



Background Briefing

JUDICIARY

Benjamin Gielczyk, Fiscal Analyst

January 2010

The fiscal information in this background briefing is based on data through January 1, 2010.

Judicial Branch: Constitutional Mandate

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

Article VI, Section 1

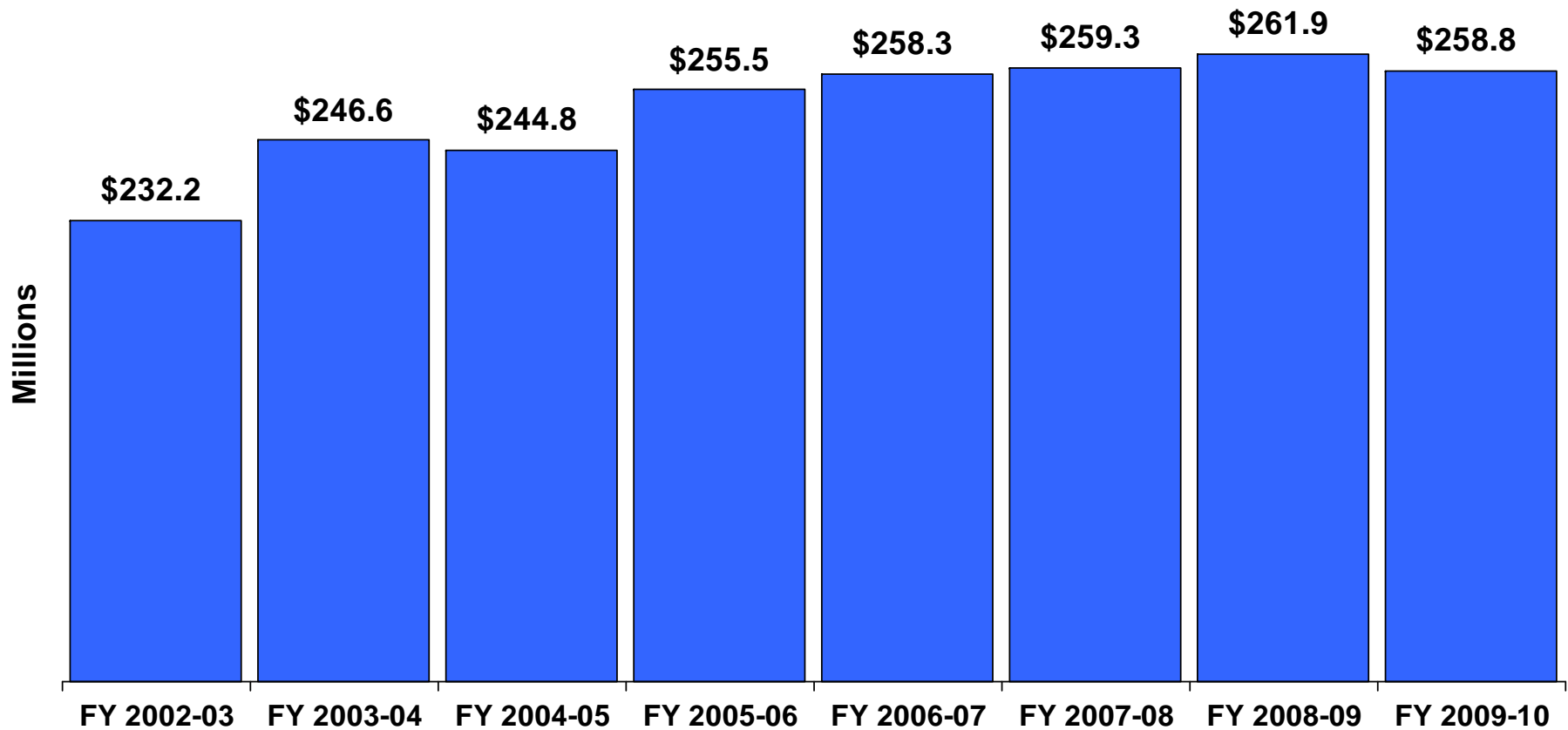
Constitution of the State of Michigan of 1963

Judiciary Budget

- Funds operations of the Supreme Court, the Court of Appeals, and the salaries of circuit, district, and probate judges
- Funds a variety of judicial agencies and programs, including State Court Administrative Office, Michigan Judicial Institute, appellate defender programs, drug treatment courts, community dispute resolution, and foster care review board programs

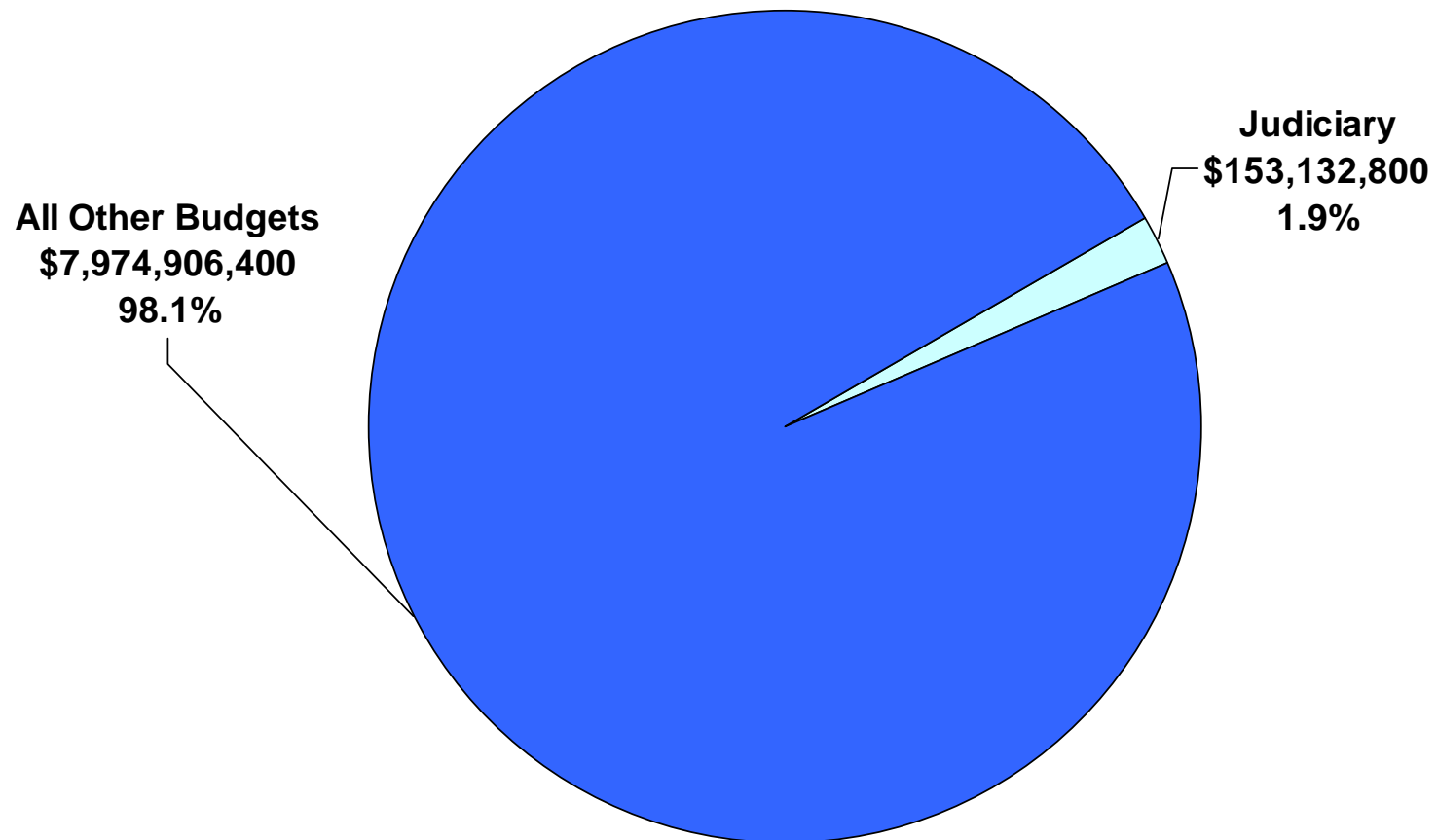
Judiciary Expenditures

Recent budget constraints within the State of Michigan have resulted in reduced current-year funding for the Judicial Branch.



Judiciary Share of State GF/GP

FY 2009-10 Total = \$8,128,039,200



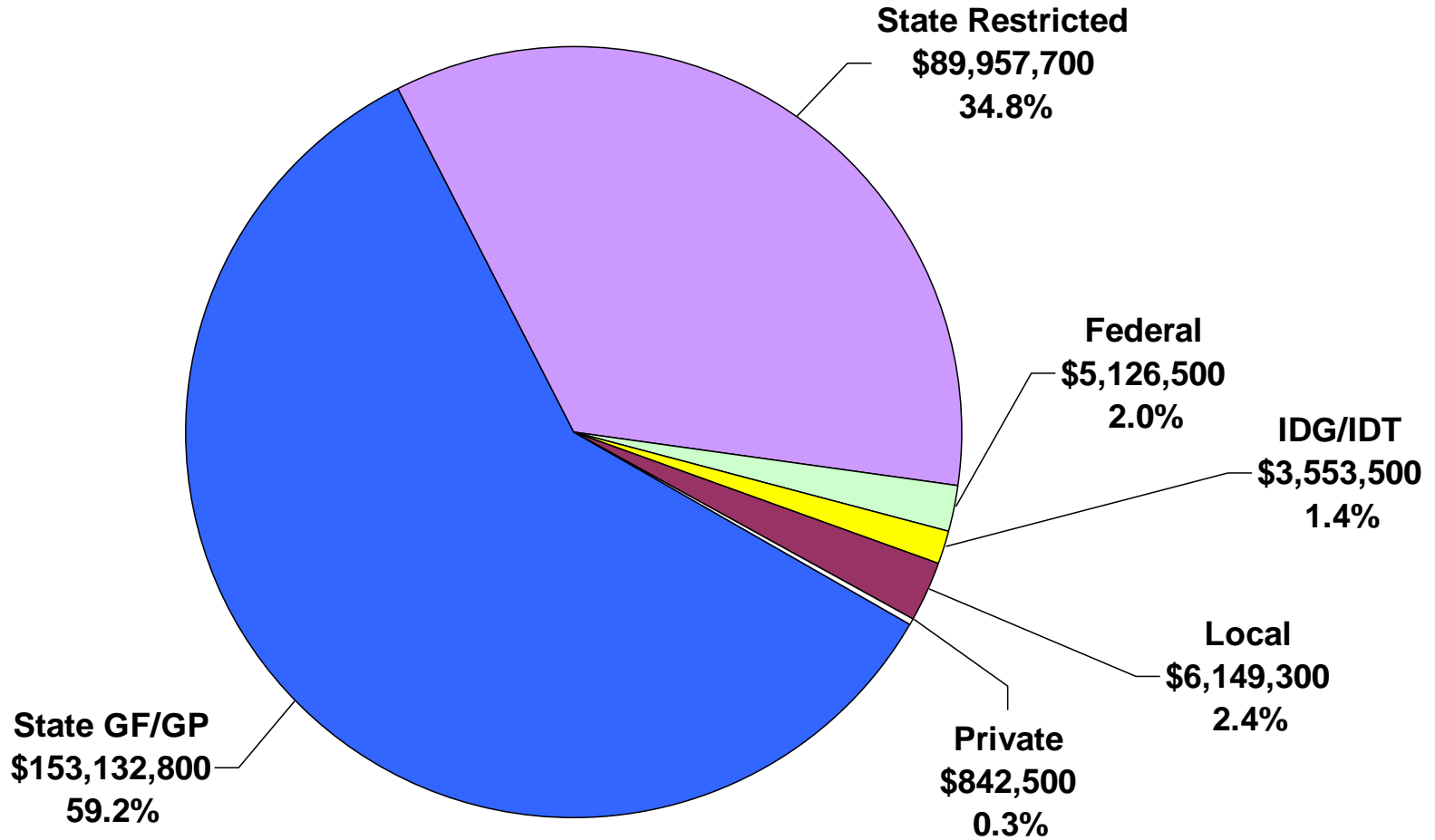
SOURCES OF FUNDING

Sources of Funding

- **Approximately 59% of the judiciary budget is funded with state GF/GP**
- **Approximately 35% is state restricted revenue**
- **Federal, private, and local revenue, and a few interdepartmental grants/intradepartmental transfers fund the remaining 6% of the budget**

Judiciary Revenue Sources

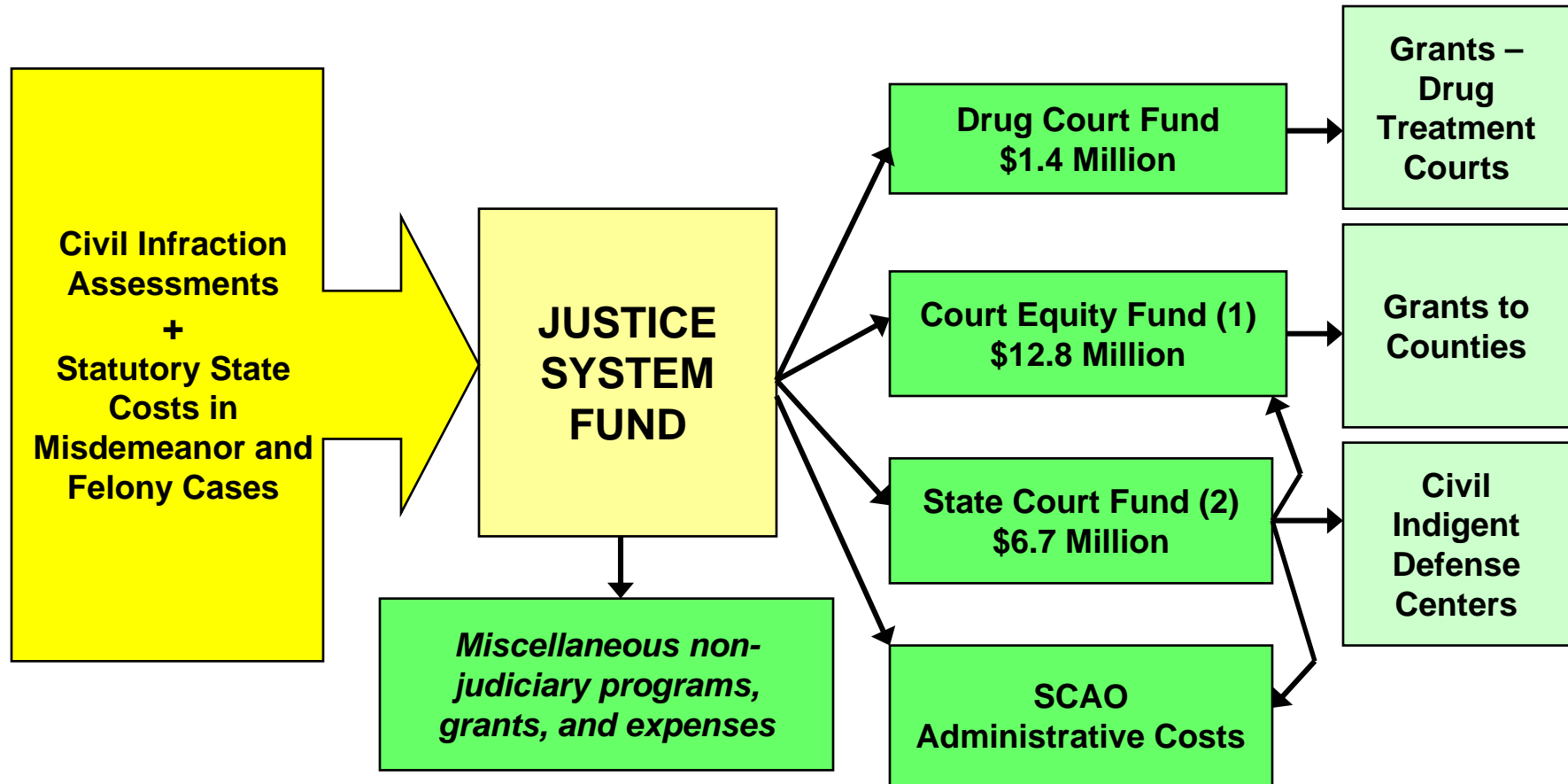
FY 2009-10 Total = \$258,762,300



State Restricted Revenue

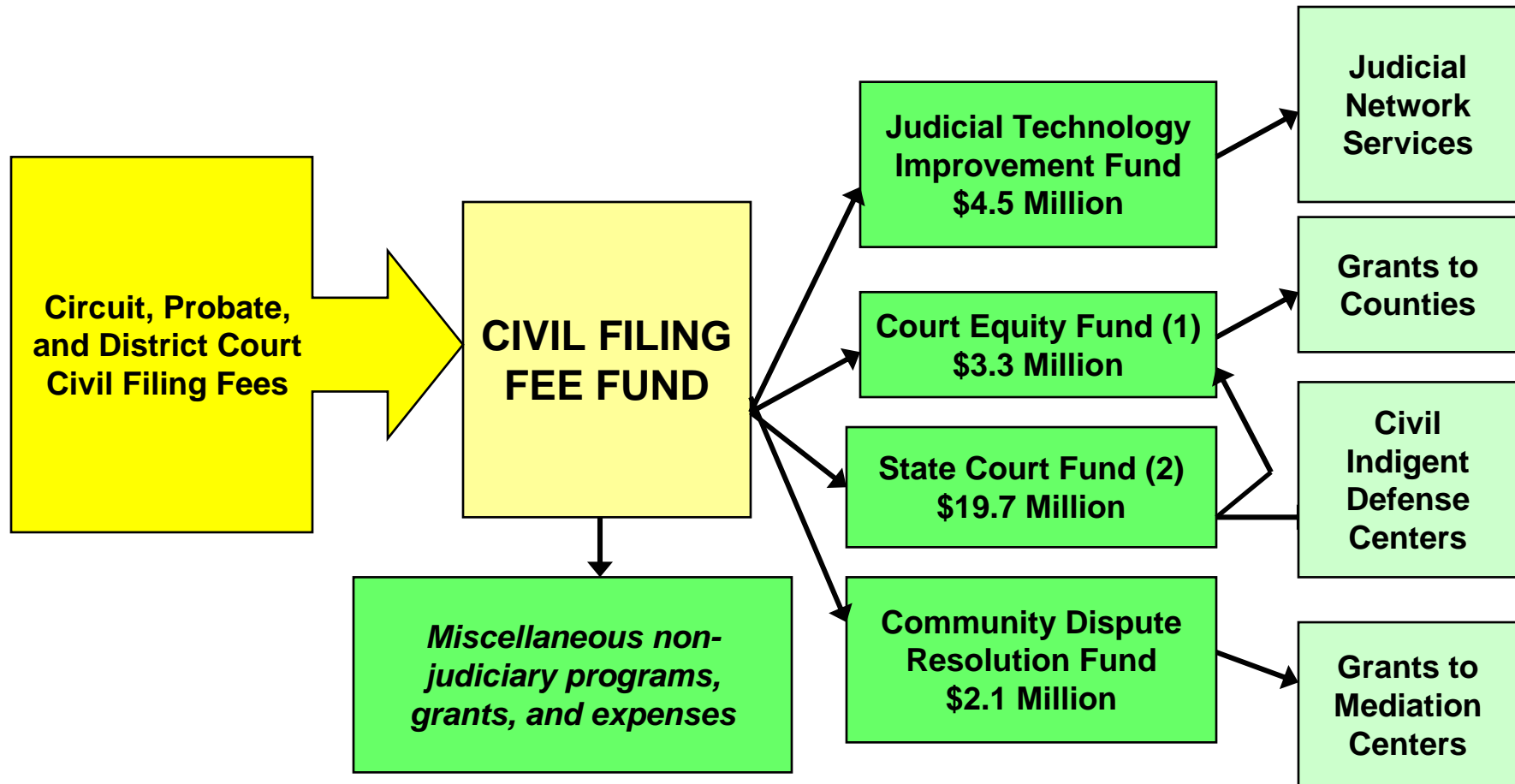
- **State restricted revenue accounts for \$90.0 million, or 35% of the judiciary budget**
- **Nearly 80% of state restricted revenue in the Judiciary budget stems from various court fees and assessments that are deposited into either the Justice System Fund or the Civil Filing Fee Fund; these two funds support other funds and programs, as shown in simplified form on the following two slides**

Justice System Fund FY 2009-10 Judiciary Budget



- (1) Justice System Fund allocation of \$12.8 million is combined with revenue from Civil Filing Fee, Court Fee, and State Court Funds, resulting in total FY 2009-10 Court Equity Fund appropriation of \$64,794,900.
- (2) Justice System Fund allocation of \$6.7 million is combined with revenue from the Civil Filing Fee Fund and other sources and reduced by the amount going to the Court Equity Fund, resulting in total FY 2009-10 State Court Fund appropriation of \$8,276,000.

Civil Filing Fee Fund FY 2009-10 Judiciary Budget



- (1) Civil Filing Fee allocation of \$3.3 million is combined with revenue from Justice System, Court Fee, and State Court Funds, resulting in total FY 2009-10 Court Equity Fund appropriation of \$64,794,900.
- (2) Civil Filing Fee allocation \$19.7 million is combined with revenue from the Justice System Fund and other sources and reduced by the amount going to the Court Equity Fund, resulting in total FY 2009-10 State Court Fund appropriation of \$8,276,000.

Other Sources of Revenue

- **Interdepartmental Grants: \$3.6 million**
 - From Community Health, State Police, Corrections
 - Supports drug treatment, data systems, more

- **Federal Revenue: \$5.1 million**
 - From Departments of Justice, Health and Human Services
 - Supports drug courts, foster care efforts

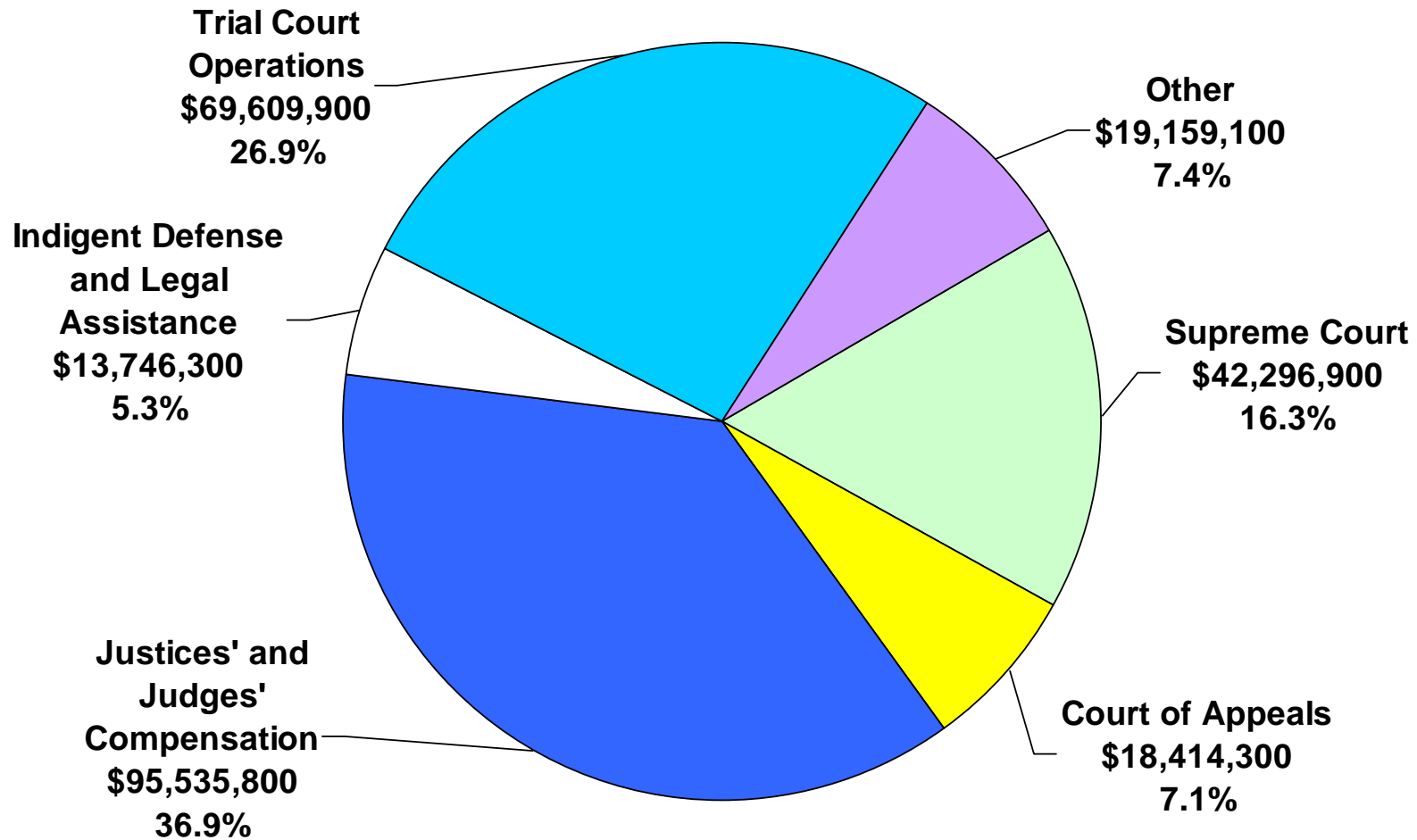
- **Local Revenue: \$6.1 million**
 - User fees from local courts
 - Supports assistance given on trial court automation

- **Private Revenue: \$0.8 million**
 - Interest on lawyers' trust accounts, Judicial Institute grants, et al.
 - Supports a miscellany of services and training, including indigent legal services

JUDICIARY SPENDING

Judiciary Appropriations by Unit

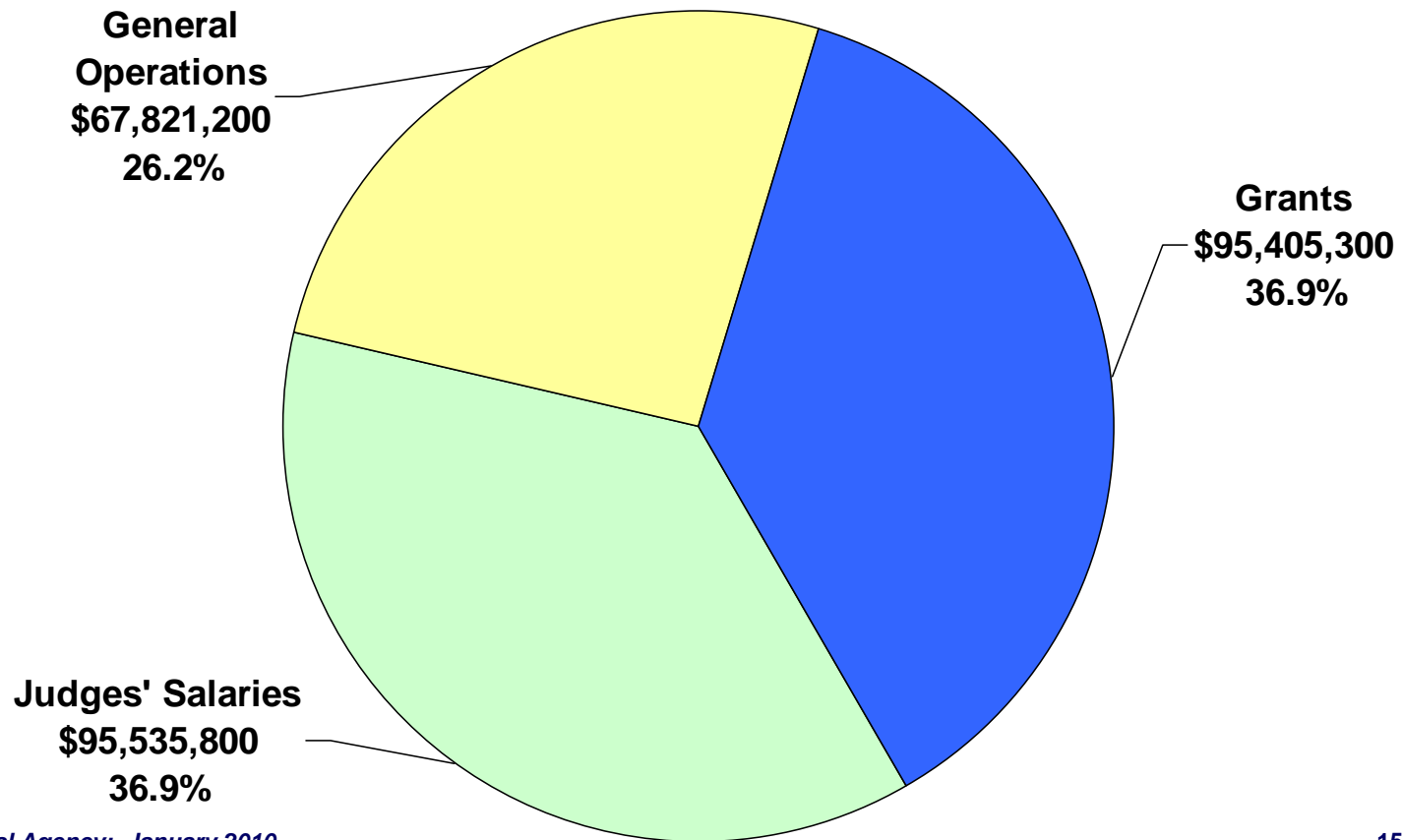
FY 2009-10 Total = \$258,762,300



Judiciary Appropriations by Category

Spending from the Judiciary budget can be broadly categorized into three areas: grants, general operations, and judges' and justices' salaries and retirement.

FY 2009-10 Total = \$258,762,300



Justices' and Judges' Compensation

- **Supreme Court Justices' salaries are set by the State Officers Compensation Commission, as required by the Michigan Constitution**
- **Other judicial salaries are set by the Revised Judicature Act as percentages of supreme court salaries**
- **Circuit/district judges' salaries are paid by the state in two stages:**
 - **Direct payment by the state to the judge**
 - **Payment of remaining portion by the court funding unit, with reimbursement by state**
- **Probate judges' salaries are paid by local funding units, which are then reimbursed by the state**

Judicial Salaries

Calendar Years 2002 through 2010

<u>Court</u>	<u>% of Supreme Court Salary</u>	<u>Salary</u>
Supreme Court	100	\$164,610
Court of Appeals	92	\$151,441
Circuit and Probate Courts*	85	\$139,919
District Court	84	\$138,272

**State reimbursements for part-time probate judges are limited to \$25,750 each.*

Supreme Court Operations Appropriations

- ***Supreme Court Administration: \$10.5 million gross***
Staff support, Finance, Clerk, Board of Law Examiners, Reporter's Office, et al.
- ***State Court Administrative Office: \$11.0 million gross***
Analytical and administrative functions and services, especially pertaining to local courts
- ***Michigan Judicial Institute: \$2.6 million gross***
Continuing education and training for state judges and court personnel
- ***Judicial Information Systems: \$3.1 million gross***
Automated information systems and related functions for state judicial agencies
- ***Trial Court Automation Support: \$6.1 million gross***
Advises and assists trial courts in various efforts, including automated case flow management

Other Operations Appropriations

- **Statewide court operations appropriations:**
 - ***Court of Appeals: \$18.4 million gross***
Clerk, research, staff support for the 28-member Court of Appeals
 - ***Branchwide Appropriations: \$8.0 million gross***
Building occupancy charges, rent, and security costs

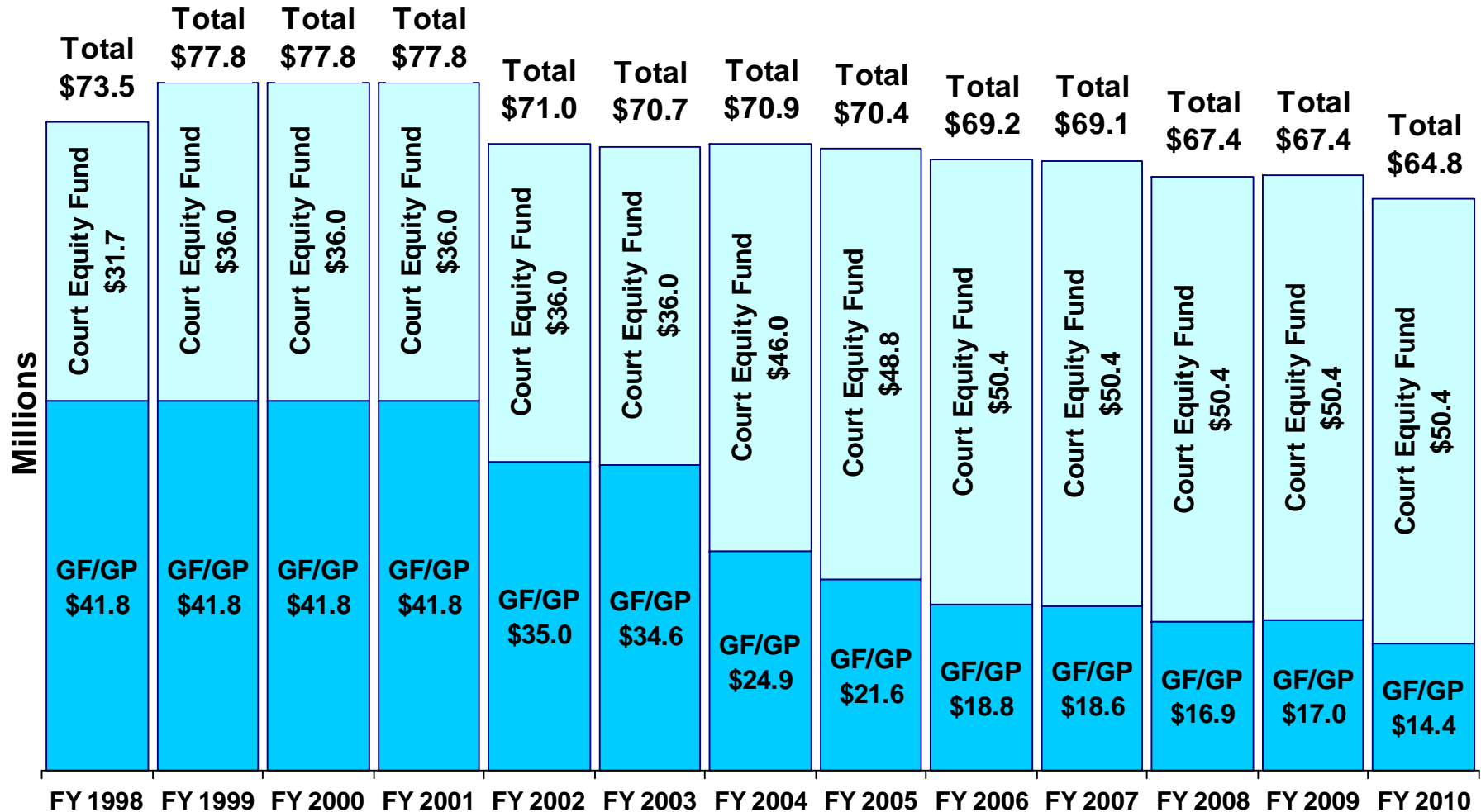
- **Judicial agency operations:**
 - ***Foster Care Review Boards: \$1.2 million***
Efforts to assure prompt and permanent child placement
 - ***Judicial Tenure Commission: \$1.0 million***
Investigation and disciplinary action regarding judicial misconduct
 - ***State Appellate Defender's Office: \$4.9 million***
Appellate counsel for indigent individuals
 - ***Michigan Appellate Assigned Counsel System: \$908,800***
Continuing education and maintenance of statewide roster of attorneys able to serve as criminal appellate defense counsel for indigents

Grants

- **\$95.4 million—approximately 37% of the Judiciary budget—is appropriated for various grant programs**
- **Primary among these is the Court Equity Fund program, which supports reimbursements to local trial courts**
- **Court Equity Grant program assists counties with trial court operational expenses**
- **Funding from the Court Equity Fund is combined with GF/GP funds and distributed to counties quarterly under a statutory formula that recognizes circuit and probate caseloads and numbers of judgeships**

Court Equity Grant Program Appropriations

Restricted revenue has accounted for an increasing proportion of court equity funding.



House Fiscal Agency: January 2010

Note: (1) Includes hold harmless payments through fiscal year 2001
 (2) Numbers may not add due to rounding.

Revenue for Court Equity Fund

- **Justice System Fund: \$12.8 million for FY 2008-09**
Statutory allocation of 24.33% of amount remaining after required disbursements to Secondary Road Patrol and Training Fund
- **Civil Filing Fee Fund: \$3.3 million for FY 2008-09**
Statutory allocation of 8.2% of fund to Court Equity Fund
- **Court Fee Fund: \$2.2 million for FY 2008-09**
 - **Receives court fee revenue in excess of that required to meet actuarial needs of the judges retirement system**
 - **Contribution to Court Equity Fund statutorily capped at \$2.2 million**
- **State Court Fund: \$26.3 million for FY 2008-09**
 - **Receives revenue from the Justice System and Civil Filing Fee Funds**
 - **By statute, \$1.6 million plus 76% of the balance of the proceeds of the State Court Fund go to the Court Equity Fund**

Other Grant Programs

- ***Community Dispute Resolution Program (CDRP):*** \$2.3 million restricted funds for grants to local centers and CDRP administration
- ***Drug Treatment Courts:*** \$5.1 million for program evaluation and drug court planning/implementation grants; federal, restricted, and GF/GP support
- ***Indigent Civil Legal Assistance:*** \$7.9 million for legal aid programs throughout state; funded by state court fund
- ***Drunk Driving and Drug Case-Flow Programs:*** \$3.6 million total restricted funds for distribution to trial courts
- ***Judicial Technology Improvement:*** \$4.8 million to develop an integrated statewide judicial information system and other technology innovations; funded by judicial technology improvement fund
- ***Juror Compensation:*** \$6.6 million to reimburse locals for juror compensation costs; funded by juror compensation fund

**For more information about the
Judiciary budget, contact:**

**Benjamin Gielczyk
bgielczyk@house.mi.gov
(517) 373-8080**