

# FISCAL BRIEF



## JUSTICE SYSTEM FUND

Robin R. Risko, Associate Director  
August 14, 2024

### FAST FACTS

- The JSF was created to simplify the assessment, collection, and distribution of monetary obligations imposed in criminal cases.
- JSF revenue comes from various assessments related to court penalties.
- Revenue is distributed from the fund according to a percentage formula outlined in the Revised Judicature Act.
- Revenue is distributed to a variety of funds administered by four state departments, as well as to the Legislative Retirement System and the Judiciary.

### INTRODUCTION

The Justice System Fund (JSF) was created by 2003 PA 97, MCL 600.181, to simplify the assessment, collection, and distribution of monetary obligations imposed in criminal cases. Revenue deposited into the fund comes from various assessments related to court penalties. Revenue is distributed from the fund according to a percentage formula outlined in the Revised Judicature Act (RJA), 1961 PA 236.

### REVENUE SOURCES

JSF revenue comes from various assessments related to court penalties. A person found guilty of a civil infraction, misdemeanor, or felony is required to pay a series of fines determined by the offense. Included in these penalties are fines that are transmitted to the state treasury for use in the JSF. The RJA specifies the assessment collected for each type of offense. The current amount collected for each offense is outlined in **Figure 1**, below.

**Figure 1 – Revenue Sources for Justice System Fund**

Category of Offense	Fine	Statute
Traffic Civil Infractions	\$40	Justice system assessment – MCL 257.907(12), 600.8381(5)
Non-Traffic Civil Infractions	\$10	Justice system assessment – MCL 117.4q(13), 600.8381(5), 600.8727(4), 600.8827(4)
Misdemeanors: Simple (no crime victims)	\$50	Minimum state costs – MCL 600.8381(4)
Misdemeanors: Serious or Specified (CVR)	\$50	Minimum state costs – MCL 769.1j(1), 769.1k(1)(a)
Felonies	\$68	Minimum state costs – MCL 769.1j(1), 769.1k(1)(a), 771.3(1)(g)
DNA Profile Assessment	\$39	Justice system assessment – MCL 28.176(8)(b), 712A.18k(7)(b), 750.520m(8)(b)

*Effective October 1, 2024, minimum state costs will no longer be assessed for juvenile offenders.*

## DISTRIBUTION OF JSF FUNDS

**Figure 2** shows the distribution of JSF funds in FY 2022-23, according to numbers reported by the State Court Administrative Office. The JSF is distributed to a variety of funds administered by the Departments of State Police, Corrections, Health and Human Services, and Treasury, and to the Legislative Retirement System and the Judiciary.

Under the statutory formula for the JSF, the Michigan Justice Training Fund receives \$10 per paid traffic civil infraction, and the remaining balance of the fund is distributed according to statutory percentages. For FY 2022-23, these distributions totaled \$34.2 million. This is an increase of \$1.1 million over FY 2021-22 distributions.

The remainder of this document provides descriptions of each program and fund source that receives revenue from the JSF.

<b>Figure 2 – FY 2022-23 Justice System Fund Distribution</b>		
<b>Funding Recipient</b>	<b>Distribution Rate</b>	<b>Amount Distributed (Millions)</b>
<b>State Police</b>		
Michigan Justice Training Fund	\$10/Paid Traffic Civil Infraction	\$6.2
Michigan Justice Training Fund	11.84%	\$3.3
Highway Safety Fund	23.66%	\$6.6
State Forensic Laboratory Fund/DNA	5.35%	\$1.5
<b>Corrections</b>		
Jail Reimbursement Program Fund	11.84%	\$3.3
<b>Health and Human Services</b>		
Sexual Assault Victim’s Medical Forensic Intervention and Treatment Fund	2.65%	\$0.7
Children’s Advocacy Center Fund	1.85%	\$0.5
<b>Legislative Retirement System</b>	1.10%	\$0.3
<b>Judiciary</b>		
Drug Treatment Court Fund	2.73%	\$0.8
State Court Fund	12.69%	\$3.6
Court Equity Fund	24.33%	\$6.8
State Court Administrative Office	0.98%	\$0.3
<b>Treasury</b>	0.98%	\$0.3
<b>Total</b>	<b>100.0%</b>	<b>\$34.2</b>

Source: State Court Administrative Office

## **MICHIGAN JUSTICE TRAINING FUND**

The Michigan Justice Training Fund was established by 1982 PA 302, MCL 18.422. Under Executive Order 2001-5, the Michigan Commission on Law Enforcement Standards (MCOLES) is responsible for administration of the fund.

Unlike other funds that receive JSF distributions, the Michigan Justice Training Fund receives \$10 from every \$40 assessment paid on traffic citations. Recent legislation, 2022 PA 189, amended the RJA to allocate to the Michigan Justice Training Fund an amount equal to \$10 multiplied by the number of civil infraction actions on which assessments are collected each month under specific sections of the Michigan Vehicle Code. In FY 2022-23, the fund received \$6.2 million of the JSF's \$34.2 million balance from the \$10 portion of assessments paid. Prior to enactment of the 2022 legislation, revenue from the \$10 portion of the \$40 assessment was allocated to the Secondary Road Patrol and Training Fund.

The Michigan Justice Training Fund also receives 11.84% of the JSF's balance. This totaled \$3.3 million in FY 2022-23. Coupled with the revenue from assessments paid, the Michigan Justice Training Fund received a total of \$9.5 million in FY 2022-23. MCOLES annually distributes 60% of the Michigan Justice Training Fund to eligible law enforcement agencies and uses the remaining 40% to provide competitive grants, after administration costs are deducted.

In FY 2022-23, the Michigan Justice Training Fund provided \$5.9 million to law enforcement agencies across Michigan through the Law Enforcement Distribution Program. These funds were distributed to a total of 473 agencies on a per capita basis, with funding provided to every eligible agency employing two or more officers. The fall per capita amount distributed was \$189.96, and the spring per capita amount was \$162.06. These funds are used to support direct costs of in-service criminal justice training provided to MCOLES-licensed law enforcement officers.

The remaining funds, \$3.6 million, were used to cover administrative costs, including training workshops, and for issuing competitive grants. Because overall Michigan Justice Training Fund revenue had been declining, there were only two competitive grant cycles from FY 2014-15 to FY 2019-20. With inclusion of marijuana funding under 2016 PA 281, MCOLES has been able to divert administrative expenses away from the Michigan Justice Training Fund to the Medical Marijuana Regulatory Fund. MCOLES was able to grant \$1,179,791 in 2023. There is carryforward revenue of just over \$9.5 million, with funds obligated to competitive grants that run on a calendar-year basis rather than on a fiscal-year basis. MCOLES anticipates granting \$1,184,221 in 2024.

## **HIGHWAY SAFETY FUND**

The Highway Safety Fund, created under MCL 257.629e, receives 23.66% of the JSF's remaining balance and is used to supplement funds used by the Department of State Police for employment of at-post troopers and the associated support costs. At-post troopers provide law enforcement services in criminal and traffic-related situations across the state.

The JSF distributed \$6.6 million of revenue to the Highway Safety Fund in FY 2022-23, providing a portion of the total funding for at-post troopers. Other funding sources for at-post troopers are the Trooper School Recruitment Fund, Traffic Law Enforcement and Safety Fund, state general fund revenue, forfeiture revenues, State Police Service Fees, and a small amount of federal funding.

## **STATE FORENSIC LABORATORY FUND/DNA**

The State Forensic Laboratory Fund was created by 1994 PA 35, MCL 12.201 to 12.212, to provide funding for laboratory costs incurred by state and local units of government. Originally, revenue for this fund was generated through a \$150 assessment on defendants convicted of criminal sexual conduct and defendants convicted in cases that required a forensic test to be performed. 2003 PA 70 consolidated several fees relating to criminal offenses, including the forensic lab fee, and required all the fees to be deposited into the JSF. The State Forensic Laboratory Fund receives 5.35% of the JSF's balance, which totaled \$1.5 million in FY 2022-23.

Forty-five percent of the State Forensic Laboratory Fund, or roughly \$675,000 in FY 2022-23, is distributed to the Department of State Police for costs related to DNA profiling and retention of the state's DNA database. The remaining 55% of funds, or roughly \$825,000 in FY 2022-23, is distributed to local forensic labs and to the Department of State Police Forensic Sciences Division, which operates seven forensic science laboratories across the state. Laboratories are located in Bridgeport, Detroit, Grand Rapids, Grayling, Lansing, Marquette, and Northville.

## **JAIL REIMBURSEMENT PROGRAM FUND**

The County Jail Reimbursement Program, created under MCL 769.35, receives 11.84% of the funds collected by the JSF. The money in the Jail Reimbursement Program Fund is used by the Department of Corrections to reimburse counties for housing convicted felons (MCL 257.629e). Specifically, these funds are provided for housing eligible felons in county jails when they could otherwise have been housed in state prisons. In FY 2022-23, the Jail Reimbursement Program Fund reimbursed counties at a rate of between \$40 and \$65 per offender per day depending on the sentencing guidelines scoring of the felons' offenses. Per diem rates were increased by \$5, from rates of between \$35 and \$60 per offender per day, beginning in FY 2016-17.

Funds from the JSF for the County Jail Reimbursement Program totaled \$3.3 million in FY 2022-23. The program also received \$8.9 million from the state general fund.

## **SEXUAL ASSAULT VICTIMS' MEDICAL FORENSIC INTERVENTION AND TREATMENT FUND**

Created by 2008 PA 546, MCL 400.1533, the Sexual Assault Victims' Medical Forensic Intervention and Treatment Fund is used to fund entities and organizations that provide services and examinations to victims of sexual assault, as well as rape prevention services. Services include a 24-hour crisis hotline, individual and group counseling, emergency response, advocacy, and forensic examinations.

The fund receives 2.65% of the JSF's balance, which for FY 2022-23 totaled \$700,000.

## **CHILDREN'S ADVOCACY CENTER FUND**

The Children's Advocacy Center Fund was created by 2008 PA 544, MCL 722.1043. The fund receives the entirety of its revenue from 1.85% of the JSF's revenue, which totaled approximately \$500,000 in FY 2022-23.

The Children's Advocacy Center Fund provides grants to children's advocacy centers across Michigan, which provide forensic, investigative, assessment, counseling, support, and educational services to victims of child sexual assault and to their non-offending family members. These funds were held for the first two years after the fund's creation,

and grants were first awarded in July 2011. In FY 2022-23, grants were distributed to 28 accredited children’s advocacy centers, in 29 counties, with average program awards of \$15,684. Additional funds are set aside for accreditation training for other child advocacy centers that are in the process of receiving accreditation, which will lead to an increase in the number of grant applicants in future years.

## **LEGISLATIVE RETIREMENT SYSTEM**

The Michigan Legislative Retirement System receives 1.1% of the balance of the JSF, roughly \$300,000 in FY 2022-23, which accounts for about 5.0% of the retirement system’s total funding. The remaining amount is provided by 1.5% of the Civil Filing Fee Fund (roughly \$500,000 in FY 2022-23) and the state general fund.

The Legislative Retirement System is contained within the legislative branch, where it is administered by an 11-member board of former members of the legislature, as provided for by 1957 PA 261, MCL 38.1001 to 38.1080. Investment services are provided by private investment managers and financial consultants. The revenue is used primarily to provide health care and other benefits to system members and to their spouses, dependents, survivors, and beneficiaries.

## **DRUG TREATMENT COURT FUND**

The Drug Treatment Court Fund, created under MCL 600.185, receives 2.73% of JSF funds, equating to about \$800,000 in revenue for FY 2022-23. This revenue is included in the Drug Treatment Courts line item in the Judiciary budget. Funding is used to provide grants to local drug and DWI/sobriety courts. In FY 2022-23, the Drug Treatment Court Fund accounted for 15.1% of the overall funds appropriated to the Drug Treatment Courts line item, which is also funded by interdepartmental grants (11.9%), federal funds (17.0%), and state general fund revenue (56.0%).

The RJA defines a drug treatment court as “...a court supervised treatment program for individuals who abuse or are dependent upon any controlled substance or alcohol.” These courts are specially designed to reduce recidivism and substance abuse among nonviolent substance-abusing offenders and to increase the offenders’ likelihood of successful rehabilitation. Drug courts require offenders to attend counseling sessions, receive regular drug or sobriety tests, and meet regularly with drug court judges and administrators. As of February 15, 2024, there were 141 drug courts operating in Michigan. All but six counties in the state have some sort of drug, DWI, hybrid, family, or juvenile court.

## **STATE COURT FUND**

The JSF provides 12.69% of its balance to the State Court Fund, which was established by 1993 PA 189, MCL 600.151a. The State Court Fund also receives revenue from the Civil Filing Fee Fund, service fees on child support payments, and other fees from trial courts (e.g., motion fees). In total, this fund collected \$25.9 million in FY 2022-23, with \$3.6 million of these funds originating from the JSF.

Payments from the fund are made every three months and are distributed to the Court Equity Fund, Indigent Civil Legal Assistance, and the State Court Administrative Office. The Court Equity Fund receives most of these distributions, claiming the first \$1.6 million, as well as 76% of the remaining balance, to be used for operational expenses of trial courts. This totaled \$20.1 million in FY 2022-23.

Indigent Civil Legal Assistance receives 23% of the remaining balance, totaling \$5.6 million in FY 2022-23. Funding provides legal assistance and representation to indigent people involved in civil litigation. The State Court Administrative Office receives the remaining 1% of funds, approximately \$200,000 in FY 2022-23, for oversight, data collection, and court management assistance.

## **COURT EQUITY FUND**

The Court Equity Fund (CEF) was established by 1996 PA 374, MCL 600.151b, to provide funding assistance to counties for trial court operations. Of the CEF's \$42.0 million balance in FY 2022-23, \$6.8 million was provided directly by the JSF. Other FY 2022-23 sources of revenue included the Civil Filing Fee Fund (\$2.5 million), the State Court Fund (\$20.1 million), the Court Fee Fund (\$2.2 million), and the state general fund (\$10.4 million).

The fund is disbursed quarterly to county governments based on a statutory formula that establishes each county's share. The formula includes two factors: the caseload activity of the circuit and probate courts, and the number of judgeships in each county. The first factor, caseload activity, takes into account new cases filed for the most recent three years in a county's circuit and probate courts and compares the county's proportion of these filings to total filings for the state. The second factor compares the number of circuit, probate, and district court judges for each county to the total number of judges statewide.

## **STATE COURT ADMINISTRATIVE OFFICE AND DEPARTMENT OF TREASURY**

The State Court Administrative Office and the Department of Treasury each receive 0.98% of the JSF's revenue for administrative costs. Each received approximately \$300,000 in FY 2022-23, which was used for administration, monitoring, and auditing of fund collections, and distribution of fund receipts.