

RPY Talking points for March 1, 2011 Budget presentations

Mr. Chairman and members of the committee, I thank you for permitting me to make this budget presentation on behalf of the Judiciary.

I hope that my brief presentation will prompt a good discussion.

As the new Chief Justice of the Michigan Supreme Court, I am a newbie at this stuff. While I have a good grasp of the big budget picture, I have brought along members of our staff who have a granular understanding of some of the more technical budget issues.

- **Staff.**
 - State Court Administrator Carl Gromek;
 - Matthew Schneider, Supreme Court General Counsel and Chief of Staff.
 - Deputy State Court Administrator Dawn Monk;
 - Supreme Court Budget Officer Karen Ellis;
 - Trial Court Services Deputy Director Richard Woods, Jr.,
 - Judicial Information Systems Director Mark Dobek;
 - Child Welfare Services Director Kelly Howard; and
 - Trial Court Collections Project Manager Elizabeth Barber.

- **Judge Sawyer from COA**

is here to respond to any questions you may have about the COA's budget but my presentation is intended to cover the entire judicial branch.

OVERVIEW

- **Judicial Branch Budget is less than 1% of the Gross State Budget**
- **We control only a Third of that budget that supports our operations.**
 - **Most of the remaining two-thirds is judicial salaries protected by the constitution.**
 - The remainder, such as the Court Equity Fund that goes directly to counties, is mandated by legislation.

MSC Budget Context: Dying a Slow death, ignoring the real budgetary solutions: It's time to make smart cuts.

- The general fund portion of the proposed FY 2012 executive budget for judicial operations represents a **27 percent reduction** since FY 2000.
- **All of those cuts have been from the one-third of our operations budget**

- The number of judicial branch FTEs has dropped from 526 in FY 2000 to 413 as of 2/17/11 – **a reduction of more than 20 percent.**
- The resulting vacancies threaten the judiciary’s ability to deliver services mandated by the constitution and by statute [e.g., Foster Care Review Board].
- **Judicial branch employees have received 8 percent in cost-of-living adjustments since the beginning of FY 2004, compared to 21 percent received by unionized executive branch employees.**
- **Justices’ and judges’ salaries have remained unchanged for a decade.** [since 2002].

Smart Cuts

- **Over the years, the Court has repeatedly advocated to eliminate judgeships where the workload no longer justifies them.**
- **This reduces taxpayer costs precisely where they should be made.**
- **For every unneeded judgeship cut, the State saves \$160,000 in salary and related salary taxes/retirement but the local funding units save approximately \$300,000 that it costs to support a judge.**
- **Retention of unneeded judgeships just can’t be justified – particularly when our dire financial condition means that we all have to cut our budgets deeply.**
- **As stated, because prior legislatures did not act on the Judicial Resource Recommendations (other than to add new judgeships where needed based on workload), Judicial budget cuts of the last decade have fallen heavily on our operations.**
 - **We really cannot continue to reduce our staff without imperiling our constitutional mission.**
 - **Governor Snyder understands the need to reduce the judiciary.**

It is gratifying that the Governor’s proposed budget recognizes that some judicial downsizing is appropriate and necessary.

In fact, since January, when a trial court judgeship becomes vacant, the Governor’s office has been consulting with the Supreme Court Administrative Office as to whether the court’s workload justifies appointing a replacement.

We now need the Legislature’s commitment to eliminate redundant judgeships.

- **If not eliminated by the Legislature, even if the Governor doesn’t fill them, judicial vacancies will be filled by elections.**
- **Recent Judicial Resource Recommendations Support Smart Cuts**

The ‘09 report proposed eliminating 15 trial court judgeships;

the ‘07 report called for eliminating 10 judgeships, and

in ‘05, we recommended four cuts.

From a September 11, 2007, letter from then Chief Justice Clifford Taylor to the Legislature on the 2007 Judicial Resource Recommendations:

The Supreme Court voted, 4-3, to support the SCAO recommendation that four judgeships from the Michigan Court of Appeals be eliminated through attrition. The majority consisted of Justices Markman, Corrigan, Young, and me. Justices Cavanagh, Kelly, and Weaver were opposed. This recommendation is based on a 40% decline in case filings at the Court of Appeals from 1992 to 2006.

In addition, the Supreme Court, by the same vote, recommends 20 judgeships be eliminated through attrition in state trial courts, which is 10 more than the number the SCAO recommended. The SCAO's recommendation was tempered by the fact that it is difficult to achieve judicial reductions in the Legislature. This Court, however, was persuaded that difficulty in achieving the recommendations should not dictate its position, and chose not to shy away from a recommendation that may be difficult to achieve, but is more in keeping with the Court's focus on good stewardship and efficiency.

Another Judicial Resource Recommendation Report will be issued this year.

It will likely recommend the elimination of at least as many trial court judgeships as the '09 report did.

FY 2012 Details

- **Our budget proposal includes the elimination of six trial court judgeships as a first step in this process, resulting in savings of \$942,100 in FY 2012**
- The apparent \$803,800 increase in the Governor's proposed budget is actually due to the transfer of \$1M for drug court funding from the DOC to the Supreme Court (which formerly administered these funds as a grant from DOC).
- Without that \$1M, the Governor's proposed FY '12 judiciary budget is actually .13 percent less compared to FY '11, so the budget remains essentially flat – again, after reductions that have cut general fund for our operating budget by 27 percent over the past decade.

The Judiciary has been working more efficiently with less

- **Technology**

The judicial branch is very conscious of the state's ongoing fiscal crisis and has worked hard to be a good steward of the taxpayers' money – for example, by using technology to increase efficiency and save money.

- The Supreme Court's Judicial Information Systems division is developing a statewide **case management system** for trial courts that will be completed in 2014
- The **Judicial Data Warehouse**, another Supreme Court technology project, contains about 40 million records (for both pending and closed cases) that are accessible to courts and the executive branch such the Secretary of State and law enforcement.

- As of December 31, 2010, the data warehouse was implemented in **228 courts** in **81 counties**; the remaining 14 courts will be added in the current fiscal year.
- **Videoconferencing project with MDOC & the State Police**
 - The Supreme Court technology division is expanding its videoconferencing project with MDOC, the State Police, and state mental health facilities;
 - 17 courtrooms were added in 2010, with plans to add 26 more courts in 2011.
 - **Savings: Reduced time and money:** Hearings involving prisoners and mental health patients can now take place without the expense, security risks, and loss of time associated with transporting them to court.
 - Michigan State Police technicians also use videoconferencing to participate in **arraignments** and other hearings without the time and expense of travel. A court appearance that formerly would consume an entire day of a technician's time now takes place in minutes.
- **Online payment of traffic tickets**

is another project that currently includes **nine courts, including 36th District in Detroit.**

Over 3,600 online ticket payments were made each month in 2010.

In addition, drivers whose **licenses were suspended** for failing to pay tickets can automatically clear the suspension and have driving privileges restored by paying online. Court staff who would otherwise have to process ticket payments have their time freed up for other duties.

- **Collections of court-ordered fines and sanctions**

continues to be a very high priority for our branch. We have a statewide plan for court collections, which requires, among other things, that each court have an employee or staff time dedicated to collections.

This represents a significant cultural change for our state courts; the prevailing attitude a decade ago was that collections were simply not a court's responsibility.

- This attitude had to change for two reasons:
 - 1st, because those who are the subject of a court's order simply ignore it when it suits them to do so.
 - 2nd, because doing a poor job at collections means shirking our responsibility to obtain restitution for crime victims.
 - Court-imposed financial sanctions supplement the crime victim's rights fund.
 - Such funds also support law enforcement, public libraries, and local governments.

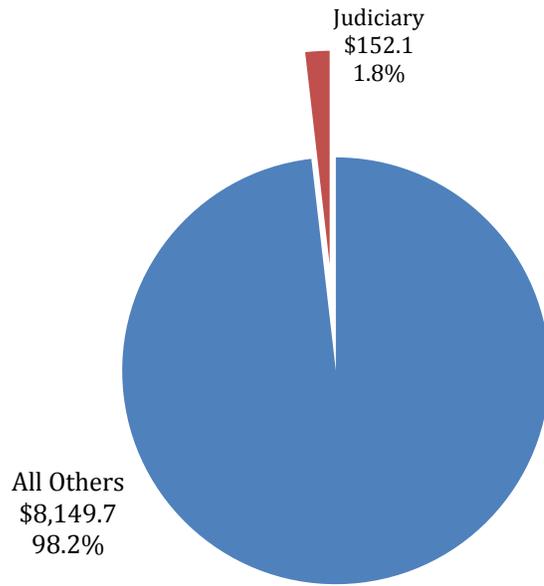
- **Michigan's court collections program is getting national attention.**
 - In 2010, Michigan was one of five states invited to make presentations at a national conference of the Center for Victims of Crime; the center cited Michigan's "great progress in court collections."
 - Lest anyone think we are returning to the days of debtors' prisons, be assured that court our collection training emphasizes that courts must take into account an offender's ability to pay. The court sets a realistic payment plan based on the offender's financial circumstances, or can forego financial sanctions altogether in favor of an alternative, such as community service.

Court Consolidation

- Finally, I would like to make you aware of another area where we are pursuing greater efficiency, and that is the **consolidation** of two or more district courts into one in areas where the workload does not justify having that many court locations or judges.
- For example, the Supreme Court Administrative Office has recommended that the district courts in Ecorse and River Rouge consolidate, and a number of others are considering doing so as well.
- By consolidating courts, we can realign judicial resources and reduce taxpayer costs.

That concludes my formal remarks. I will be happy to answer any questions you may have.

FY 2011 State General Fund (\$8.3 Billion)



FY 2011 Judiciary GF (\$152.1 million)

