

Chief Justice Robert Young
March 12-13, 2014
FY 2015 Budget Presentation

I appreciate the opportunity to address you on the judicial branch's FY 2015 budget request. With me is Court of Appeals Chief Judge Bill Murphy, who will answer any questions about his court's budget.

Every branch of government, just as our counterparts in the private sector, must account for its spending and show results. The government, no less than the private sector, is duty-bound to give an account of its spending – and the results – to show not only what we did with the citizens' tax dollars, but also how we used that money to good effect and in the public interest.

So I view the hearing today very much like the presentation at the annual shareholders' meeting, showing what the Michigan justice system has accomplished with the money entrusted to our branch and what we plan to do in the coming year. You have our budget summary, which describes those achievements in detail. I would like to stress a few highlights from that summary.

Budget Chart (see attached)

First, I'd like to put our budget in context. We are a tiny fraction of the State budget. Even so only a small portion of our budget funds the actual operations of the Court of Appeals and the Supreme Court. As this chart shows, nearly 80% of our budget is directed to support of our trial courts across the state. I think that's an important budget fact for members of the Legislature to understand.

The last three years have seen enormous changes in Michigan's court system. We have aggressively pursued reforms in three areas: efficiency, technology, and performance metrics. In making those reforms, we had unprecedented support from the Governor and from the current Legislature. And thanks to that support, we've accomplished in a few years some truly astonishing changes.

Efficiency

For starters, the Michigan judiciary is doing something that most people think is impossible for government: We're downsizing.

In 2011, backed by the three judicial associations, the Supreme Court proposed eliminating 45 trial judgeships and 4 Court of Appeals judgeships, based on a workload analysis that showed those judicial seats were no longer justified by the workload. No

other state has even attempted a judicial branch downsizing of more than a few judicial seats.

We now have statutes to eliminate by attrition 36 of those trial court seats and the 4 Court of Appeals seats. Already 11 trial court judgeships have been eliminated and \$1.7 million is being saved each year. When all the cuts are complete, we'll be saving the taxpayers \$6.4 million annually.

That \$6.4 million represents *direct* savings to the state only. But local funding units will also save. While the state covers judicial salaries, local funding units bear other costs associated with a judgeship, such as health care benefits for the judge, salaries and benefits for the judge's staff, and overhead. So local funding units will save multiples of what the state saves for each eliminated judgeship.

We're doing something else that government must do to be accountable to taxpayers: become more efficient.

Since 2009, we've more than doubled the number of courts that have consolidated their operations. What does this mean? It means that we have courts within a judicial circuit breaking out of their silos and working together to allocate workload, cut costs, and eliminate redundant administration.

Under the old model, the circuit, probate, and district courts for a county, even if housed in the same courthouse, would each have its own chief judge, its own court administrator, and its own administrative staff, right down the line. And despite being under the same roof, or at least located near each other, these judges did not share workload; if the circuit court was overburdened, the other two courts were not allowed to take on some of that caseload.

But now, courts in 64 of Michigan's 83 counties either have consolidation plans or are adopting them, up from just a handful in 2004. The Supreme Court is driving this change. Recall the example I gave earlier about each circuit, probate, and district court having its own separate chief judge – and this was true even of one-judge courts.

But consolidating courts calls for streamlined leadership. In 2009, just nine chief judges were appointed to oversee multiple courts; in 2014, the Supreme Court appointed **46 chief judges** to each lead multiple courts. Wherever possible, we are going to have one chief judge to oversee all three levels of trial court, leading the organization as a whole, managing resources and staffing among circuit, probate, and district courts.

Why is this drive for efficiency through consolidation important? Obviously, cost savings to the taxpayer, from cutting unneeded judicial seats, administration, and associated expenses.

Saving money is good, but what's even more important is that service to the public is improved, as courts streamline and focus on more efficient operations.

How do we know this is working? Because, as I'll discuss in a moment, we have metrics to assess court performance, and one of them is whether a court is keeping up with its caseload. A court's "clearance rate" measures whether the court resolves as many cases in a year as it takes in, or whether the court fails to keep up with its cases, causing a backlog.

I'm proud to say that we have a statewide trial court average of 100% clearance. Let me say again: Michigan's trial courts have an average 100% clearance rate. Moreover, **over 95%** of cases are disposed of within the time guidelines set by the Supreme Court. In no small part, this good performance is driven by our emphasis on greater efficiency and better operations, including court consolidation.

Equally important, our continued performance shows that consolidation and eliminating unneeded judgeships has not impaired courts' timeliness. Indeed, the opposite is true.

Technology

Technology is a critical component of our reform plan. For example, videoconferencing allows courts to hold prisoner hearings without the cost, loss of time, and security risk involved in transporting defendants from jail or prison to a courtroom. Since 2009, Judicial Information Systems, the Court's IT division, has installed videoconferencing equipment in 215 court locations, meaning that at least one circuit, probate, and district court in each county has this capability.

Now, 27% of all prisoner hearings involving the Michigan Department of Corrections are handled by videoconference. This represents a savings of \$2 million per year by MDOC alone, to say nothing of savings to other agencies, such as the Michigan State Police, and local governments. You have in your materials a letter of gratitude from Judge Roy Gotham of Gogebic and Ontonagon, who cites the savings to MDOC, the State Police, and county budgets.

This is a great example of how investing in court technology generates cost savings and benefits far into the future, and at levels of magnitude far exceeding the court's initial investment. Now that we have videoconferencing available in every jurisdiction, our goal is to fill in this capability in courthouses that have shown a need for additional equipment.

Paying traffic tickets online is a public convenience; currently 79 courts offer this service. We're working to make sure every court has the capacity to offer online ticket payment, either through the state's online ticket payment system or through the courts' funding

units' own online presence. The bottom line is this: **Getting a ticket is pain enough. It shouldn't be a pain to pay the ticket.**

Public convenience was also the motivating factor in the 2012 and 2013 re-do of our "One Court of Justice" website, which is now available in a version for mobile devices. The site gets about 89,000 unique visitors a day.

To stop the paper transfer of records within the judiciary and between the courts and administrative agencies, such as the Secretary of State and State Police, we created a data warehouse where authorized users can upload or download the judicial information they need. A staggering number of court records are transmitted each day to this Judicial Data Warehouse where 46 million cases are housed. This information is used not only by courts, but by law enforcement, the Departments of Corrections, Human Services, and Community Health, and other agencies. Thanks to this data repository, law enforcement at all levels can get more timely and comprehensive information about offenders and their status.

Our goals for 2014 include beginning the roll-out of the Next Generation case management system, for which the Governor's budget allocates ongoing funding of \$4.125 million. We are making the transition from a mainframe-based system to one based on Internet access. This is a significant *and urgent* project. As I've said before, if we don't make this transition soon, we'll be recruiting our programmers from nursing homes. Other than in the Michigan judiciary in the 21st Century, the only place you can find a mainframe is in a computer museum.

There may be some confusion about this budget item, which last year was characterized as a "one-time" appropriation, although it is not a one-year effort. This major change in judicial technology for the trial courts will need to be made over a number of years and will require ongoing funding for final development, rollout, training, and implementation.

Recognizing this fact, the Governor's FY 15 budget specifies that the NextGen funding is ongoing. We'll be rolling out the new NextGen system to 251 court locations, representing about 80% of the state's caseload. This is really a critical part of our reform plan because managing a court's caseload is the backbone of court administration.

Absent a well-functioning caseload management system, we cannot know how many cases courts have, what's in the court files or whether cases are moving in a timely way. Not only that, having his system in place will supplement our ability to develop and expand applications to serve the public, such as mobile apps, online payment of traffic tickets, and e-filing.

And speaking of e-filing, I am grateful to the Legislature for passing HB 4064 and HB 4532. With this authority for digital record keeping, you have paved the way for courts

to make the transition to e-filing. One of my Court's goals for 2014 is to develop a strategy for statewide e-filing, including a funding plan.

Measuring performance, driving innovation

I've talked about efficiency and technology. And the final pillar of our three-part reform plan is performance measurement. These days, you can't so much as buy a cup of coffee without being invited to take a survey about it. The private sector has long used performance metrics to improve products and services. We're now using performance metrics in the court system to improve our outcomes, including public service.

Starting last year, the trial courts began asking the public to take satisfaction surveys, covering everything from the ease of finding the courthouse to how judges and staff treated the visitor. Ed Koch was famous for greeting New Yorkers on the street with "How'm I doing?" – well, this is our version. We in the courts are asking the public to rate their experience, and whether we're doing a good job of serving them. So far, the indications are that the public is satisfied with its courts.

In a 2013 survey of more than 21,000 court users, 94% stated that they were "treated with courtesy and respect by court staff," and 81% agreed that "the way the case was handled was fair."

That is no small achievement; on any given day, about half of the people who come to court are going to lose, so it's notable that so many are satisfied with the process even if they didn't like the outcome. But the point of these surveys is not to get information we can use to pat ourselves on the back. Rather, it is to set baselines, to see what we are doing well and where we need to improve.

These performance measures won't be a secret; the results will be public online, including case clearance rates, child support collections, and recidivism for problem-solving courts. And in May, we'll be adding case age disposition rates and public satisfaction survey results to the information posted online.

Recidivism is a very practical metric: What impact, if any, does your program have on crime? Are participants offending just as often or less often than non-participants?

A three-year study of Michigan's mental health courts found that participants were not only 300% less likely to re-offend; they were also doing better in getting and holding jobs, continuing treatment, and pursuing education.

The Governor's proposed \$23.3 million for problem-solving courts and diversion services reflects the evidence-based success these programs have demonstrated.

Our hope is that performance metrics will encourage greater innovation by the courts; if your goal is high performance, you'll also be motivated to explore new ways of working. The Governor's budget recommends continuing \$1 million in funding this year for the Court Performance Innovation Fund.

This Fund is critically important to reforming our trial courts. Every trial court in this state can be a little laboratory of new ideas – a fertile ground for discovering new and better ways of doing things. Unfortunately, local governments don't have spare funding for the courts to try something new. We needed a way to test some ideas that, if successful, could be spread throughout the state. The Innovation Fund helps us do just that.

In its 1st year, the Fund is supporting projects ranging from combating human trafficking to supporting indigent defense to creating mobile apps for court users. For example, the 36th District Court is working on a website for income tax garnishment processing that, if successful, could become a model for the state.

To ensure accountability and measure outcomes, each Innovation Fund project includes an evaluation process. Moreover, to receive a grant, applicants had to explain how their projects would be self-sustaining after the first year. There is so much creativity being unleashed by this relatively modest fund; I hope you will permit it to continue. Additional information on specific projects can be found in your budget materials.

Finally, I would draw your attention to a matter that does not fall neatly within any of the three reform categories, except that it goes to our ultimate goals of serving the public and doing justice.

In September, the Supreme Court announced a new rule for ensuring consistent, meaningful access to our state courts for those whose ability to speak English is limited. Michigan courts are now required to provide interpreters to help ensure that non-English speakers can understand and be understood in court.

Interpreter services will be provided at no charge to parties who are at or below 125% of the poverty level, which is consistent with standards used by legal aid associations and with standards courts use for appointing counsel for indigent defendants. Parties with incomes *above* that level will reimburse the court after the case is concluded, unless the court finds that requiring them to do so would substantially burden their access to the courts.

I am happy to report that we've had great success in recruiting more potential interpreters for training and possible certification. We hope to more than double the number of certified interpreters in 2014. We seek \$245,000 to implement our Limited English Proficiency rule; this funding will, among other things, cover translating court

forms and support two full-time staff whose duties will include overseeing interpreter testing and certification.

Working smarter for a better Michigan

There's one thing that Democrats, Republicans and Independents can all agree upon: That government should make the best possible use of taxpayers' hard-earned money. What government does do, it ought to do well, being ready to measure performance and show results. Those are the principles driving reform of Michigan's judiciary. We have cut our spending, increased efficiency, reduced our size, focused on outcomes, and improved service to the public. Michigan's courts are working smarter for a better Michigan.

I would be happy to take your questions.

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FY 2014 Judiciary Gross Budget

