant portion of funds generated by the trial courts are assessments on criminal defendants; state funding consists of general fund revenue and revenue generated from fines; more than \$400 million of funding for trial courts comes from fines and fees paid by people found guilty of crimes
- Judges impose penalties and also rely on revenue from these penalties to operate their courts
- In 2014, the state Supreme Court ruled in *People v Cunningham* that local courts do not have authority to use revenue from court costs imposed on defendants to pay for the day-to-day operations of trial courts

Trial Court Funding

- In 2017, the legislature responded to the *Cunningham* decision in Public Act 64 by authorizing trial courts to assess defendants the cost of court operations related to their cases
- 2017 PA 64 also included a sunset provision meaning the use of revenue collected from defendants to pay costs of court operations would exist for only a specified period of time; (sunset expires May 2024)
- Through 2017 PA 65, the legislature created the 14-member Trial Court Funding Commission to review Michigan's trial court funding system and to recommend changes that would improve efficiency, the administration of justice, and justice outcomes
- 2017 PA 65 is now repealed since the commission concluded its work and filed its final report on September 6, 2019, in accordance with statute

Trial Court Funding Commission (TCFC)

- The Trial Court Funding Commission arrived at five recommendations to implement its vision for a new funding system for Michigan's trial courts:
 - Recommendation One – Establish a Stable Court Funding System
 - Recommendation Two – Provide All Court Technology Needs
 - Recommendation Three – Establish Uniform Assessments and Centralized Collections
 - Recommendation Four – Move Toward a Uniform Employment System
 - Recommendation Five – Establish a Transition Plan for the New Court Funding Model

TCFC Recommendations

- Recommendation One – Establish a Stable Court Funding System
 - Balanced state and local partnership is necessary to ensure equal access to justice
 - State to create the Trial Court Fund for receipt of all trial court assessments and state general fund payments
 - Trial Court Fund to distribute appropriate monies to fund trial courts based on operational requirements
 - Decisions about local trial court operations to remain local

TCFC Recommendations

- Recommendation Two – Provide All Court Technology Needs
 - State to make available and fund all technology needs of the courts, including case and document management services
 - State to supply and manage technology products and services for all courts, including hardware, software, infrastructure, training, and ongoing technology support
 - State to bear cost of all technology provided, which will create a uniform system throughout the state
- Funding has been appropriated for the State Court Administrative Office to begin work on this recommendation (for more specific information see slide 36)

TCFC Recommendations

- Recommendation Three – Establish Uniform Assessments and Centralized Collections
 - State Court Administrative Office to establish a system of uniform assessments and centralized collections to be implemented for all trial courts
 - System will maintain judicial discretion for ordering fines within limits set by law and determination of ability to pay
 - Centralization of some court business functions will reduce costs overall, promote efficiency, and eliminate ethical dilemma of trial court judges being incentivized to maximize revenue from court users for budget support
 - Centralizing court collections to achieve greater efficiency and achieve higher level of uniform customer service

TCFC Recommendations

- Recommendation Four – Move Toward a Uniform Employment System
 - Make trial court judges direct employees of the state to eliminate issues of dual employment and to allow all trial court judges to be treated equally in salaries and fringe and retirement benefits
 - Referees and magistrates to become state employees to allow for common training, easier coordination, and for potential synergies
 - Over time, state and local governments to consider working together to transition other court personnel into state employment while being respectful of existing bargaining units and labor agreements
- The legislature is in the process of drafting legislation to meet this recommendation

TCFC Recommendations

- Recommendation Five – Establish a Transition Plan for the New Court Funding Model
 - Create a task force to develop a plan for transition to the new trial court funding model, which must include a timeline for short-term, intermediate, and long-term objectives and milestones to be achieved
 - Transition plan to include technical assistance and funding for local units of government for any shortfall in operating funds due to implementation
 - Once model is implemented, establish a Michigan Judicial Council to exercise administrative policymaking authority to ensure continued progress toward a unified Michigan court system
- Council was established and has been working with the legislature on drafting legislation (for more information on the council see slide 37)

Statewide Judicial Case Management System

- To date, **\$161.9** million GF/GP has been appropriated for the new statewide judicial case management system (\$150.0 million appropriated in FY 2022-23; \$11.9 million appropriated in FY 2023-24)
- State Court Administrative Office is charged with establishing a system that demonstrates the ability to integrate and provide broad access to criminal justice information across state departments and agencies and local units of government, including the Department of State Police, other law enforcement agencies, the Department of Corrections, jail administrators, judges, prosecuting attorneys, and trial courts
- System will improve current operations, financial systems, research capabilities, ability to inform of policy, and ability to gain actionable insights across organizational data
- System will be hosted in a secure cloud by a vendor and will comply with all security measures and restrictions to ensure that access to any information is held confidential under federal and state law

Michigan Judicial Council

- Recommendation five suggests establishing a Michigan Judicial Council to exercise administrative policymaking authority to ensure continued progress toward a unified Michigan court system
 - In June 2021, the Michigan Supreme Court appointed 29 individuals to the Michigan Judicial Council (MJC)
 - MJC is charged with developing a strategic plan for the judicial branch of government, making the justice system more accessible, equitable, engaged, and efficient
 - Strategic planning process includes visioning, analyzing trends, reviewing outreach data, and developing strategic goals and long-term strategies for advancing judicial branch reform and improvements

For more information about the Judiciary budget:

HFA Resources

<http://www.house.mi.gov/hfa/Judiciary.asp>

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