

REPORT

Restructuring of the 36th District Court

TRANSFORMING A CHALLENGED COURT INTO A HIGH-PERFORMANCE PEOPLE'S COURT



David Ashenfelter Report Author | September 2014



Honorable Michael J. Talbot Special Judicial Administrator



courts.mi.gov



Hon. Michael J. Talbot
Special Judicial Administrator

State of Michigan
36th District Court

421 Madison Avenue
Detroit, Michigan 48226-2338

September 2014

Dear Chief Justice Young and Justices of the Court:

I want to take this opportunity to thank you for appointing me as the Special Judicial Administrator of the 36th District Court. I am extremely grateful for the confidence that you have bestowed upon me. The assignment, while challenging, has been very rewarding and much progress has been made. Attached for your review is the team's final report of the restructuring program to-date.

Although the changes that have been implemented have significantly improved the operations of the court and the services being provided to the citizens of Detroit, the court remains a work in progress. As we move forward, the team would recommend that certain safeguards be put in place to avoid any setbacks. First, the court should be required to submit a quarterly benchmark report (by the 20th of October, January, April, and July) for review and evaluation. The proposed benchmarks for reporting are:

FISCAL

1. Budget to Actual Report
2. Budget Proposal for Next Fiscal Year – January 20 only
3. Revenues Collected Report
4. Bond Account Reconciliation
5. Bank Account Reconciliation
6. Past Debt (Outstanding Receivables) Plan – what actions have been taken on identification and reduction of both collectible and uncollectible receivables, including collection and enforcement actions and results
7. Organizational Chart (including salaries)

CASE PROCESSING

1. Case Age Report by Judge – felonies to be reported by October 2014; State misdemeanors and traffic to be reported no later than January 2015.
2. Time Between Filing and Entry – by division
3. Juror Utilization Report – number of panels/cases called compared to number of jury trials conducted

ADMINISTRATIVE

1. Litigation Update
2. Project List with Specific Timelines

JUDGES

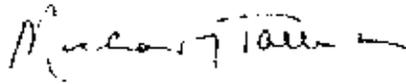
1. Judges' Attendance
2. Judges' Arrival Time – to be conducted by monitors secured by the restructuring team

Second, on-site visits and meetings with the chief judge, executive committee, and the court administrator as often as requested or needed should be conducted. Third, the monitoring program regarding judicial attendance should receive oversight. Ultimately, provide assistance where needed to ensure that the 36th District Court turnaround efforts continue and are sustained. I believe that continued, but lesser involvement, in the court's operations is consistent with the proposed termination of federal oversight of the police department, the transition of the city's operational functions from the emergency manager to the mayor and city council, and the conclusion of the bankruptcy proceedings.

If the above meets with the Court's approval, the proposed benchmarks should be adopted in the form of an administrative order. With that administrative order in place, the Supreme Court could lift its order of superintending control as well as the appointment of the Special Judicial Administrator. This new order should also reference the Supreme Court's willingness to step in and again exercise superintending control over the court and reinstitute the use of a Special Judicial Administrator if there is a demonstrable need.

Please advise if you would like to meet with me in person to discuss the contents of the report or any of the above.

Sincerely,



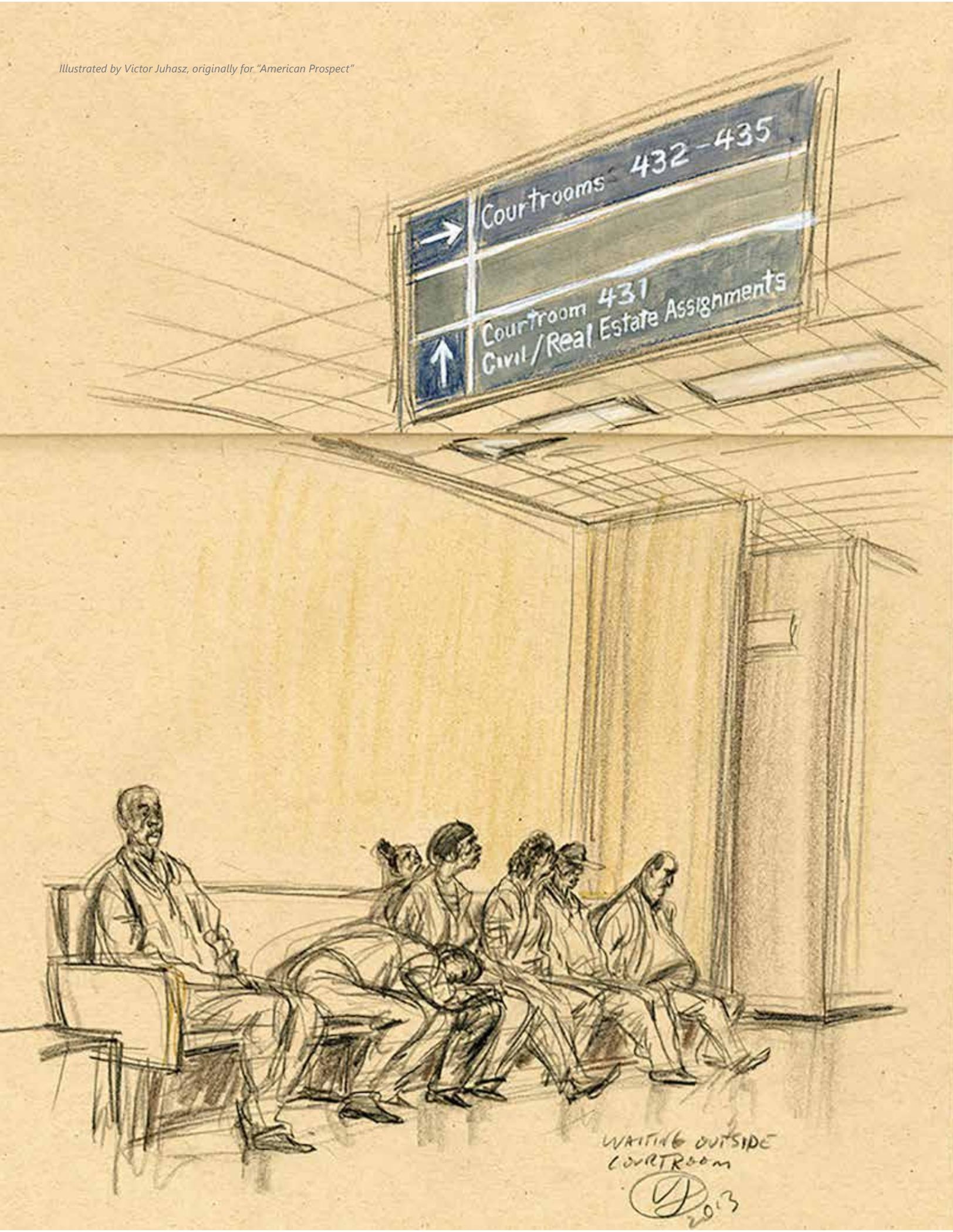
Hon. Michael J. Talbot
Special Judicial Administrator



THE LORD IS
WHERE THE SPIRIT OF
IS THERE IS LIBERTY
II CORINTHIANS

TABLE OF CONTENTS

| | |
|--|----|
| LETTER FROM JUDGE MICHAEL J. TALBOT SPECIAL JUDICIAL ADMINISTRATOR | 2 |
| TABLE OF CONTENTS | 5 |
| BACKGROUND | 7 |
| LEADERSHIP | 8 |
| FISCAL ACCOUNTABILITY | 10 |
| CASE PROCESSING AND CUSTOMER SERVICE | 12 |
| COLLECTIONS | 16 |
| TECHNOLOGY | 18 |
| CLERICAL TASKS AND PROCESSES | 20 |
| THE BUILDING | 21 |
| EPILOGUE | 22 |
| 36TH DISTRICT COURT BY THE NUMBERS | 23 |
| 36 FIXES FOR THE 36TH DISTRICT COURT | 24 |
| HISTORY OF THE 36TH DISTRICT COURT | 26 |
| DETROIT RECORDER'S COURT MICHIGAN'S ONLY OTHER COURT RESTRUCTURING | 28 |
| THE 36TH DISTRICT COURT RESTRUCTURING TEAM | 30 |



WAITING OUTSIDE
COURTROOM

(Signature)
2013

In early 2013, the Michigan Supreme Court decided to address chronic management problems at Detroit's 36th District Court, including a history of multi-million dollar budget deficits and a projected \$4 million plus spending overrun for the fiscal year ending June 30, 2013.

The situation became critical in March when Gov. Rick Snyder declared a financial emergency in the city of Detroit — the court's funding unit — and appointed a state manager to take charge of city government. The city faced a \$327 million budget deficit, more than \$14 billion in long-term debt, and was on the verge of filing the largest municipal bankruptcy in U.S. history. Every department in city government faced drastic cuts.

Because of overspending by a succession of court leaders and an apparent inability to cut costs or take steps to make the court more efficient, the Supreme Court asked the National Center for State Courts (National Center) to review the district court's operations. The National Center is a nonprofit group that, among other things, studies and recommends improvements for problem-plagued courts.

On May 20, 2013, the National Center issued a report that said the court was beset with problems: a culture of financial overruns, inadequate customer service, sparse use of technology, poor management, personnel deficiencies, and faulty

case processing practices that caused unnecessary delays. The National Center laid out a series of steps to address the problems.

Eight days later, the Supreme Court took superintending control of the 36th District Court — something it had done only once in its history. It appointed Michigan Court of Appeals Judge Michael J. Talbot as Special Judicial Administrator to overhaul the court. Talbot assembled a team of specialists with the help of Deborah Green, Regional Administrator of the State Court Administrative Office (SCAO) in Detroit.

Over the next 12 months, the team used the National Center report as a blueprint to reorganize management and institute dozens of changes to transform the 36th District Court into an efficient, user-friendly operation.

Besides Green, other members of the team included SCAO staffers Donald Harper, Peggy Madden, Marie Hassett, and Charlene McLemore; Supreme Court Fiscal Analyst Rebecca Mack; Kelli Moore Owen, Deputy Court Administrator of the Criminal Division of the Wayne County Circuit Court; prominent labor lawyers Thomas Kienbaum and Howard Shifman; and Talbot's law clerk, Bari Blake Wood, who served as Talbot's chief of staff for the restructuring program.

The following pages outline what the team and court accomplished and how it was achieved.

THE PROBLEM

Leaders of the 36th District Court were operating \$4.2 million above their \$31.0 million city-approved budget for the fiscal year ending June 30, 2013. They insisted that they needed more money from the city to maintain services and threatened to file a lawsuit to get it. SCAO said the court's financial problems were caused by inefficient deployment of judges and staff, lax efforts to collect money owed by defendants, and marginal use of technology. The National Center concluded that court leaders were focused on maintaining the status quo and questioned whether top management was capable of leading the court out of its crisis.

SOLUTIONS

On May 28, 2013, Talbot and Green conducted separate meetings to inform the chief judge, the court's judges, and its supervisory staff that the Supreme Court had ordered them to take control of the court.

“[Before], there was no vision of what [the administration] wanted the court to be and little thought about how to modernize and improve practices.”

— Judge Nancy Blount

Newly-appointed Chief Judge of the 36th District Court



BUILDING BRIDGES

In the weeks that followed, Talbot and Green reached out to dozens of city, county, and state leaders to enlist their support, identify problems, and solicit ideas for fixing the court. They met with Detroit Emergency Manager Kevyn Orr, Wayne County Prosecutor Kym Worthy, representatives of the governor's office, the Detroit Police Department, Detroit Law Department, and the American Federation of State, County and Municipal Employees (AFSCME), which represents most of the court's staff. Talbot and the Supreme Court's public information officer contacted Detroit-area media outlets to explain what they were trying to accomplish.

IMPROVING COMMUNICATION

Talbot met individually with each 36th District Court judge and conducted staff meetings to brief employees about changes. He also reinstated meetings of the court's executive committee to address the National Center's complaint that judges were not aware of the extent of the court's problems. He appointed presiding judges for each of the court's divisions and had them serve on the executive committee with the chief judge and chief judge pro tem. Talbot and Green regularly attended monthly meetings of the entire bench.

“It is remarkable how much progress Judge Talbot and the team from the State Court Administrative Office made at the 36th District Court.”

— Justice Robert P. Young, Jr.

Chief Justice of the Michigan Supreme Court

RECRUITING NEW MANAGERS

Recognizing that he needed someone with strong case management skills, Talbot asked Timothy Kenny, presiding judge of the Criminal Division of the Wayne County Circuit Court, if he could borrow Deputy Court Administrator Kelli Moore Owen, whom Talbot knew as a talented administrator. Kenny agreed and so did Moore Owen, who initially joined the team on a part-time basis. Moore Owen distributed the National Center's report to the district court's management team to determine how many understood it and put its recommendations into effect. Disappointed with the responses, Talbot and Moore Owen rebuilt the management team. They recruited new administrators from the Wayne County Circuit Court and other organizations. Moore Owen persuaded Pamela Griffin, former human resources director at the Wayne County Circuit Court, to come out of retirement and oversee the human resources department at the 36th District Court. Talbot brought in James Tyson, a former top executive at Belle Tire, to serve as the court's chief financial officer. Both Griffin and Tyson agreed to work as temporary consultants until permanent replacements could be found. They are paid a salary but receive no benefits in order to contain costs.

REPLACING TOP LEADERS

In July 2013, the Supreme Court relieved Kenneth King of his duties as chief judge. A month later, Court Administrator Monica Lyght resigned. The Supreme Court subsequently appointed Nancy Blount, a 30-year veteran of the court, to serve as chief judge. Before the appointment, Blount — the longest-serving member of the court — offered Talbot ideas and observations for improving operations. In January 2014, Blount formally promoted Kelli Moore Owen to court administrator.

THE PROBLEM

A day after taking charge of the 36th District Court, Talbot met with Detroit Emergency Manager Kevyn Orr and pledged to balance the court's books by the end of the fiscal year. However, Talbot did not realize that the city's fiscal year ended on June 30, three months earlier than the state's. That left the team just one month to begin the process of cutting nearly \$6 million in payroll, staffing, and health insurance costs to reach the city-authorized spending limit of \$31.7 million for the new fiscal year ending June 30, 2014.

**“Kudos to all of you.
How refreshing to hear you
talk about not only the fact
that you're coming in below
budget but that you've also
found ways to increase
revenues. It's an indication
of good management.”**

— Saunteel Jenkins

Detroit City Councilwoman at the June 2014 council meeting with 36th District Court officials

SOLUTIONS

CUTTING COSTS

Talbot announced a 10 percent pay cut for nonunionized employees — the same percentage the city had imposed on its workers. He also ordered layoffs for 80 of the court's 348 employees. The court picked the most expendable workers — cashiers, filing clerks, and case initiation employees — to keep courtrooms open as required by law. It took two months to complete the process as unionized workers exercised their seniority rights to bump other employees out of their positions. Court staffing was in flux until mid-July.

Talbot also switched upper management to health insurance that saved the court thousands of dollars annually per employee. He stopped the court from paying for judges' parking. He also ordered judges to take the bench by 9 a.m. so clerks could process paperwork without having to work overtime, which Talbot banned without prior approval. Starting court promptly shortened the amount of time that lawyers, litigants, and police officers had to wait for their cases to be called.

RENEGOTIATING UNION CONTRACTS

Talbot recruited two experienced labor lawyers — Thomas Kienbaum and Howard Shifman — to take a firm stand in contract talks with the court’s four labor unions.

The United Auto Workers, which represents probation officers, and the Government Administrators Association, which represents supervisors, recognized that the city and court were in dire financial straits and quickly approved one-year contracts that called for a 10 percent pay cut and the switch to less costly health insurance.

Winning concessions from AFSCME was more difficult. AFSCME had not had a contract with the court since 2006, the result of mistrust between labor and management.

Kienbaum and Shifman made little progress in negotiations with AFSCME Local 3308, which represents court clerks, reporters, and other support personnel. In August 2013, Talbot imposed a 10 percent pay cut and a switch in health insurance, saving the court nearly \$3 million. Although AFSCME filed a complaint with the Michigan Employment Relations Commission (MERC), it agreed in April 2014 to a new two-year contract. In addition to the earlier changes, AFSCME agreed to reduce clerical classifications from three dozen to three to create more flexibility in deploying staff, as well as promotions based on merit rather than seniority to give the most qualified employees a chance for advancement. Talbot said the change in classifications allowed clerks to perform a wider variety of tasks and acquire a broader understanding of court operations.

Negotiations with AFSCME Local 917 also broke down. The local represents 24 court officers,

who serve summonses, enforce evictions, and carry out other judicial orders at the behest of landlords, mortgage companies, and other litigants. The sticking point involved the court’s plan to make the officers independent contractors. At the 36th District Court, court officers received health insurance and pension benefits even though they worked independently from the court and were paid by outside parties.

When Local 917 refused to budge, Griffin, the court’s new human resources director, distributed paperwork for the officers to become independent contractors. Those who were offered contracts agreed, saving the court some \$300,000 in annual overhead. The local accused the court of bargaining in bad faith and filed an unfair labor practice complaint with the Michigan Employment Relations Commission.

CONTAINING FUTURE COSTS

The court developed a long-term plan for cost cutting. It hired a consulting firm to find ways to reduce rising health care and other insurance expenses. The court saved \$1.8 million alone on health care in fiscal year 2013–14.

“From where we started to where we are now is the difference between night and day in terms of the court’s relationship with the unions and the way court management can deploy personnel and save money.”

— Thomas Kienbaum

Labor lawyer who negotiated new contracts with 36th District Court employee unions

THE PROBLEM

When the team arrived, it found a crowded and chaotic courthouse that was difficult to navigate. Citizens had to stand in long lines to get into the building, to obtain their courtroom assignments, and to pay their fines. There was a shortage of courtrooms for judges and magistrates. An unusual docket design enabled judges to rotate frequently into each of the court's four divisions, creating confusion. Judges were dismissing too many traffic tickets, prisoners were being released from custody because they had not been arraigned within 72 hours of their arrests, and magistrates were not being used to their full potential.

Long lines at the 36th District Court in this 2005 photo (Detroit Free Press)



SOLUTIONS

OPENING MORE COURTROOMS

When the team realized that there were not enough courtrooms to go around, Moore Owen told the team about empty courtrooms across the street at Frank Murphy Hall of Justice, which houses the Criminal Division of the Wayne County Circuit Court. The team worked with its presiding judge, Timothy Kenny, to transfer felony preliminary examinations to Frank Murphy along with four district judges to handle them.

“Moving preliminary examinations to the Frank Murphy Hall of Justice increased efficiency and reduced inconvenience to witnesses, attorneys and court personnel. It was a win-win for both courts.”

— Judge Timothy Kenny

Presiding judge of the Criminal Division of the Wayne County Circuit Court

The change relieved congestion at the district courthouse and allowed the restructuring team to set other changes in motion. The team eliminated the judicial rotations, permanently assigning judges to landlord-tenant, civil, felony examinations, or traffic misdemeanor cases. Although the previous practice gave judges a chance to handle different types of cases, it caused chaos. The new system sped up the resolution of cases, reduced adjournments, and cut down on paperwork for clerks. The new system also made judges more accountable for their work habits and cases.

The team next analyzed the court's caseload statistics and used state court productivity guidelines to figure out how many judges should be assigned to each division. Then, it grouped courtrooms together by type — general civil on the fifth floor, landlord tenant and misdemeanors on the fourth floor, traffic on the second floor, and so on.

That, in turn, permitted the court to print courtroom assignments on the appearance notices they mailed to defendants, eliminating the need for citizens to stand in long lines to find out which courtroom was handling their case.

The changes did not end there. Once courtroom assignments were nailed down, the restructuring team borrowed an idea from courts in Genesee County and had large television monitors installed throughout the courthouse. The screens contain an alphabetical listing of every litigant along with their assigned courtroom.

Before the changes, lawyers and litigants dreaded going into the courthouse because they never knew where they were supposed to go. By reengineering the courthouse around the needs of the public rather than the judges, the team created a more efficient, user-friendly courthouse.

“The courthouse isn’t nearly as hectic as it was before...and it’s so much easier to navigate.”

— Joyce Reasonover

Head of the Misdemeanor Defenders Office for the 36th District Court



“There were a lot of people who wanted to do a good job here, but had little to no direction. So they made up their jobs. And they had no concept of how their jobs fit into the broader scheme of case processing... until now.”

— Judge Nancy Blount

Newly-appointed Chief Judge of the 36th District Court

NEGOTIATING TICKETS

Beginning in August 2013, the court worked with the Detroit Police Department and Detroit Law Department to designate four police officers to handle plea negotiations with motorists to resolve traffic tickets without the need of a magistrate. The program, which the team borrowed from suburban district courts, enabled the officers to resolve most of the court’s civil infraction tickets. It reduced the need for officers who wrote the tickets to appear in court, thereby lowering the ticket dismissal rate when officers failed to show up. The change cut police overtime costs, kept more officers on the streets, and prevented the city from losing income from tens of thousands of dismissed tickets. The court hopes to expand the program to include the Michigan State Police and Wayne County Sheriff’s Department.

REDUCING ADJOURNMENTS AND DISMISSALS

Early on, the team directed judges to stop dismissing cases without first checking to see if police officers were busy in other courtrooms. The team also ordered judges to stop adjourning court hearings without good reason. The team also created a docket management department and hired a director to identify cases that slip through the cracks, verify the accuracy of court statistics, and establish benchmarks to measure court performance.

ADDING MORE ARRAIGNMENTS

The court increased, from one to three, its daily felony and misdemeanor arraignment dockets to reduce the number of prisoners who were being released from custody because they were not brought to court within 72 hours of their arrest. Following the lead of other district courts in Wayne County, the team also arranged for its weekend and holiday felony arraignments to be handled at the 34th District Court in Romulus. The change cut the 36th District Court’s overtime and overhead costs for keeping the building open. The court eventually plans to assign a magistrate to the Detroit Detention Center on Mound Road to conduct arraignments there.

EXPANDING MAGISTRATE DUTIES

Although magistrates are permitted by Michigan law to perform many judicial tasks, those at the 36th District Court were not allowed to accept misdemeanor pleas and impose fines. Now they are. The court eventually eliminated two magistrate positions resulting in a \$300,000 savings in salary and benefits.

RANDOMLY ASSIGNING CASES

The court began assigning cases equally among judges on blind-draw to prevent uneven workloads and judge-shopping by lawyers. It also prohibited judges from instructing central docketing to alter their workloads.



Judge Michael J. Talbot (Detroit Free Press)

“I’m proud of the results and of the folks who work in that courthouse – the judges and the employees. They had to make a lot of sacrifices...yet they produced a turned-around court. That’s heroic.”

— Judge Michael J. Talbot

Special Judicial Administrator of the 36th District Court



THE PROBLEM

The court's collection rate was significantly lower than other district courts. The SCAO said the court lacked a system for demanding prompt payment. It said motorists frequently walked out of the courthouse without paying because they got tired of standing in long lines. The court relied on a collection company that kept 20 percent of all ticket revenue paid after 120 days even when the money was collected by the court. The National Center said the 36th District Court needed to get serious about its collection efforts to promote public compliance.

SOLUTIONS

CREATING AN OUT-COUNTY COLLECTIONS PROGRAM

In July 2013, the restructuring team created a temporary program so Detroiters and suburbanites could pay tickets and resolve defaults at several Wayne County district courts. The court launched the program to cut long lines at the downtown courthouse and improve collections. The program resulted in the resolution of more than 2,400 outstanding cases. The 36th District Court split the proceeds with the out-county district courts after subtracting mandatory fees. The seven-month program generated more than \$300,000 in revenue for the Detroit court.



ESTABLISHING A WALK-IN COURTROOM

The out-county collections program exposed another problem: the 36th District Court judges and clerks made it difficult for citizens with multiple cases to resolve all of their matters in one visit. Clerks neglected to pull all of their files and judges would not hear cases that had not been scheduled. Citizens who wanted to plead guilty and pay their fines were turned away repeatedly — including those who had open bench warrants for their arrest. To solve the problem, the team created a walk-in courtroom with a designated magistrate or judge to resolve tickets when motorists showed up without a court date.

CREATING TICKET AMNESTY

In April 2014, the court launched a one-month amnesty program for traffic scofflaws. It stayed open late and on weekends, enabling 58,000 people to resolve delinquent tickets. The program, which cost \$9,000 in overtime, raised more than \$2 million in additional revenue and enabled most of the motorists to get back their driver's licenses.

CRACKING DOWN ON DEADBEATS

The team created a collections docket at the 36th District Court and designated Judge David Robinson Jr. to handle it. Starting December 5, 2013, Robinson summoned citizens to his courtroom on Thursdays to explain why they had not paid their large fines and penalties. Several paid on the spot, others were placed on payment plans, and some were sentenced to jail. The program created accountability for those who ignored their obligations to the court.

ADOPTING THE MICHIGAN MOTOR VEHICLE CODE

The team also persuaded the Detroit City Council to incorporate the state Motor Vehicle Code into city ordinance, which allowed the city to keep a larger share of ticket revenue that otherwise would have gone to the state. Many cities had already adopted the code when the option became available in the 1990s. The change eliminated the need for assigning both city and state prosecutors to handle tickets that included violations of city ordinance and state law.

TERMINATION OF THE COURT'S COLLECTION CONTRACT

The court negotiated, by mutual consent, termination of the contract with a collection company, which was being paid despite doing little to pursue traffic scofflaws. The company was getting a 20 percent share of all fines collected after 120 days — including money scofflaws paid at the courthouse without the company's involvement.

IMPROVING OTHER AREAS

The court hired a specialist to create a comprehensive program to maximize collection efforts by garnishing scofflaws' wages and income tax returns. Chief Judge Blount also administratively dismissed thousands of tickets that were more than seven years old. She deemed them uncollectible — a standard practice — and wanted them off the books to get a clearer picture of the court's outstanding fines and penalties.

CONCLUSION

Because of the foregoing improvements, the 36th District Court is averaging nearly \$2.4 million a month in collections, more than 17 percent above prior efforts,¹ and further improvements are on the horizon.

¹ The National Center for State Courts reported collections of \$1.8 million per month, up from \$1.1 million per month in the prior year. The numbers reported here are based on verified collection amounts.

THE PROBLEM

The court was slow to embrace technology. When the team entered the courthouse on May 28, 2013, it had to distribute the Supreme Court’s restructuring order by hand because few employees had computers or e-mail addresses. Judges did not have computers or printers on the bench, and much of the computer equipment that existed was outmoded or broken. Clerks relied too heavily on paper and too little on computers. The court had not fully adopted the Judicial Information System’s (JIS) case management program. And the staff needed more training. Police officers complained that appearance notices sent by mail often arrived after court hearings, causing cases to be dismissed or delayed.

SOLUTIONS

ACQUIRING NEW COMPUTERS

The court installed 380 personal computers, replaced 130 outdated printers, and upgraded other equipment throughout the courthouse. The PCs were equipped with Microsoft Windows 7, which replaced four other operating systems, and Office 2013. The court also upgraded hardware and operating systems for the servers that linked the court to JIS. SCAO trained the judges and staff to operate the program and the new equipment.



TRANSMITTING TICKETS ELECTRONICALLY

In October 2013, Detroit police officers began transmitting traffic tickets to the courthouse with 40 wireless handheld ticketing devices, significantly reducing manual data entry by court clerks. The 36th District Court is working diligently with the police department to extend this technology to as many police officers and vehicles as possible to speed up ticket processing. The court plans to expand the program to include the Wayne County Sheriff's Department.

PAYING TICKETS BY KIOSK

The court installed three kiosks in March 2014 so motorists and others could pay their fines, costs, and fees without standing in line at cashier windows. The team came up with the idea during a visit to the Detroit Detention Center, which uses kiosks to handle prisoners' money. The courthouse kiosks accept cash and credit cards.

NOTIFYING POLICE OFFICERS ELECTRONICALLY

The court also created a program in March 2014 to notify Detroit police officers by e-mail of their upcoming court appearances, reducing no-shows at court hearings.

OBTAINING SEARCH WARRANTS AFTER HOURS

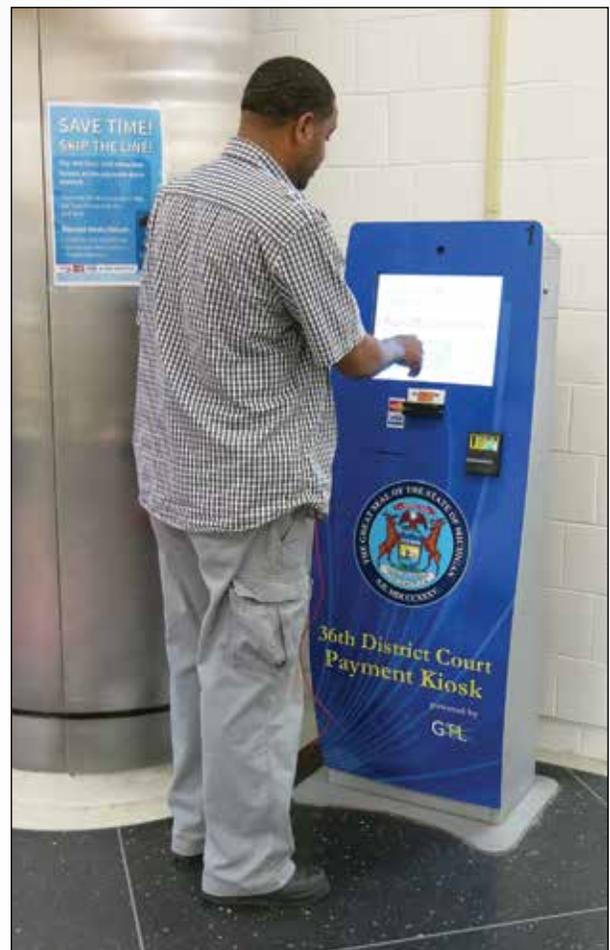
The court equipped magistrates and judges with iPads so specialty police units, like homicide and narcotics, can request search warrants without having to drive after hours to the homes of judges and magistrates.

EXPANDING VIDEO CONFERENCING

The court also installed video conferencing equipment in additional courtrooms so prisoners can appear for hearings without leaving jail, thereby reducing prisoner transportation costs.

PLANNING FOR THE FUTURE

The court also hired a director of management information services to review and assess current and future technology needs.



THE PROBLEM

Clerks were required to perform unnecessary and redundant tasks and had to alter them to suit judges' personal preferences. The court lacked job descriptions for many employees. Clerks were filling out paperwork for law enforcement agencies and others. And the court was summoning 4,500 potential jurors to the courthouse every year for fewer than two dozen trials.

SOLUTIONS

STREAMLINING CLERICAL TASKS

SCAO trained clerks to perform their tasks according to statewide court standards, eliminated customizing by judges, and began holding clerks accountable for the accuracy of their work. The training allowed clerks to enter data more uniformly into JIS.

“A lot of problems were obvious upon entering the courthouse. Our knowledge of best practices and standards made it easier to address the problems.”

— Deborah Green

Region 1 Administrator (SCAO)

CRACKING DOWN ON NEPOTISM

After becoming chief judge, Nancy Blount started enforcing the Supreme Court's nepotism rule. The court previously had hired relatives of court employees, sometimes without interviews or a review of their qualifications. The restructuring team discovered more than 80 such relationships, which complicated efforts to transfer or promote employees due to their familial relationship with potential supervisors. Many of those employees are still at the court, but management has made it clear that the ability to perform is the most important factor in working for the 36th District Court.

GETTING BY WITH FEWER JURORS

The team also scrapped the costly and unnecessary task of summoning scores of potential jurors to the courthouse every week for trials that rarely materialized. With the help of Timothy Kenny, presiding judge of the Criminal Division of the Wayne County Circuit Court, the 36th District Court in July 2013 began drawing Detroit jurors as needed from the circuit court jury pool. Besides saving the 36th District Court the expense of paying fees and mileage to thousands of unneeded jurors, the program increased the number of Detroiters in the circuit court jury pool. Both courts are fine-tuning the program.

THE PROBLEM

The courthouse was old, dirty, and uninviting. The court's janitorial service was emptying wastebaskets and little more. Restrooms were filthy, carpets were grimy, and floors needed to be waxed and buffed. Walls needed to be painted.



SOLUTIONS

CLEANING UP THE BUILDING

Alarmed about the condition of the courthouse, the team called in another janitorial contractor several times for special cleanings. The company scrubbed and sanitized restrooms, shampooed carpets, and shined floors. The court also made plans to put the janitorial contract out for bid.

RENOVATING THE COURTHOUSE

Talbot asked Detroit's College for Creative Studies to develop a plan to remodel the lobby, public areas, and other workspaces of the building. The fine arts school created a competition among students to submit proposals to do the work. The winning plan, which features Detroit historical motifs, is being implemented with \$2.7 million saved during the court's restructuring program.



Although Talbot and other members of the restructuring team have returned to their regular jobs, the program continues.

Blount and Moore Owen are working on additional reforms, such as improving the accuracy of the court's statistical data, developing a system so the public can review cases online, download court documents, and pay fines. SCAO plans to provide continued assistance to the court.

In May 2014, the National Center consultants returned to the 36th District Court to assess the progress of the restructuring program. The next month, they issued a report proclaiming it a huge success.

"Healthy, positive improvement has taken place in twelve months; much of it sparked by the intervention of the Supreme Court under the leadership of Chief Justice Robert P. Young Jr.," the consultants said.

"The transformation to more cost-effective operations and competent, hands-on management is significant and encouraging," they added. "The Supreme Court and State Court Administrative Office, through the assignment of Judge Michael J. Talbot as the Special Judicial Administrator and Deborah Green as SCAO interim managing court director, along with the staff they assembled to assist the court with onsite work analyses, ideas, and resources were the 'secret sauce' that enabled considerable progress over the last twelve months."

The report also credited Chief Judge Nancy Blount, Court Administrator Kelli Moore Owen, the new management team, judges, and staff.

"Once they understood the dimensions of the problems confronting the court, they willingly, although anxiously, embraced the needed changes by objectively and critically looking at the court and its processes, by helping to identify unaddressed problems and implementing new solutions, and by willingly accepting an ongoing reform mentality. That reform mindset continues today as the court enters a second year of changes, albeit at a less hectic pace and overseen by the court's own reconstituted leadership and management staff."

The National Center's report concluded: "With a rigorous adherence to the principles that have led to the court's transformation, the 36th District Court has the potential of becoming one of the best limited jurisdiction courts in both the state and the country."

"I am much more confident that the city of Detroit will be able to meet the objectives of its bankruptcy plan with respect to the 36th District Court budget and revenue initiatives."

— John Hill

Chief Financial Officer, city of Detroit

36TH DISTRICT COURT BY THE NUMBERS



² On January 1, 2015, the court will lose one judge.

³ Court officials overspent their budget by \$4.2 million in the fiscal year before restructuring. (Note: The National Center's reports of May 2013 and June 2014 said the court anticipated overspending their fiscal year 2012–2013 budget by \$5 million. A review of the financial records for fiscal year 2012–2013 shows that the budget was actually overspent by \$4.2 million.) The restructuring team used layoffs, pay cuts, and other measures to reach the \$31.7 million city-authorized budget target for the fiscal year ending June 30, 2014. The court's budget for the fiscal year beginning July 1, 2014, is \$33.4 million.

36 FIXES FOR THE 36TH DISTRICT COURT

1. Instituted 10 percent pay cuts and laid off 80 employees, which contributed to nearly \$6 million of cost reductions by June 30, 2014, the end of the court's fiscal year.
2. Negotiated new union contracts to: switch to cheaper employee health insurance, promote employees based on merit rather than seniority, and reduce clerical classifications from three dozen to three to create more flexibility in deploying staff.
3. Replaced all but one of the court's top administrators.
4. Moved felony preliminary examinations and four district judges to the nearby Wayne County Circuit Court Criminal Division to free up courtrooms and reduce building congestion at the 36th District Court.
5. Increased criminal arraignments from one to three times daily so prisoners could be brought to court within legal time limits.
6. Authorized four Detroit police officers to resolve traffic tickets without the need of a magistrate. The program cuts police overtime, keeps more officers on patrol, frees up magistrates for other tasks, and reduces ticket dismissals due to officers not showing up at court.
7. Created a program to draw potential jurors as needed from the Wayne County Circuit Court jury pool rather than operating its own jury program. The program cuts costs and eliminates the need for summoning 4,500 potential jurors to the 36th District Court for trials that rarely materialize.
8. Instituted a temporary out-county collections program so Detroiters and suburbanites could pay outstanding tickets at several district courts in Wayne County. The collection program enabled citizens to resolve their matters and the 36th District Court to better collect outstanding fines and costs.
9. Created a one-month amnesty program that enabled 58,000 traffic scofflaws to pay outstanding tickets and, in most cases, apply for new driver's licenses.
10. Designated a judge to summon individuals who owe substantial outstanding fines, costs, and fees into court to pay up, pay over time, or go to jail.
11. Eliminated the practice of allowing judges to rotate between divisions and assigned them to a division and courtroom based on need rather than their preference or seniority. The changes enabled staff to print courtroom assignments on appearance notices mailed to citizens. The changes also resulted in the installation of television monitors that display an alphabetical listing of litigants and the courtrooms where they are to appear.
12. Created a walk-in courtroom where motorists and other defendants can appear before a judge on short notice to resolve problems, such as failing to show for a previous hearing.
13. Installed kiosks so users can pay fines without standing in line.
14. Persuaded the Detroit City Council to incorporate the Michigan Motor Vehicle Code into its municipal ordinance so the city can keep a larger share of revenue from traffic tickets issued in Detroit.
15. Equipped judges and magistrates with iPads so they can authorize search warrants electronically without requiring officers in specialized police units such as narcotics and homicide to drive after hours to a judge's or magistrate's home.

16. Implemented an e-ticketing program so Detroit police officers can electronically transmit traffic tickets to the courthouse to reduce manual data entry.
17. Created an e-subpoena program to notify Detroit police officers by e-mail to appear for court hearings.
18. Commissioned Detroit's College for Creative Studies to create a plan to renovate public areas of the courthouse with funds saved by restructuring.
19. Required judges to stop adjourning cases except for good cause.
20. Ordered judges to stop dismissing traffic tickets without making a good-faith effort to check the building for police officers who might be busy in other courtrooms.
21. Expanded the duties of magistrates to accept pleas and impose fines for traffic misdemeanors.
22. Required judges to pay for their own parking.
23. Required the court to assign cases equally among judges on blind-draw to prevent uneven workloads and judge-shopping by lawyers.
24. Prohibited judges from directing central docketing to alter their workloads.
25. Reinstated the court's executive committee of judges to discuss and resolve problems confronting the court.
26. Installed 380 personal computers, replaced 130 old printers, and added video conferencing equipment for remote prisoner arraignments. Created e-mail accounts for every employee to cut down on paperwork and improve communications. Judges now have PCs in the courtroom to connect with the court's docketing system. Installed video court recording equipment to reduce the court's reliance on stenographers.
27. Appointed an information technology director to create a strategic plan for upgrading technology and improving efficiency.
28. Created a training program to promote consistency and accountability in clerical tasks.
29. Created a docket management department and hired a director to identify old cases for dismissal, verify the accuracy of court statistics, and create benchmarks to measure court performance.
30. Organized four clerical teams in the civil division to speed up case processing.
31. Terminated a contract that allowed a collection company to get paid for work it did not do.
32. Converted court officers from employees to independent contractors to handle evictions, serve court summonses, seize property, and carry out other judicial orders. Unlike other district courts, the 36th District Court had provided them with health and pension benefits.
33. Hired an experienced chief financial officer and a veteran human resources director — temporarily and without employee benefits — until permanent replacements can be found.
34. Began enforcing the Michigan Supreme Court's nepotism policy to prevent favoritism in hiring, job assignments, and layoffs.
35. Created a collections department and designated a judge to step up efforts to collect past due fines and revenue owed to the court.
36. Prohibited lawyers from filing more than 50 landlord-tenant and other civil cases a day.

“Healthy, positive improvement has taken place in twelve months; much of it sparked by the intervention of the Supreme Court under the leadership of Chief Justice Robert P. Young Jr.”

— National Center for State Courts

May 2014 final report on the 36th District Court restructuring program

HISTORY OF THE 36TH DISTRICT COURT

The Michigan Legislature created the 36th District Court in September 1981 by merging Detroit Common Pleas Court and the Traffic and Ordinance Division of Detroit Recorder's Court.

The Michigan Supreme Court carried out the merger as part of a court reorganization and funding scheme.

The new court operated out of four locations in downtown Detroit. Real estate cases were handled at the old Lafayette Building, traffic and ordinance cases at the Old County Building, civil cases at Coleman A. Young Municipal Center, and felony exams and arraignments at Frank Murphy Hall of Justice.

In December 1985, the court's 29 judges and nearly 500 employees moved into a six-story former J.L. Hudson department store warehouse at 421 Madison, which had undergone a \$24 million renovation.

In March 1986, the building was shut down temporarily after scores of employees complained about dizziness, nausea, headaches, and fainting. Environmental tests failed to identify the cause of the illnesses.

Today, the 36th District Court is one of the largest and busiest courts in the United States. It handles civil lawsuits for amounts up to \$25,000, landlord-tenant disputes, civil infractions (such as speeding and making an improper turn), traffic violations, misdemeanors, and felony arraignments and examinations.





DETROIT RECORDER'S COURT: MICHIGAN'S ONLY OTHER COURT RESTRUCTURING

The Michigan Supreme Court has taken superintending control of a court only twice.

The first time occurred in 1977 when it appointed T. John Lesinski, a retired Michigan Court of Appeals judge, to launch a crash program to rid the Detroit Recorder's Court of a massive backlog of cases that caused overcrowding and early prisoner releases at the Wayne County Jail.

Lesinski, a former state representative and lieutenant governor, was a no-nonsense administrator who tackled the backlog with the help of more than a dozen judges assigned by the high court. Lesinski, who was dubbed "The Czar," pressured Recorder's Court judges to pick up their work pace and use plea bargains to eliminate the bottleneck.

"It was a crisis," the late Supreme Court Justice Patricia Boyle and former Recorder's Court judge told *The Detroit News* in 1996. "There was a backlog of cases of alarming proportion."

Court employees complained about some of Lesinski's policies, such as requiring them to punch time clocks and tidy up their offices. Some of the judges protested that Lesinski and his reliance on plea bargaining had turned Frank Murphy Hall of Justice into an assembly line.



*Pictured above: T. John Lesinski
Pictured right: The Frank Murphy Hall of Justice in 1974
(Photos courtesy of the Detroit Free Press)*

Despite their complaints, Lesinski got the job done. It took him 20 months to reduce the backlog of 5,400 cases to 1,134.

"He was given extraordinary administrative power to straighten everything out," Boyle said. "The national reputation Recorder's Court has earned can be attributed to his efforts."

Recorder's Court was merged with Wayne County Circuit Court in 1997.

Lesinski died in 1996 at age 71.



FRANK MURPHY HALL OF JUSTICE

ONE WAY

DO NOT ENTER

THE 36TH DISTRICT COURT RESTRUCTURING TEAM

MICHAEL J. TALBOT

The Michigan Supreme Court picked the Court of Appeals judge to restructure the 36th District Court because of his two decades of experience on the bench in three Detroit courts — Common Pleas, Recorder’s, and Wayne County Circuit. Before that, he practiced law and served Detroit mayors Jerome Cavanagh and Coleman Young. He also is chief judge of the Michigan Court of Claims.



NANCY BLOUNT

The former staff attorney for the Detroit Law Department was elected to the 36th District Court in 1983, served as interim chief judge in 1990, and is the court’s longest-serving judge. She has known Talbot for years and advised him about the restructuring program. The Michigan Supreme Court appointed her chief judge in August 2013 to replace Kenneth King.



DEBORAH GREEN

Green is Region 1 Administrator of SCAO and served as Talbot’s chief lieutenant during the restructuring program. She practiced business law for a prominent Detroit law firm and served as administrator of district courts in Allen Park and Woodhaven before joining SCAO in 2003. She served as interim 36th District Court administrator in 2013 after the previous administrator resigned.



DONALD HARPER

The management analyst for SCAO previously served as deputy clerk of 54A District Court in Lansing and clerk of the 56th District Court in Mason before becoming an auditor for the administrative office of the Arizona Supreme Court. He joined SCAO in 2011.



PEGGY MADDEN

The management analyst for SCAO worked as a docket analyst and deputy administrator at the now-merged Detroit Recorder’s Court before practicing law and serving as assistant city attorney and prosecutor of River Rouge.



CHARLENE MCLEMORE

An auditor for SCAO with 27 years of experience working in accounting and financial management positions for various Michigan state agencies. She focused on balancing the 36th District Court's books and auditing its finances.



BARI BLAKE WOOD

Talbot's law clerk served as his chief of staff for the 36th District Court restructuring project. She worked as an attorney specializing in medical malpractice defense in St. Clair Shores and Long Beach, CA, before joining Talbot's appellate court staff in 2011.



REBECCA MACK

The Michigan Supreme Court financial analyst crunched the numbers for the 36th District Court's 2013 layoffs and analyzed the court's labor contracts and health care costs so lawyers could negotiate new agreements. She was a finance manager at the University of Minnesota before joining the Supreme Court staff in 1994.



THOMAS KIENBAUM

Talbot recruited the prominent Birmingham lawyer to spearhead contract negotiations with the 36th District Court's four labor unions. Kienbaum has more than 40 years of experience representing employers in major labor and employment disputes and is a former president of the State Bar of Michigan and former chair of the Michigan Attorney Discipline Board.



MARIE HASSETT

The JIS training specialist for SCAO was an accounting and systems administrator for the 21st District Court in Garden City before joining SCAO in 1995. She taught the 36th District Court employees how to use JIS — SCAO's docketing management program.



HOWARD SHIFMAN

He is a well-known Birmingham lawyer who specializes in public sector labor and employment law. His law firm represents several Metro Detroit communities. Kienbaum recruited Shifman to represent the city of Detroit's position in contract talks with the employee unions of the 36th District Court.



KELLI MOORE OWEN

Moore Owen was recruited because of her case management skills. She brought 29 years of experience with the Wayne County Circuit Court, much of it as a deputy court administrator. She recruited most of the 36th District Court's new management team. Blount formally appointed her court administrator in January 2014.



ABOUT THE AUTHOR

DAVID ASHENFELTER

David Ashenfelter is a Pulitzer Prize-winning journalist with more than 40 years of experience writing about Michigan courts for both *The Detroit News* and *Detroit Free Press*. He has been honored by the State Bar of Michigan more than ten times for his reporting on the legal profession and is a member of the Michigan Journalism Hall of Fame.

“With a rigorous adherence to the principles that have led to the Court’s transformation, the 36th District Court has the potential of becoming one of the best limited jurisdiction courts in both the state and the country.”

— National Center for State Courts

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David Ashenfelter Report Author | September 2014



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